

**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.

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**AFFIDAVIT OF BURTON W. WIAND IN SUPPORT OF RECEIVER'S  
REPLY TO OBJECTIONS TO MOTION TO APPROVE SETTLEMENT  
(DOC. 679) WITH GOLDMAN SACHS EXECUTION & CLEARING, L.P.**

STATE OF FLORIDA                    )  
  )  
COUNTY OF HILLSBOROUGH        )

BEFORE ME, the undersigned authority, appeared Burton W. Wiand, who, first being duly sworn, deposes and says:

1. I am an attorney with Wiand Guerra King P.L. in Tampa, Florida. I make this affidavit in support of the Receiver's Reply to Objections to Motion to Approve Settlement

(Doc. 679) (the “**Motion**”) with Goldman Sachs Execution & Clearing, L.P. (“**GSEC**”). I make this affidavit based on information personally known to me or gathered by me or by others at my request.

2. I was appointed by the Court in *Securities and Exchange Commission v. Arthur Nadel et al.*, Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (the “**Commission Proceeding**”), as the Receiver for various entities, including 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. (collectively the “**Hedge Funds**”).

3. On December 14, 2011, my attorneys filed the Receiver’s Motion to Approve Settlement (Doc. 679) and I submitted a supporting affidavit (Doc. 680). Those filings related to a settlement reached between the Receivership and GSEC (the “**Settlement**”).

4. Also in connection with the Settlement, my attorneys filed a Motion to Approve Proposed Notice of Settlement (Doc. 681), which was granted by the Court (Doc. 682). In accordance with that motion, more than 700 notices of the Settlement were mailed to investors, potential joint tortfeasors, and other interested parties whose rights may be affected by the Settlement. Notice of the Settlement was also published in the national edition of the Wall Street Journal and in the Sarasota Herald Tribune and it was posted on the Receivership website.

5. Since the Settlement was disclosed to the Court and the public, no investors have called me or my lawyers to express opposition to the Settlement. The few investors with claims which I have recommended be allowed that have raised the Settlement with me or my lawyers have been in favor of it.

6. In connection with my and my lawyers' investigation of possible claims against GSEC, we examined a copy of the Fully Disclosed Clearing Agreement between GSEC and Shoreline Trading Group, LLC. Section 5 of the clearing agreement provides that, "[u]nless otherwise expressly agreed in writing, SLK [the former name of GSEC] will not provide, nor be responsible for providing, any of the following services . . . (h) Rendering investment advice to customers."

7. Further, the first paragraph of Section 6(d) of that agreement provides that "[t]he customer shall remain the customer of Broker [which is defined on the first page as Shoreline Trading Group, LLC], and Broker shall be responsible for obtaining all of the essential facts relative to every customer, every cash or margin account, every order, and every person holding power of attorney over any account accepted by Broker. Broker shall also be responsible for the conduct of customer accounts and the supervision thereof, including, but not limited to, assessing the suitability of a transaction for the customer when required under applicable rules, the authenticity of all orders, signatures and endorsements, the frequency of trading by a customer, and the genuineness of all signatures, certificates and papers, the status under the Securities Act of 1933 of securities proposed to be sold or margined by a customer, and reviewing the accounts and relevant exception reports for, among other things, manipulative practices and insider trading, and compliance with all federal, state, securities exchange and association laws, rules and regulations, including all anti-money laundering laws and regulations and OFAC programs, to which Broker and customer are subject."

8. The first sentence of the sixth paragraph of Section 6(d) of the clearing agreement states that the agreement “places the responsibility for ‘knowing the customer,’ ‘suitability,’ and ‘due diligence’ relating to the customer on Broker [i.e., Shoreline].”

**FURTHER AFFIANT SAYETH NAUGHT.**

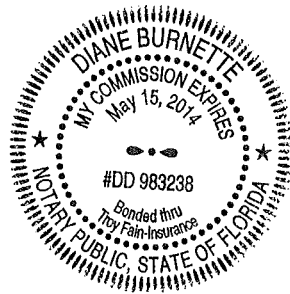
  
BURTON W. WIAND

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

I HEREBY CERTIFY that on this day, before me, an officer duly authorized to take acknowledgements in the state aforesaid and in the county aforesaid, BURTON W. WIAND personally appeared to me, who is personally known to me to be the person described herein and executed the foregoing and acknowledged before me that he executed the same.

SWORN TO AND SUBSCRIBED before the undersigned this 2<sup>nd</sup> day of February, 2012.



Diane Burnette  
NOTARY PUBLIC

Print name: Diane Burnette  
My Commission Expires: 5.15.14