

**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 FUND, LTD,
VIKING IRA FUND, LLC,
VIKING FUND, LLC, AND
VIKING MANAGEMENT, LLC.

Relief Defendants.

**DECLARATION OF BURTON W. WIAND IN SUPPORT
OF THE UNOPPOSED MOTION TO EXPAND RECEIVERSHIP
TO INCLUDE SUMMER PLACE DEVELOPMENT CORPORATION**

Burton W. Wiand declares as follows:

1. I am an attorney with Wiand Guerra King P.L. in Tampa, Florida. I have personal knowledge of, or have obtained knowledge through my investigation of matters during the course of this Receivership, regarding the matters asserted herein and am competent to testify thereto.

2. I submit this declaration (the “**Declaration**”) in support of the Unopposed Motion to Expand Receivership to Include Summer Place Development Corporation.

3. In the January 21, 2009, Order Appointing Receiver (Doc. 8), the Court appointed me Receiver over (a) defendants Scoop Capital, LLC (“**Scoop Capital**”) and Scoop Management, Inc. (“**Scoop Management**”) and (b) relief 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 (Scoop Real Estate, Valhalla Investment Partners, Victory IRA Fund, Victory Fund, Viking IRA Fund, and Viking Fund are collectively referred to as the “**Hedge Funds**”).

4. The Receivership was expanded to include Venice Jet Center, LLC and Tradewind, LLC (Doc. 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. (Doc. 44); The Guy-Nadel Foundation, Inc. (Doc. 68); Lime Avenue Enterprises, LLC, and A Victorian Garden Florist, LLC (Doc. 79); Viking Oil & Gas, LLC (Doc. 153); Home Front Homes, LLC (Doc. 172); and Traders Investment Club (Doc. 454). All of the entities in receivership are collectively identified herein as the Receivership Entities.

5. By early afternoon on January 21, 2009, I had entered and obtained control of the offices of the Receivership Entities (the “**Office**”) and had begun my investigation into the affairs of the Receivership Entities.

6. I have been assisted in my investigation by my attorneys, accountants, information technology experts, and others. After I obtained control of the Receivership Entities, I, my attorneys, and/or my accountants had discussions and other communications with Arthur Nadel (“**Nadel**”) and a number of people associated with Nadel and/or the Receivership Entities, including officers of some of the Receivership Entities and persons responsible for maintaining the financial books of the Receivership Entities and other businesses controlled by Nadel, for operating other businesses controlled by Nadel, for performing accounting services, and for administering the Hedge Funds. We also had communications and gathered information from many investors in the Hedge Funds.

7. We have also reviewed documents located in the Office, documents obtained from the accountant for the Receivership Entities, information stored on the Receivership Entities’ computer network, documents obtained from other businesses controlled by Nadel, documents obtained from numerous third parties, and information available in the public record.

8. My investigation has revealed that Nadel defrauded investors through his control of the Hedge Funds’ advisers and managers. A review of any monthly trading account statement for any of the Hedge Funds would have shown that the trading activity, yields, and amounts in those accounts significantly differed from the information provided to investors in purported periodic Hedge Fund performance statements.

9. My investigation also uncovered evidence that Scoop Capital received substantial amounts of proceeds of the fraud from the Hedge Funds in the form of purported management, profit incentive, and/or advisory fees.

10. On February 24, 2010, Nadel pled guilty to all counts in his indictment, which charged that he ran the scheme underlying this case from 1999 forward.

11. After my appointment as Receiver, I learned that proceeds of Nadel's fraud had been used to purchase a 50% ownership interest in Summer Place Development Corporation ("**Summer Place**").

12. Specifically, beginning in December 2006 Nadel, through Scoop Capital, purchased a fifty-percent ownership in Summer Place with a payment of \$50,000 to Clyde A. Connell and a payment of \$13,204.99 to Clyde and Juanita Connell in February 2007. In addition, between December 2006 and December 2008, Scoop Capital paid Summer Place \$62,100.00 in operational expenses. True and correct copies of these payments are attached hereto as **Exhibit 1**. The funds from Scoop Capital were derived from Nadel's fraudulent scheme, and thus the proceeds of that scheme were used to purchase an ownership interest in and fund Summer Place's operations.

13. Following my appointment in this matter I replaced Nadel as a Director, the Secretary, and the Treasurer of Summer Place in April 2009 and Scoop Capital's shares in Summer Place were transferred to me at that time. I have been working with Summer Place's other Director, and President, Clyde A. Connell, in preserving Summer Place and its assets for the benefit of the Receivership Estate.

14. Summer Place owns a six-acre parcel of land in Bradenton, Florida, and the sale of the land would provide value to the Receivership Estate and benefit defrauded investors and other creditors. It is my understanding that Summer Place was created to build affordable homes on that land through the use of Home Front Homes, LLC.

15. Aside from directing me to “marshal and safeguard all of the assets” of the Receivership Entities and “take whatever actions are necessary for the protection of the investors” (Order Reappointing Receiver at 1), the Order Reappointing Receiver imposes on me a duty to “institute such . . . 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 . . .” (*Id.* at 2.) It also directs me to “apply to this Court for an Order giving the Receiver possession of” funds of “persons who have invested in the Receivership Entities [that] have been transferred to other persons or entities.” (*Id.* at 23.)

16. Including Summer Place in this Receivership would help with the marshalling and safeguarding all of the assets of the Defendants or Relief Defendants.


17. I have advised both Clyde M. Connell and Juanita A. Connell – the only other stakeholders in Summer Place - of the relief sought in the Motion to Expand Scope of Receivership to include Summer Place, which is being filed contemporaneously with this Declaration, and they have no objection to the relief sought therein. *See Exhibit 2.*

18. No claims were submitted in the claims process in this case which asserted any interest in the Receivership Estate’s interest in Summer Place, and I am not aware of any liens or encumbrance relating to those interests. The only asserted interest relating to Summer Place of which I am aware is the local homeowners’ association’s contention that Summer Place owes it past monthly assessments for the land Summer Place owns. Based on the information I have reviewed, however, the amounts sought by the homeowners’

association are for higher than those owed under the relevant purported agreement. In any event, the Receivership offers the most efficient context to resolve that contention.

I **DECLARE** under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true ~~and~~ correct.

Dated this 11th day of September, 2012.



Burton W. Wiand