

**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,

Relief Defendants.

RECEIVER'S MOTION TO APPROVE SETTLEMENT

Burton W. Wiand, as Receiver, moves the Court for an order approving settlement of *Burton W. Wiand, as Receiver v. Brian Gordon and Zachary Gordon*, Case No.: 8:10-cv-147-T-17MAP (M.D. Fla.) (the “Gordon Action”) on the basis of the Settlement Agreement attached as Exhibit A.

MEMORANDUM IN SUPPORT

The Securities and Exchange Commission (the “Commission” or “SEC”) instituted this action to “halt [an] ongoing fraud, maintain the status quo, and preserve investor assets . .

..” (Dkt. 1, Compl., ¶ 7.) Burton W. Wiand was appointed by this Court as the Receiver for Defendants and Relief Defendants. (See Order Reappointing Receiver (Dkt. 140).) Additionally, the Receivership was expanded to include Venice Jet Center, LLC and Tradewind, LLC (Dkt. 17); Laurel Mountain Preserve, LLC, Laurel Preserve, LLC, the Marguerite J. Nadel Revocable Trust UAD 8/2/07, and the Laurel Mountain Preserve Homeowners Association, Inc. (Dkt. 44); The Guy-Nadel Foundation, Inc. (Dkt. 68); Lime Avenue Enterprises, LLC, and A Victorian Garden Florist, LLC (Dkt. 79); Viking Oil & Gas, LLC (Dkt. 153); and Home Front Homes, LLC (Dkt. 172). All of the entities in receivership are collectively identified herein as the Receivership Entities.

Pursuant to the Order Reappointing Receiver (Dkt. 140), the Receiver has the duty and authority to:

2. Investigate the manner in which the affairs of the Receivership Entities were conducted and institute such actions and legal proceedings, for the benefit and on behalf of the Receivership Entities and their investors and other creditors as the Receiver deems necessary . . . against any transfers of money or other proceeds directly or indirectly traceable from investors in the Receivership Entities; provided such actions may include, but not be limited to, seeking imposition of constructive trusts, disgorgement or profits, recovery and/or avoidance of fraudulent transfers under Florida Statute § 726.101, et. seq. or otherwise, rescission and restitution, the collection of debts, and such orders from this Court as may be necessary to enforce this Order.

Further, the Order Reappointing Receiver (at paragraph 6) authorizes the Receiver to “[d]efend, compromise or settle legal actions . . . in which the Receivership Entities or the Receiver is a party . . . with authorization of this Court”

By a Complaint filed January 15, 2010, the Receiver sued Brian Gordon and Zachary Gordon (the “Defendants”) to recover sums received from the Receivership Entities with a view to marshaling assets for an eventual distribution to investors with verifiable claims in an

equitable and appropriate manner. Specifically, the Receiver sought recovery of “false profits” (as defined in the complaint) of \$300,000.00.

In addition to the Defendants, William Gordon (Defendants’ father), Andrew Gordon, Michael Gordon, Jeffrey Gordon, and Amanda Gordon (Defendants’ siblings) (William Gordon, Andrew Gordon, Michael Gordon, Jeffrey Gordon, and Amanda Gordon are collectively referred to as the “Gordon Family”) invested in one or more Receivership Entities. The Gordon Family had a combined loss of \$792,938.59.

As shown by the attached Settlement Agreement, the Receiver, the Defendants and the Gordon Family, subject to the approval of this Court, have agreed to settle the Gordon Action for \$141,412.28, in full settlement of the claims, to be paid within 14 days after approval of this settlement by the SEC Receivership Court, and a waiver by William Gordon, Andrew Gordon, Jeffrey Gordon, Michael Gordon and Amanda Gordon of any and all claims any of them has or may have against the Receiver and/or Receivership Entities, including, but not limited to, claims of \$792,938.59 in connection with investments in one or more Receivership Entities. In reaching this agreement, the Receiver considered the risks and expense of litigation.

Although it is the Receiver’s position that as a matter of law the Defendants and the Gordon Family’s investments in Receivership Entities do not have to be considered collectively, the Receiver believes the settlement reflected by the Settlement Agreement, which includes payment of a sum of money and wavier of claims, is in the best interests of the Receivership, the investors in the Receivership Entities, the Defendants, and the Gordon

Family because resolution of the claim avoids protracted litigation, conserving Receivership assets and judicial resources, and avoids the cost of litigation to Defendants.

WHEREFORE, the Receiver moves the Court to approve the settlement reflected by the attached Settlement Agreement.

LOCAL RULE 3.01(g) CERTIFICATE OF COUNSEL

The undersigned counsel for the Receiver is authorized to represent to the Court that the SEC has no objection to the Court's granting this motion.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 18, 2010, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system. I further certify that I mailed the foregoing document and the notice of electronic filing by first-class mail to the following non-CM/ECF participants:

Arthur G. Nadel
Register No. 50690-018
MCC New York
Metropolitan Correctional Center
150 Park Row
New York, NY 10007

s/ Gianluca Morello
Gianluca Morello, FBN 034997
Email: gianluca.morello@wiandlaw.com
Maya M. Lockwood, FBN 0175481
Email: mlockwood@wiandlaw.com
Wiand Guerra King PL
3000 Bayport Drive
Suite 600
Tampa, FL 33607
Tel: (813) 347-5100
Fax: (813) 347-5155

Attorneys for the Receiver, Burton W. Wiand