

**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 SETTLEMENTS**

Burton W. Wiand, as Receiver, moves the Court for an order approving settlement of *Burton W. Wiand, as Receiver v. James River Diversified Fund, L.P.*, Case No.: 8:10-cv-90-T-17MAP (M.D. Fla.) (the "JRDF Action"), and *Burton W. Wiand, as Receiver v. James River Multi-Strategy Fund, L.P and Paul Saunders*, Case No.: 8:10-cv-159-T-17MAP (M.D. Fla.) (the "JRMSF Action") (the JRDF Action and the JRMSF Action are collectively referred to as the "James River Actions") on the basis of the Settlement Agreements attached as Exhibits A, B, and C.

## 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 other than Arthur Nadel and for Relief Defendants. (*See* Order Reappointing Receiver (Dkt. 493).) 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); Home Front Homes, LLC (Dkt. 172); and Traders Investment Club (Dkt. 454). All of the entities in receivership are collectively referred to herein as the “Receivership Entities,” and Receivership Entities 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. are collectively referred to herein as the “Hedge Funds.”

Pursuant to the Order Reappointing Receiver (Dkt. 493), 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 Amended Complaints filed February 17, 2011, the Receiver sued (1) Defendant James River Diversified Fund, L.P. in the JRDF Action and (2) Defendants James River Multi-Strategy Fund, L.P. and Paul Saunders in the JRMSF Action (collectively, the “Defendants”) to recover all monies they received from their investments in the Hedge Funds with a view to marshaling assets for an eventual distribution to investors with verifiable claims in an equitable and appropriate manner. As part of the settlements, the Defendants have agreed to return 100% of “false profits” (as defined in the original Complaints) from their investments in the Hedge Funds and to collectively pay an additional \$3,000 to cover the Receiver’s attorney fees for preparing amended complaints in the James River Actions.

As shown by the attached Settlement Agreements, the Receiver and the Defendants, subject to the approval of this Court, have agreed to settle the James River Actions for a total of \$1,073,166.22 in full settlement of the claims, to be paid within 10 days after approval of these settlements by the SEC Receivership Court. In reaching these agreements, the Receiver considered the risks and expense of litigation.

The settlement reflected by the Settlement Agreements is in the best interests of the Receivership, the investors in the Receivership Entities, and Defendants, 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 settlements reflected by the attached Settlement Agreements.

**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 9, 2011, 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  
FCI BUTNER LOW  
Federal Correctional Institution  
P.O. Box 999  
Butner, NC 27509

**s/ Gianluca Morello**

Gianluca Morello, FBN 034997  
Email: [gmorello@wiandlaw.com](mailto:gmorello@wiandlaw.com)  
Michael S. Lamont FBN 0527122  
Email: [mlamont@wiandlaw.com](mailto:mlamont@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*