

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CASE NO.: 8:09-cv-0087-VMC-CPT

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,

Relief Defendants.

**INDEX OF EXHIBITS IN SUPPORT OF ARCHER PETROLEUM'S RESPONSE
IN OPPOSITION TO THE RECEIVER'S VERIFIED MOTION (Dkt #1419) TO
AUTHORIZE THE RETENTION OF EARNEST MONEY AND APPLICATION
FOR DECLARATORY RELIEF**

AFFIDAVIT OF ANDREW HUDSON

COUNTY OF COLLIN §
 §
STATE OF TEXAS §

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned affiant, who, first duly sworn upon his oath did state:

1. "My name is Andrew Hudson. I am of majority age and I am legally

AFFIDAVIT OF ANDREW HUDSON IN SUPPORT OF ARCHER PETROLEUM'S
MEMORANDUM AND POINTS OF AUTHORITIES IN SUPPORT OF ARCHER
PETROLEUM'S RESPONSE IN OPPOSITION TO THE RECEIVER'S VERIFIED
MOTION TO AUTHORIZE THE RETENTION OF EARNEST MONEY

competent to make this affidavit. I have never been convicted of a felony nor a crime involving moral turpitude, including, but not limited to perjury.

I am fully aware of the legal consequences of committing perjury.

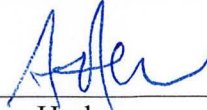
2. I make this affidavit based on my personal knowledge.
3. I am the President of Archer Petroleum.
4. On April 1, 2019, during my negotiations with Mr. Wiand, I received an email from Mr. Rizzo, Mr. Wiand's paralegal, stating "...if there any remaining concerns we should be able to resolve them within the next two days so that we can have the signed APA to take to the court."
5. On April 11, 2019, I received another email from Mr. Rizzo stating that they were "...working on preparing a final version so that we can present the agreement to the Court for approval."
6. On April 22, 2019, I received an email from Mr. Rizzo stating "...please sign and return the APA to me via email and we will move forward with presenting it to the court for approval." This was one of many statements and representations, both by phone and email, that Wiand Guerra King was ready to take a signed APA to the Court.
7. On May 5, 2019, I executed the Asset Purchase Agreement (APA) for Archer Petroleum. Mr. Wiand executed the APA and returned it to me on May 8, 2019. I relied on Burton Wiand's representations that this transaction would close within a reasonable time period.

8. At that time I executed the Asset Purchase Agreement, I was aware that Mr. Wiand had not paid certain Quest taxes for several years, but was not aware that preparing the assets for sale with clean title would require such significant additional negotiations with the tax authority and with significant additional creditors with complex claims as to delay his timely filing of the Motion to approve the transaction.
9. I was told prior to executing the APA that the legal issues with the Albany bank were related to a residential property, which was not relevant to my proposed acquisition. I relied on statements and representations that a Motion to approve the transaction had already been drafted and would be filed upon or shortly after my execution of the Asset Purchase Agreement. However, in or around May or June, 2019, Mr. Wiand informed me that his office had recently taken on a new Receivership and that his associates had been too busy to finish the Motion for filing (presumably the same new receivership referenced in the April 19, 2019 email from Mr. Rizzo of Wiand Guerra King stating that “Mr. Wiand was appointed receiver in another case this week and the matter has taken up all of our time...”.)
10. Mr. Wiand was authorized to expand the Receivership to include Quest Energy Management Group on May 24, 2013, and then assumed management of the Quest assets. According to public record, during the 7.5-year period from August 2013 through May 2019 (the month in which I executed the Asset Purchase Agreement), oil production from the

Musselman Caddo Unit (“MCU”, Quest’s most significant asset) averaged 325 barrels per month, with relatively minimal variance. In the month immediately following my execution of the APA (June 2019), production from MCU decreased to only 46 barrels for the entire month, an 11-year low and a sudden decrease of over 80%.

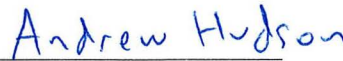
11. I was also perplexed by Mr. Wiand’s failure to timely file the Motion as promised upon my execution of the APA because he previously had taken an urgent approach by telephone and email in reaching an agreement for a sale of the assets. For example, his email to me on April 30, 2019, stated “Drew – I am losing patience,” and “This needs to happen now. We will talk at 11 am (w or with out your lawyer) and we will go forward or not.” This was another reason I became concerned about the failure of Mr. Wiand to file a Motion with the Court.
12. On May 28, 2019, I received an email from Mr. Wiand stating “We should be filing the motion this week,” with no mention of the additional ongoing creditor and tax negotiations. It was not filed that week.
13. Two weeks later, on June 11, 2019, I received an email from Burton Wiand informing me that he had reached an agreement with the remaining creditors, including all taxing authorities and stating that I should have no worries with respect to taxes. He also stated that he would hopefully be filing the motion for approval that week and closing in the coming weeks. Yet again it was not filed that week.

14. After yet another six weeks, I was informed via email on July 24, 2019, by Jeffrey Rizzo of Wiand Guerra King that the Motion was filed on that day
This was 80 days after my execution of the asset purchase agreement.”



Andrew Hudson

Printed Name:



SWORN TO AND SUBSCRIBED BEFORE ME on this the 24th day of

October, 2019.



Notary Public - State of Texas

My commission expires: 11/4/2022

