

**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. Carolina Mountain Land Conservancy*, Case No.: 8:09-cv-2443-T-27MAP (M.D. Fla.) (the "CMLC Action"), on the basis of the Settlement Agreement attached as Exhibit I.

MEMORANDUM IN SUPPORT

The Securities and Exchange Commission (the "Commission") 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 (“Nadel”) and for 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); Home Front Homes, LLC (Dkt. 172); and Traders Investment Club (Dkt. 454). All of the entities in receivership are collectively identified herein as the Receivership Entities.

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 a Complaint filed December 1, 2009, the Receiver sued the Carolina Mountain Land Conservancy (“CMLC”) to (1) vacate a conservation easement provided to CMLC by

Nadel through Receivership Entity Laurel Mountain Preserve, LLC, or, in the alternative, to recover money for the value of the easement; and (2) recover stewardship donations made to CMLC by Nadel through Receivership Entity Guy-Nadel Foundation, Inc (CMLC received such donations in the amount of \$30,429). The Receiver sued CMLC with a view to (1) increasing the value and marketability of the property surrounding the conservation easement, which property is now an asset of the Receivership Estate; and (2) marshaling assets for an eventual distribution to investors with verifiable claims in an equitable and appropriate manner.

As shown by the attached Settlement Agreement, the Receiver and CMLC, subject to the approval of this Court, have settled the CMLC Action based on, in pertinent part, (1) agreement by CMLC to return to the Receiver the unused stewardship donations, which total \$10,115, and (2) agreement to obtain in the CMLC Action an order vacating the conservation easement. In reaching this settlement, the Receiver considered the risks and expense of litigation.

The settlement reflected by the Settlement Agreement is in the best interests of the Receivership, the investors in the Receivership Entities, and CMLC, because resolution of the claim avoids protracted litigation, conserving Receivership assets and judicial resources, and avoids the cost of litigation to CMLC.

By agreement of the Receiver and CMLC, as reflected in the Settlement Agreement (at page 6), the Receiver requests this Court retain jurisdiction to enforce the terms of the Settlement Agreement.

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 Commission has no objection to the Court's granting this motion.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on April 1, 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
Michael S. Lamont FBN 0527122
Email: mlamont@wiandlaw.com
WIAND GUERRA KING P.L.
3000 Bayport Drive
Suite 600
Tampa, FL 33607
Tel: (813) 347-5100
Fax: (813) 347-5199

Attorneys for the Receiver, Burton W. Wiand