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November 6, 2013

VIA U.S. MAIL

Chester Vincentz
6500 Lakeview Drive
Falls Church, VA 22041

Re: *Securities and Exchange Commission v. Arthur Nadel, et al.*
United States District Court, Middle District of Florida
Case No. 8:09-cv-87-T-26TBM

Claim Numbers: 403, 404, 405, 406, and 477

Dear Mr. Vincentz:

Enclosed please find the Receiver's Response to your Objections to the Determinations regarding Claim Numbers 403-406 and 477. Once you have had an opportunity to review the Response, please contact my associate Jordan Maglich at (813) 347-5115 to set up a time to discuss this matter further. If we do not hear from you within fourteen (14) days, your objection will be deemed abandoned.

Sincerely,

Gianluca Morello

GM/car

Enclosures

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

Case No. 8:09-cv-87-T-26TBM

ARTHUR NADEL;
SCOOP CAPITAL, LLC;
SCOOP MANAGEMENT, INC.

Defendants,

SCOOP REAL ESTATE, L.P.;
VALHALLA INVESTMENT PARTNERS, L.P.;
VALHALLA MANAGEMENT, INC.;
VICTORY IRA FUND, LTD;
VICTORY FUND, LTD;
VIKING IRA FUND, LLC;
VIKING FUND, LLC; AND
VIKING MANAGEMENT, LLC

Relief Defendants.

**THE RECEIVER'S RESPONSE TO OBJECTIONS
RELATING TO DETERMINATIONS OF CLAIM NUMBERS 403-406 AND 477**

On March 20, 2012, Burton W. Wiand, as court-appointed Receiver (the "**Receiver**") for Valhalla Investment Partners, L.P.; Viking Fund, LLC; Viking IRA Fund, LLC; Victory Fund, Ltd.; Victory IRA Fund, Ltd.; and Scoop Real Estate, L.P. (collectively, the "**Hedge Funds**," and along with all other entities in receivership, the "**Receivership Entities**"), among other entities, received objections (the "**Objections**") from Chester Vincentz (the "**Claimant**") to the determinations for Claim Numbers 403, 404, 405, 406, and 477 (the

“Claims”) (copies of the Objections are attached as composite **Exhibit A**). After recognizing transfers and a set-off, the determinations for the Claims essentially allowed the Claimant his Net Investment Amounts but did not allow any False Paper Profits purportedly transferred from the Claimant’s Traders Investment Club (“**Traders**”) accounts.¹ The specific claim determination for each of the Claims is attached as **Exhibit B**. The Objections, which are identical except for the claim number, objected to the Receiver not including the False Paper Profits in the Claimant’s losses on the basis that the Claimant did not believe a Ponzi scheme existed at that time of the transfers and had not been proven at the time of the Objections.

After the Claimant submitted the Objections, the Magistrate Judge and, subsequently, the District Court Judge for the United States District Court for the Middle District of Florida determined that Arthur Nadel operated the Hedge Funds and Traders as a Ponzi scheme from at least 2000 through 2008. *See Wiand, as Receiver v. Vernon M. Lee, et al.*, Case No. 8:10-CV-210-T-17MAP (M.D. Fla.). *Lee* is similar to the matter at hand. In *Lee*, the defendants invested in Traders beginning in 1999 and later invested in the Hedge Funds. The Court found that the record “overwhelmingly” showed that Nadel was operating a Ponzi scheme at

¹ “False Paper Profits” represent the purported appreciation in an Investor Account from the Hedge Funds’ purported investment activities as reflected in statements sent to investors. These False Paper Profits were fictitious because no profits were actually earned by the Hedge Funds or Traders. Rather, the Hedge Funds and Traders were operated as a Ponzi scheme, and the reported profits were a fiction. The fictitious profits were only on “paper” because the investors associated with those accounts did not ask for distributions of those purported profits and thus did not receive any money purportedly representing those fictitious profits. On the other hand, “False Profits” refer to the amount of money actually received by investors associated with an Investor Account from the scheme which exceeds the amount of money those investors actually invested in the scheme

the time of the first distribution to the defendants in 2000 and that the scheme continued through 2008. Like the Claimant here, the *Lee* defendants had purportedly “rolled over” funds from Traders into two Hedge Fund accounts. The *Lee* defendants argued that they should receive credit for the amount of the purported roll overs and thus these amounts should be deducted from the total amount of the False Profits the Receiver sought to recover. The Court found that those “winnings” were an illusory transfer of purported profits and were not the defendants to keep. The Court further noted “[h]ad they opted for a distribution in-hand, as opposed to a roll over, the Receiver could have justly demanded an avoidance of that transfer” *See Lee*, Report and Recommendation, Doc. 163, at 36-37.

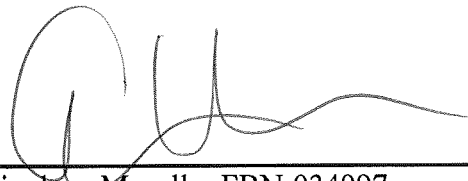
Here, the Claimant had three accounts with Traders beginning in 1999. The Claimant purported to roll over the funds in these accounts into accounts with the Hedge Funds. At the time of these roll overs, the amount of funds rolled over as represented to the Claimant exceeded the amount the Claimant had actually invested in Traders. All amounts in excess of the amounts invested were False Paper Profits and cannot be taken into account in calculating losses. As stated by the Court in *Lee*, the money underlying these illusory transfers was not the Claimant’s to keep and had it been actually transferred to the Claimant, the Receiver would have been entitled to recover those transfers.

For the foregoing reasons, the Objections should be overruled, and the Claims should remain as determined by the Court as specified on Exhibit B.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on November 6, 2013, a true and accurate copy of The Receiver's Response to Objection Relating to Determination of Claim Numbers 403-406 and 477 is being furnished by first-class mail delivery to the following non-CM/ECF participant:

Chester Vincentz
6500 Lakeview Drive
Falls Church, VA 22041



Gianluca Morello, FBN 034997
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Jared J. Perez, FBN 0085192
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Tel.: (813) 347-5100
Fax: (813) 347-5198

Attorneys for the Receiver, Burton W. Wiand

EXHIBIT A

Chester & Patricia Vincentz
6500 Lakeview Drive
Falls Church, VA 22041
March 20, 2012

Wland Guerra King P.L.
c/o Maya M. Lockwood
3000 Bayport Drive
Suite 600
Tampa, FL 33607

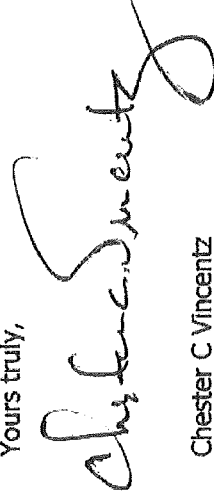
Att: Burton W. Wland, Receiver

Claim # 403

We object to the inclusion of Traders Investment Club being categorized as a Ponzi scheme and the subsequent reduction of the so called false paper profits in this club. We do not believe a Ponzi scheme existed during this period of time and to date this has not been proven.

The amount stated by you in our claim is a minimum amount owed us and can be increased when forensic accounting and the courts determine the actual start date of any Ponzi scheme and the performance of Traders Investment Club prior to the start date of any Ponzi scheme.

Yours truly,



Chester C Vincentz

Chester & Patricia Vincentz
6500 Lakeview Drive
Falls Church, VA 22041
March 20, 2012

Wland Guerra King P.L.
c/o Maya M. Lockwood
3000 Bayport Drive
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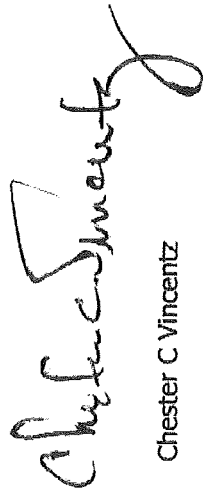
Att: Burton W. Wland, Receiver

Claim # 404

We object to the inclusion of Traders Investment Club being categorized as a Ponzi scheme and the subsequent reduction of the so called false paper profits in this club. We do not believe a Ponzi scheme existed during this period of time and to date this has not been proven.

The amount stated by you in our claim is a minimum amount owed us and can be increased when forensic accounting and the courts determine the actual start date of any Ponzi scheme and the performance of Traders Investment Club prior to the start date of any Ponzi scheme.

Yours truly,



Chester C Vincentz

Chester & Patricia Vincentz
6500 Lakeview Drive
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March 20, 2012

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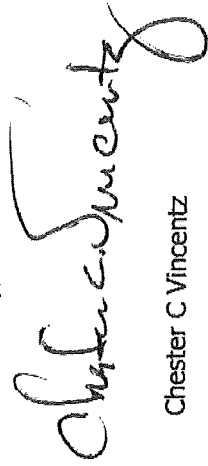
Att: Burton W. Wland, Receiver

Claim # 405

We object to the inclusion of Traders Investment Club being categorized as a Ponzi scheme and the subsequent reduction of the so called false paper profits in this club. We do not believe a Ponzi scheme existed during this period of time and to date this has not been proven.

The amount stated by you in our claim is a minimum amount owed us and can be increased when forensic accounting and the courts determine the actual start date of any Ponzi scheme and the performance of Traders Investment Club prior to the start date of any Ponzi scheme.

Yours truly,



Chester C Vincentz

Chester & Patricia Vincentz
6500 Lakeview Drive
Falls Church, VA 22041
March 20, 2012

Wland Guerra King P.L.
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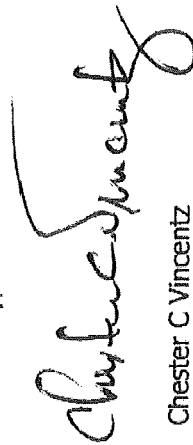
Att: Burton W. Wland, Receiver

Claim # 406

We object to the inclusion of Traders Investment Club being categorized as a Ponzi scheme and the subsequent reduction of the so called false paper profits in this club. We do not believe a Ponzi scheme existed during this period of time and to date this has not been proven.

The amount stated by you in our claim is a minimum amount owed us and can be increased when forensic accounting and the courts determine the actual start date of any Ponzi scheme and the performance of Traders Investment Club prior to the start date of any Ponzi scheme.

Yours truly,



Chester C Vincentz

Chester & Patricia Vincentz
6500 Lakeview Drive
Falls Church, VA 22041
March 20, 2012

Wiaud Guerra King P.L.
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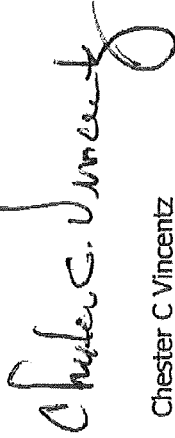
Att: Burton W. Wiaud, Receiver.

Claim # 477

We object to the inclusion of Traders Investment Club being categorized as a Ponzi scheme and the subsequent reduction of the so called false paper profits in this club. We do not believe a Ponzi scheme existed during this period of time and to date this has not been proven.

The amount stated by you in our claim is a minimum amount owed us and can be increased when forensic accounting and the courts determine the actual start date of any Ponzi scheme and the performance of Traders Investment Club prior to the start date of any Ponzi scheme.

Yours truly,



Chester C Vincentz

EXHIBIT B

Claim Number	Fund/ Account Name	Amount Invested	Total Payments	Net Investment Amount	Claim Amount ¹	Recommended Claim Determination	Allowed Amount
403	Millennium Trust - FBO Chester Vincentz	\$23,720.16	\$80,565.00	-\$56,844.84	-\$41,937.17	The amount claimed by the Claimant includes a transfer from an "investment account" with Receivership Entity Traders Investment Club in the amount of \$38,627.83. However, only \$23,720.16 was deposited into the transferring account. The difference of \$14,907.67 represents False Paper Profits to which the Claimant is not entitled. Thus, that account had False Profits of \$56,844.84. The Claimant also had the related account at Claim Number 404 which had losses. It is fair and equitable to set-off the losses in Claim Number 404 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.	None
404	Millennium Trust - FBO Chester Vincentz	\$199,986.91	\$0.00	\$199,986.91	\$199,986.91	This account has a Net Investment Amount of \$199,986.91. The Claimant also had the related account at Claim Number 403 which had False Profits of \$56,844.84. It is fair and equitable to set-off the losses in this account with the False Profits in Claim Number 403. Accordingly, this claim should be allowed for \$143,142.07.	\$143,142.07
405	Millennium Trust - FBO Chester Vincentz (RIRA)	\$53,019.92	\$0.00	\$53,019.92	\$84,893.29	This account has a Net Investment Amount of \$53,019.92. The amount claimed by the Claimant includes a transfer from an "investment account" with Receivership Entity Traders Investment Club in the amount of \$84,893.29. However, only \$53,019.92 was deposited into the transferring account. The difference of \$31,873.37 represents False Paper Profits to which the Claimant is not entitled. Accordingly, this claim should be allowed for the Net Investment Amount of \$53,019.92.	\$53,019.92
406	Chester C. Vincentz	\$228,509.15	\$150,000.00	\$78,509.15	\$50,000.00	Upon further review, \$28,509.15 was transferred from Claim Number 477 to this account. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the total combined amount allowed for these claims. Thus, this account has a Net Investment Amount of \$78,509.15. Accordingly, this claim should be allowed for the Net Investment Amount.	\$78,509.15

Claim Number	Fund/ Account Name	Amount Invested	Total Payments	Net Investment Amount	Claim Amount ¹	Recommended Claim Determination	Allowed Amount
477	Chester C. Vincentz	\$100,000.00	\$100,000.00	\$0.00	\$113,509.15	The amount claimed by the Claimant includes a transfer from an "investment account" at Receivership Entity Traders Investment Club in the amount of \$150,000.00. However, only \$65,000.00 was deposited into the transferring Traders account and \$63,509.15 was deposited from an account with another Nadel "investment club," Indigo Investment Club, for a total amount invested of \$128,509.15. The Claimant withdrew \$100,000.00 from this account. Receivership Records show that the balance in this account of \$28,509.15 was transferred to Claim Number 406. The \$85,000.00 difference between this sum and the claimed amount represents False Paper Profits which the Claimant is not entitled to recover. Accordingly, this claim should be denied because there are no losses in this account.	None