

**SETTLEMENT AGREEMENT**

WHEREAS, by orders dated January 21, 2009, June 3, 2009, January 19, 2010, and September 23, 2010 the Court in Securities & Exch. Comm'n v. Arthur Nadel, et al., Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (the "SEC Receivership Action"), appointed Burton W. Wiand as Receiver (the "Receiver") for Scoop Capital, LLC; Scoop Management, Inc.; 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; Viking Management, LLC; Traders Investment Club; Venice Jet Center, LLC; Tradewind, LLC; Laurel Mountain Preserve, LLC; Laurel Preserve, LLC; the Marguerite J. Nadel Revocable Trust UAD 8/2/07; the Laurel Mountain Preserve Homeowners Association, Inc.; The Guy-Nadel Foundation, Inc.; Lime Avenue Enterprises, LLC; A Victorian Garden Florist, LLC; Viking Oil & Gas, LLC; Traders Investment Club; and Home Front Homes, LLC and all of their subsidiaries, successors, and assigns (collectively the "Receivership Entities"); and

WHEREAS, the Receiver intends to commence an arbitration before the Financial Industry Regulation Authority (the "Arbitration"), to assert claims against Shoreline Trading Group, LLC ("Shoreline") (the Receiver and Shoreline are collectively referred to as the "parties") seeking damages allegedly sustained by the Receivership Entities from the fraudulent scheme which underlies the SEC Receivership Action and the return of certain funds allegedly received by Shoreline from or at the direction of one or more of the Receivership Entities; and

WHEREAS, the Receiver and Shoreline acknowledge they have negotiated at arm's-length and have entered into this agreement in good faith; and

WHEREAS, Shoreline denies any and all liability or wrongdoing, but wishes to resolve these matters amicably; and

WHEREAS, any resolution of this matter by agreement of the Receiver and Shoreline is subject to approval by the Court presiding over the SEC Receivership Action (the "SEC Receivership Court");

NOW, THEREFORE, and subject to the approval of the SEC Receivership Court, Shoreline has agreed to pay and the Receiver has agreed to accept on behalf of all Receivership Entities a total of \$2,500,000 (the "Settlement Amount") in full settlement of the Released Claims (as defined below) to be paid as follows: (1) a first payment of \$500,000 to be paid by April 7, 2012; (2) a second payment of \$500,000 to be paid by May 7, 2012; (3) a third payment of \$500,000 to be paid by June 7, 2012; (4) a fourth payment of \$500,000 to be made within 90 days after approval of this settlement and bar order by the SEC Receivership Court; and (5) a fifth and final payment of \$500,000 to be made within 180 days after approval of this settlement and bar order by the SEC Receivership Court. In the event Shoreline fails to make a payment, it shall have 14 days from the deadline of the respective payment as set forth above to cure and make full payment.

With respect to the first, second, and third payments, it is the intent of the parties that these payments will be made to the Receiver prior to approval of this settlement and bar order by the SEC Receivership Court. Upon receipt, the Receiver will deposit such funds into a segregated escrow account held by him in his capacity as Receiver subject to the approval of this settlement and bar order by the SEC Receivership Court. If the SEC Receivership Court does not approve this settlement and bar order, the Receiver shall within five (5) days return any payments made by Shoreline to the Receiver under the terms of this Settlement Agreement.

Shoreline also agrees to pay \$11,000 (the "Notice Amount") to the Receiver to cover the costs associated with providing notice of this settlement to interested parties. Shoreline shall make this payment to the Receiver within 10 days after entry of an order by the SEC Receivership Court granting the Receiver's motion to approve the settlement notice.

Upon receipt and clearing of both the full Notice Amount and the full Settlement Amount, the Receiver, on behalf of the Receivership Entities and their present and former employees, agents, representatives, beneficiaries, investors, creditors, and assigns, shall be deemed to have released and forever discharged Shoreline, its parents, subsidiaries, and affiliates, and their respective present and former officers, directors, employees, shareholders, principals, partners, members, managing members, member managers, agents, successors, and assigns of and from any and all claims which could have been asserted in the Arbitration, as well as any and all other claims, demands, rights, promises, and obligations arising from or related in any way to Shoreline's involvement with or provision of services to any account, product, fund, entity, or venture established, operated, or controlled by Arthur Nadel, Neil Moody or any of the Receivership Entities or the allegations of the SEC Receivership Action ("Released Claims"). In the event Shoreline fails to pay the Settlement Amount, the Receiver retains the right to bring any and all claims against Shoreline and its parents, subsidiaries, and affiliates, and their respective present and former officers, directors, employees, shareholders, principals, partners, members, managing members, member managers, agents, successors, and assigns.

Upon the Receiver's receipt and clearing of both the full Notice Amount and the full Settlement Amount, Shoreline shall be deemed to have waived any claim that it had,

has, or hereafter may have against the Receiver and/or any of the Receivership Entities relating to Shoreline's involvement with any account, product, fund, entity, or venture established, operated, or controlled by Arthur Nadel, Neil Moody or any of the Receivership Entities or the allegations of the SEC Receivership Action, *provided*, however, that nothing herein shall be deemed to waive any claim, counterclaim, or defense Shoreline or any other released person or entity hereunder has, had, or may have against any person or entity who asserts any claim against Shoreline or such released person or entity that is permitted to proceed despite the bar order referenced below.

The Receiver and Shoreline understand and agree that, subject to the approval of the SEC Receivership Court, the payment of the Notice Amount and the Settlement Amount and the release and waiver of claims as provided herein are in full accord and satisfaction of and in compromise of the Released Claims, and the payment, release, and waiver are not an admission of liability, which is expressly denied, but are made solely for the purpose of terminating a dispute and avoiding litigation.

After execution of this Settlement Agreement by all parties, the Receiver will promptly move the SEC Receivership Court for approval of this settlement and bar order. In the motion, the Receiver will request that the SEC Receivership Court enter an Order approving the settlement, including a bar order, in the form annexed hereto as Exhibit A. This bar order is a material part of this settlement and this settlement is contingent upon the approval of the bar order.

To the extent necessary, Shoreline agrees to assist the Receiver reasonably in seeking the SEC Receivership Court's approval of this settlement and bar order. Shoreline also agrees to continue to reasonably cooperate with the Receiver's efforts to gather information and otherwise fulfill his Court-ordered obligations imposed in the

SEC Receivership Action, including by providing additional information relating to the Receivership Entities which the Receiver may request through document requests or other discovery tools available to the Receiver under applicable laws and rules.

Shoreline agrees to an extension of the previously negotiated tolling agreement for 6 months from the execution of this Agreement or the complete satisfaction of the terms of this Agreement whichever is sooner regarding all statutes of limitations and/or statutes of repose that are applicable to any and all Released Claims.

Shoreline represents and warrants that it does not presently have the intent to file for bankruptcy or similar protections under federal or state laws or regulations or to otherwise take any steps that would in any way compromise its ability to pay the full Notice Amount and the full Settlement Amount.

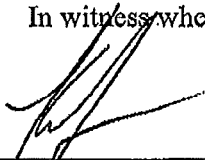
Shoreline understands and agrees that each party shall bear its own individual costs and attorney's fees incurred in the resolution of this matter.

The Receiver and Shoreline agree this Settlement Agreement shall be governed by and be enforceable under Florida law in the United States District Court for the Middle District of Florida, Tampa Division. Any dispute that arises with respect to this agreement between the parties hereto shall be submitted to the SEC Receivership Court for summary resolution.

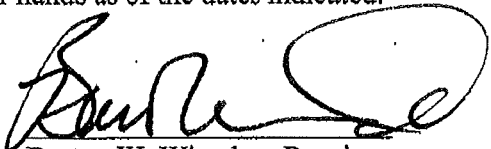
The Receiver and Shoreline also agree that electronically transmitted copies of signature pages will have the full force and effect of original signed pages.

In witness whereof the parties have set their hands as of the dates indicated.

By:

  
As Authorized Representative of  
Shoreline Trading Group, LLC

By:

  
Burton W. Wiand, as Receiver  
of the Receivership Entities

Date: 3-16-12

Date: 3/16/2012

Exhibit A

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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**[PROPOSED] ORDER**

This matter having come before the Court on motion by Burton W. Wiand, as Receiver ("Receiver") for Scoop Capital, LLC, Scoop Management, Inc., Scoop Real Estate, L.P., Valhalla Investment Partners, L.P., Victory IRA Fund, Ltd., Victory Fund, Ltd., Viking IRA Fund, LLC, Viking Fund LLC, Valhalla Management, Inc., Viking Management, LLC, Venice Jet Center, LLC, Tradewind, LLC, Laurel Mountain Preserve, LLC, Laurel Preserve, LLC, Laurel Mountain Preserve Homeowners Association, Inc., Marguerite J. Nadel Revocable Trust UAD 8/2/07, Guy-Nadel Foundation, Inc., Lime Avenue Enterprises, LLC, A Victorian Garden Florist, LLC, Viking Oil & Gas, LLC, Traders Investment Club, and Home Front



Homes, LLC, and all other entities subject to receivership pursuant to the Court's orders appointing and reappointing Receiver and expanding receivership in the proceeding styled Securities & Exch. Comm'n v. Arthur Nadel, et al., Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (the "SEC Receivership Action") (collectively, the "Receivership Entities"), to approve the Settlement Agreement with Shoreline Trading Group, LLC ("Shoreline") (Dkt. [\_\_\_\_]);

And due and proper notice of the motion having been given to all interested persons;

And the Court having considered the moving papers and any other filings relating to the Receiver's motion;

**UPON DUE CONSIDERATION, it is ORDERED AND ADJUDGED that the Receiver's Motion to Approve Settlement (Dkt. [\_\_\_\_]) is GRANTED.**

IT IS FURTHER ORDERED THAT the Court specifically approves the written Settlement Agreement entered into between the Receiver and Shoreline that is attached to the Receiver's motion as Exhibit A (the "Settlement Agreement") and incorporated herein by reference;

IT IS FURTHER ORDERED THAT the Court finds that the settlement between the Receiver and Shoreline presented to the Court is a fair, equitable, reasonable, adequate, and good faith settlement of all claims the Receivership estate and the Receivership Entities may have against Shoreline;

IT IS FURTHER ORDERED THAT the Receiver is authorized to enter into and complete the settlement with Shoreline in accordance with the requirements of the Settlement Agreement;

IT IS FURTHER ORDERED 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 Shoreline, its parents, subsidiaries, and affiliates, and their respective present and former officers, directors, employees, shareholders, principals, partners, members, managing members, member managers, agents, and successors that arises from or relates to the brokerage services that Shoreline performed for Receivership Entities, including the Relief Defendants, or the allegations of the SEC Receivership Action;

IT IS FURTHER ORDERED that said injunction bars all claims against Shoreline, its parents, subsidiaries, and affiliates, and their respective present and former officers, directors, employees, shareholders, principals, partners, members, managing members, member managers, agents, and successors for contribution, indemnity, or any other cause of action arising from the liability of any person or entity to the Receiver or to any of the Receivership Entities or their investors (including claims in which the injury is the liability to the Receiver or any of the Receivership Entities or their investors or where damages are calculated based on liability to the Receiver or any of the Receivership Entities or their investors), in whatever form and however denominated, and that such person or entity shall be entitled to such set-offs or judgment reductions as permitted by law, if any, as a result of said injunction;

IT IS FURTHER ORDERED that the releases included in the Settlement Agreement have been given in good faith, and that the Settlement Agreement therefore discharges Shoreline,

its parents, subsidiaries, and affiliates, and their respective present and former officers, directors, employees, shareholders, principals, partners, members, managing members, member managers, agents, and successors from all liability for contribution to any other tortfeasor pursuant to, at a minimum, Fla. Stat. § 768.31(5) and 15 U.S.C. § 78u-4(f)(7); and

IT IS FURTHER ORDERED that under the circumstances of this matter, including the need to bring finality to the resolution of potential claims between the Receiver and Shoreline for the benefit of defrauded investors with allowed claims, there is no just reason for delay of entry of a final judgment approving the Settlement Agreement. Accordingly, the Clerk of the Court is directed to enter this Order as a final judgment.

**DONE AND ORDERED** at Tampa, Florida, on March \_\_\_\_, 2012.

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**RICHARD A. LAZZARA**  
**UNITED STATES DISTRICT JUDGE**

**COPIES FURNISHED TO:**  
Counsel of Record