

The SEC Receivership Action Case No. 8:09-cv-87-T-26TBM

February 7, 2012

Clerk of the Court  
Sam M. Gibbons U.S. Courthouse  
801 North Florida Avenue  
Tampa, FL 33602

2012 FEB 13 PM 12:10  
U.S. DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA, FLORIDA

The SEC Receivership Action Case No. 8:09-cv-87-T-26TBM

Wow. I just read the Receiver's Reply to Objections to Motion to Approve Settlement (Doc. 679) with Goldman Sachs Execution and Clearing, L.P..

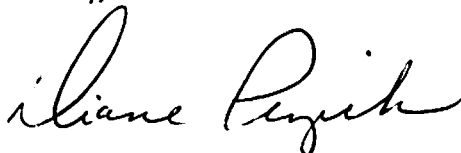
The Receiver says I "lack standing to object" yet I received one of his 700 mailings advising me of my "right to object, of the procedure for objecting, and of the January 17, 2012, deadline for filing objections." But, then when I do object following procedure and meeting the deadline, he now says I have no right to object. Does he make this stuff up as he goes along?

So, do I "lack standing to object" (Receiver's Reply to Objections to Motion to Approve Settlement (Doc. 679) with Goldman Sachs Execution and Clearing, L.P) or have the "right to object" (Notice to Investors and Others of Receiver's Motion to Approve Settlement with Goldman Sachs Execution & Clearing, L.P., Including Proposed Bar Order)?

If the Receiver made this kind of simple error, one could assume there are more errors embedded in his work.

I object to this settlement. Please hold a public hearing on this motion.

Sincerely,



Diane Pezick

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

rx'd 1/4/2012  
? or around 12/20/11

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Case No. 8:09-cv-87-T-26TBM

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,

**PLEASE READ THIS NOTICE AS YOUR  
RIGHTS MAY BE AFFECTED**

Relief Defendants.

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**NOTICE TO INVESTORS AND OTHERS OF RECEIVER'S MOTION  
TO APPROVE SETTLEMENT WITH GOLDMAN SACHS  
EXECUTION & CLEARING, L.P., INCLUDING PROPOSED BAR ORDER**

On December 14, 2011, Burton W. Wiand, as Receiver for *inter alia* certain Defendants and the Relief Defendants (the "Receiver"), filed a motion (the "Motion") with the Court for approval of a settlement agreement (the "Settlement Agreement") between the Receiver, on behalf of the entities for which he serves as Receiver (the "Receivership Entities"), and Goldman Sachs Execution & Clearing, L.P. ("GSEC"). The Settlement Agreement calls for GSEC to pay to the Receiver \$9,850,000 (for the ultimate benefit of the receivership estate) in exchange for the Receiver's release of all claims that could have been asserted against GSEC in an arbitration, including any and all claims, demands, rights, promises, and obligations arising from or related in any way to GSEC's involvement with or provision of services to any account, product, fund, entity, or venture established, operated, or controlled by Arthur Nadel or any Receivership Entity, which includes hedge funds 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. In addition, the Motion requests that the Court enter an order barring any claims against GSEC by investors or by potential joint tortfeasors, including claims for contribution or indemnity. A copy of the Motion is available on the Receiver's website at [www.nadelreceivership.com](http://www.nadelreceivership.com).<sup>1</sup> The Settlement Agreement is attached to the Motion as Exhibit A.

**Any objections or other responses to the Motion must: (i) be made in writing; (ii) bear the caption of this case (the "SEC Receivership Action"), including the case number, at the top of the first page; (iii) be signed by the objecting or responding party, or that party's attorney; (iv) be filed with the Clerk of the Court no later than January 17, 2012; and (v) contemporaneously be served on the Receiver, who will provide copies to the parties in the case. The address of the Clerk of the Court is Sam M. Gibbons U.S. Courthouse, 801 North Florida Avenue, Tampa, Florida 33602. The address of the Receiver is Wiand Guerra King P.L., 3000 Bayport Drive, Suite 600, Tampa, FL 33607. Unless the Court orders otherwise, a public hearing on the Motion will not be held. At any time after January 17, 2012, the Court may rule on the Motion or direct such further proceedings as it deems appropriate.**

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<sup>1</sup> If you do not have internet access or are otherwise unable to retrieve a copy of the Motion, please contact the Receiver's counsel.

million in fees and interest to GSEC and Shoreline, collectively, although the majority of those fees and interest went to Shoreline rather than to GSEC.

Based on the information reviewed by the Receiver, the settlement with GSEC constitutes a recovery by the Receivership of an amount well in excess of all revenues earned by GSEC as a result of its indirect dealings with Nadel. Litigation of claims against GSEC could easily cost the Receivership in excess of \$1 million and would in no way guarantee the significant benefit to the Receivership estate that will occur as a result of the settlement reached with GSEC. As such, it is the Receiver's opinion that the amount of this settlement constitutes a fair valuation of any potential liability that GSEC might have as a result of its involvement with accounts controlled by Nadel, given the applicable claims, defenses, and risks.

### **The Terms Of The Settlement Agreement**

In exchange for the settlement payment of \$9,850,000, the Settlement Agreement contains the following terms required to provide assurances of finality:

1. Upon receipt and clearing of the full settlement payment, the Receiver, on behalf of the Receivership Entities and their employees, agents, representatives, beneficiaries, investors, creditors, and assigns, shall be deemed to have released and forever discharged GSEC, its parents, subsidiaries, and affiliates, and their respective officers, directors, employees, agents, successors, and assigns of and from any and all claims which could have been asserted in an arbitration by the Receiver, as well as any and all other claims, demands, rights, promises, and obligations arising from or related in any way to GSEC's involvement with or provision of services to any account, product, fund, entity, or venture established, operated, or controlled by Arthur Nadel or any Receivership Entity or the allegations of the SEC Receivership Action.
2. Upon the Receiver's receipt and clearing of the full settlement payment, GSEC shall be deemed to have waived any claim that it had, has, or hereafter may have against the Receiver and/or any Receivership Entity relating to GSEC's involvement with any account, product, fund, entity, or venture established, operated, or controlled by Arthur Nadel or any Receivership Entity or the allegations of the SEC Receivership Action.
3. The Receiver will request that in any order granting the Motion, the Court order that all individuals or entities who invested money in a Receivership Entity, as well as all persons or entities who may have liability to the Receiver, the Receivership Entities, or such investors arising or resulting from the fraudulent scheme underlying the SEC Receivership Action, together with their respective heirs, trustees, executors, administrators, legal representatives, agents, successors and assigns, are permanently enjoined and barred from commencing or pursuing a claim, action or proceeding of any kind and in any forum against GSEC that arises from or relates to the clearing, execution, and/or prime brokerage services that GSEC performed for Receivership Entities, including the Relief Defendants, or the allegations of the SEC Receivership Action.
4. GSEC will agree to continue to cooperate reasonably with the Receiver's efforts to gather information and otherwise fulfill his Court-ordered obligations imposed in this action, including by providing additional information relating to entities placed in receivership in this case which the Receiver may request through document requests or other discovery tools available to the Receiver under applicable laws and rules.

Should you have any questions or require further information concerning the proposed settlement terms or the process for submitting a response to the Receiver's Motion, please contact the Receiver's counsel, Jared Perez, either by email at [jperez@wiandlaw.com](mailto:jperez@wiandlaw.com) or by telephone at (813) 347-5100. Please take note that all responses concerning the Receiver's motion must be filed with the Court on or before January 17, 2012.

Dated: December 14, 2011

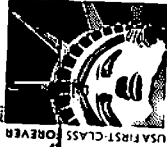
**s/Burton W. Wiand**

Burton W. Wiand, as Receiver

110 Piedmont Circle  
Maryville, TN 37803

MARYVILLE TN 37803

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