

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

CASE NO.: 8:09-cv-0087-T-26TBM

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.

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**RECEIVER'S UNOPPOSED VERIFIED MOTION FOR APPROVAL OF SALE OF  
REAL PROPERTY LOCATED ON NORTH JEFFERSON AVENUE  
IN SARASOTA COUNTY, FLORIDA**

Pursuant to 28 U.S.C. § 754, Fed. R. Civ. P. 66, and Rule 3.01 of the Local Rules of the Middle District of Florida, Burton W. Wiand, as Receiver (the "Receiver"), respectfully moves the Court for entry of an order in substantially the form attached as

Exhibit 1, approving the sale of real property located at 774 North Jefferson Avenue in Sarasota County, Florida.

### **BACKGROUND**

On January 21, 2009, the Securities and Exchange Commission (“Commission”) initiated this action to prevent the defendants from further defrauding investors of hedge funds operated by them. That same day, the Court entered an order appointing Burton W. Wiand as Receiver for Defendants Scoop Capital, LLC (“Scoop Capital”) and Scoop Management, Inc. (“Scoop Management”) and Relief Defendants Scoop Real Estate, L.P.; Valhalla Investment Partners, L.P.; Valhalla Management, Inc.; Victory Fund, Ltd.; Victory IRA Fund, Ltd.; Viking IRA Fund, LLC; Viking Fund, LLC; and Viking Management, LLC (the “Order Appointing Receiver”). (*See generally* Order Appointing Receiver (Doc. 8).)

The Court subsequently granted several motions to expand the scope of the Receivership to include other entities owned or controlled by Arthur Nadel (“Nadel”). (*See generally* Docs. 17, 44, 68, 81, 153, 172, 454.) All of the entities and the trust in receivership are hereinafter collectively referred to as the “Receivership Entities.”

Pursuant to the Order Appointing Receiver, the Receiver has the duty and authority to: “administer and manage the business affairs, funds, assets, choses in action and any other property of the Defendants and Relief Defendants; marshal and safeguard all of the assets of the Defendants and Relief Defendants; and take whatever actions are necessary for the protection of the investors.” (Order Appointing Receiver at 1-2.) In particular, the Receiver was directed to:

[t]ake immediate possession of all property, assets and estates of every kind of the [Receivership Entities], whatsoever and wheresoever located belonging to

or in the possession of the [Receivership Entities], including but not limited to all offices maintained by the [Receivership Entities], rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, and all real property of the [Receivership Entities] wherever situated, and to administer such assets as is required in order to comply with the directions contained in this Order, and to hold all other assets pending further order of this Court . . . .

*(Id. at 2.)*

### **THE PROPERTY**

The real property which is the subject of this Motion is a condominium located at 774 North Jefferson Avenue in Sarasota, Florida (the "Property"). The Property was built in 1983, is 865 square feet, and has two bedrooms and two bathrooms. The Sarasota County Property Appraiser assessed the fair market value of the Property at \$51,700.00 in 2010. The Receiver also obtained an appraisal in October 2010 which estimated the market value of the Property to be \$50,000.00.

### **PROCEDURAL HISTORY**

The Property was previously owned and occupied by Mr. Michael Nitzsche. (*See Doc. 115*). Mrs. Marguerite Nadel had loaned Mr. Nitzsche the funds to purchase the Property and in exchange Mr. Nitzsche executed a promissory note payable to Mrs. Nadel which was secured by a mortgage entered into by Mr. Nitzsche and held by Mrs. Nadel. The Receiver learned that the money loaned for purchasing the Property was proceeds of the scheme underlying this case, and consequently filed a Motion for Possession of Note and Mortgage for Jefferson Pines Condominium (*See Doc. 115*), which was granted (*See Doc. 116*). Mr. Nitzsche was in default of the promissory note and mortgage, attempts to collect on the note

without initiating litigation failed, and the Receiver initiated a foreclosure proceeding in 2009. (See Wiand v. Nitzsche, 2009 CA 014873 NC, Sarasota County, Florida). An order of foreclosure was entered in June 2010. A judicial sale of the Property was held on October 12, 2010 and the Receiver took ownership of the Property for \$1.00.

### **RECEIVER'S MARKETING EFFORTS**

The Receiver marketed the Property to potential purchasers through his website, [www.nadelreceivership.com](http://www.nadelreceivership.com), in a specific "Assets for Sale" section and subsequently engaged the services of Sotheby's International Realty of Sarasota, Florida. The Property was listed for \$65,000.00.

In April 2011, the Receiver was presented with an offer from Chris Wilson and Karen Wilson (collectively, "Purchasers") for \$55,000.00. On April 14, 2011, the Receiver and the Purchasers entered into an "As Is" Residential Contract for Sale and Purchase (the "Agreement") for the purchase price of \$55,000.00, contingent on this Court's approval. See Exhibit 2. The Receiver believes that the offer by Purchasers fairly represents the current value of the Property. Furthermore, Purchasers are in position to complete the sale and purchase of the Property contingent upon this Court's approval. As part of the Agreement, Purchasers have deposited \$5,000.00 of earnest money into an escrow account, which amount is to be credited towards the purchase price at closing should the Court approve the sale. Purchasers have agreed to pay the balance of the purchase price in full at closing, which is scheduled to take place on or before May 31, 2011, contingent upon this Court's approval.

The Receivership Estate will net approximately \$51,000.00 in connection with the sale of the Property, after the payment of commissions and other expenses associated with the sale of the Property. The Receiver believes that the Agreement with Purchasers is in the best interests of the Receivership, and accordingly, the Receiver respectfully requests that this Court enter an order in substantially the form attached as Exhibit 1, approving the sale of the Property.

#### **MEMORANDUM OF LAW**

The Court's power to supervise an equity receivership and to determine the appropriate actions to be taken in the administration of the receivership is extremely broad. *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). The Court's wide discretion derives from the inherent powers of an equity court to fashion relief. *Elliott*, 953 F.2d at 1566; *SEC v. Safety Finance Service, Inc.*, 674 F.2d 368, 372 (5th Cir. 1982). The relief sought by the Receiver falls squarely within those powers. Furthermore, the relief sought is in furtherance of the duties and authorities bestowed upon the Receiver by the Order Appointing Receiver.

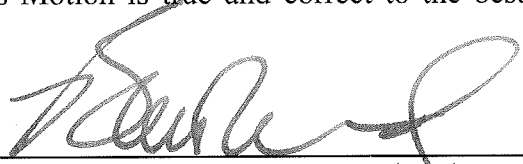
**WHEREFORE**, the Receiver moves the Court for entry of an order in substantially the form of the proposed Order attached as Exhibit 1 approving the sale of the Property to Purchasers in accordance with the terms set forth in the Agreement attached hereto as Exhibit 2 and authorizing the Receiver to transfer title to the Property to the Purchasers via Receiver's Deed free and clear of all claims, liens and encumbrances.

**CERTIFICATE UNDER LOCAL RULE 3.01(g)**

Undersigned counsel has conferred with counsel for the SEC and is authorized to represent to the Court that this motion is unopposed.

**VERIFICATION OF RECEIVER**

I, Burton W. Wiand, Court-Appointed Receiver in the above-styled matter hereby certify that the information contained in this Motion is true and correct to the best of my knowledge and belief.

  
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Burton W. Wiand, Court-Appointed Receiver

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on May 18, 2011, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

I FURTHER CERTIFY that on May 18, 2011, I mailed the foregoing document and the notice of electronic filing by first-class mail to the following non-CM/ECF participants:

Arthur Nadel  
Register No. 50690-018  
FCI BUTNER LOW  
Federal Correctional Institution  
P.O. Box 999  
Butner, NC 27509

**s/Gianluca Morello**

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*Attorney for the Receiver, Burton W. Wiand*