

**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.

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**RECEIVER'S DECLARATION IN SUPPORT OF THE UNOPPOSED MOTION  
FOR POSSESSION OF AND TITLE TO REAL PROPERTY  
LOCATED IN MARSHFIELD, VT**

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 Motion for Possession of and Title to Real Property Located in Marshfield, VT.

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); Traders Investment Club (Doc. 454); Respiro Inc. (Doc. 911); and Summer Place Development Corporation (Doc. 916). All of the entities in receivership are collectively identified herein as the “**Receivership Entities**”.

5. Since my appointment as Receiver, I have retained several professionals (including lawyers, an accountant, and a financial analyst) to continue my investigation, which has included communicating with people associated with Arthur Nadel (“**Nadel**”)

and/or the Receivership Entities and persons responsible for maintaining the financial books of Receivership Entities and of other businesses controlled by Nadel; operating other businesses controlled by Nadel or for assisting those businesses with their transactions; performing accounting services; and administering the Hedge Funds.

6. We have also reviewed documents located in the offices of the Hedge Funds (the “**Office**”) (located at 1618 Main Street, Sarasota, Florida 34236); documents obtained from the accountant for Receivership Entities; information stored on Receivership Entities’ computer network; documents obtained from other businesses controlled by Nadel; documents obtained from financial institutions and other third parties, including lawyers and others who assisted Nadel’s businesses with their transactions; and information available in the public record. 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.

7. 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.

8. 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.

9. After my appointment as Receiver, I learned that proceeds of Nadel’s fraud had been used by Nadel to purchase two parcels of real property located at 3343 U.S. Route

2, Marshfield VT (the “**3343 Property**”) and 3353 U.S. Route 2, Marshfield, VT (the “**3353 Property**”) (the 3343 Property and 3353 Property are collectively referred to as the “**Vermont Properties**”).

#### **The 3343 Property**

10. On September 3, 2004, Nadel purchased the 3343 Property, as evidenced by the September 3, 2004 deed for the Property and the Vermont Property Transfer Tax Return attached hereto as **Exhibit A** and **Exhibit B** respectively. The initial deposit for the 3343 Property was funded by a check dated June 29, 2004, in the amount of \$10,000 written from Nadel’s personal account with SouthTrust Bank (the “**SouthTrust Account**”) to Coldwell Banker Heney Realtors Trust Account. A copy of that check is attached hereto as **Exhibit C**. A bank statement for the SouthTrust Account dated July 8, 2004 shows that the \$10,000 check was cleared through that account, and is attached hereto as **Exhibit D**.

11. As shown by the copy of the closing statement for the 3343 Property, attached as **Exhibit E**, Nadel owed \$117,697.90 at the closing of his purchase of the 3343 Property in September 2004. On September 2, 2004, Nadel wired \$117,697.90 from his SouthTrust Account to his attorney, Michael Caccavo, to cover the remainder due at closing, as evidenced by a copy of the statement from the SouthTrust Account attached hereto as **Exhibit F**.

12. I have traced both the \$10,000 deposit and the \$117,697.90 payment at closing directly from Nadel’s SouthTrust Account to Receivership Entity Scoop Capital. To cover the purchase of the 3343 Property, Nadel wrote three checks totaling \$235,000 from

Scoop Capital's account with SouthTrust Bank to his SouthTrust Account in the weeks preceding the closing of the 3343 Property.

13. The first check, in the amount of \$85,000, was written on June 9, 2004, and a copy is attached hereto as **Exhibit G**. The second check, in the amount of \$50,000, was written on August 23, 2004, and a copy is attached hereto as **Exhibit H**. The third check, in the amount of \$100,000, was written on September 1, 2004, and a copy is attached hereto as **Exhibit I**.

14. As explained above, Scoop Capital derived all of its income from purported management, advisory, and/or profit incentive fees paid by the Hedge Funds or from other endeavors of Nadel funded with those "fees".

15. At all times during these transactions, Nadel was perpetrating his scheme, and practically all of Nadel's income was derived from that scheme.

16. From this information, it is clear that the purchase of the 3343 Property was made using funds from the Receivership Entities' money constituting proceeds of Nadel's scheme.

17. On September 13, 2004, Nadel executed a warranty deed and transferred ownership of the 3343 Property to himself as Trustee of the Clark/Nadel Revocable Trust Dated September 2, 2004 (the "Clark/Nadel Trust"). A copy of the September 13, 2004 deed for the Property and the Vermont Property Transfer Tax Return for the 3343 Property are attached hereto as **Exhibit J** and **Exhibit K**, respectively. The latter document shows that no consideration was given for the transfer of the 3343 Property. *Id.*

18. Pursuant to the provisions of the Clark/Nadel Trust, attached hereto as **Exhibit L**, Geoffrey Nadel, Nadel's son, and his family were permitted to reside in the 3343 Property without any payment of rent. (*Id.* at 3.)

19. Several years later, just before Nadel's scheme collapsed, Nadel, in his capacity as Trustee of the Clark/Nadel Trust, executed another Warranty Deed for the 3343 Property transferring its ownership to his son, Geoffrey Nadel, and his son's wife, Anne Nadel. Copies of the November 7, 2008 deed for the 3343 Property and the Vermont Property Transfer Tax Return for the 3343 Property are attached hereto as **Exhibit M** and **Exhibit N**, respectively. No information that I have reviewed reflects any payment in exchange for transfer of title.

20. While Geoffrey Nadel is now deceased, it is my understanding that his wife, Anne Nadel, continues to reside at the 3343 Property.

#### **The 3353 Property**

21. On July 29, 2005, Nadel, acting as trustee of the Clark/Nadel Trust, purchased the 3353 Property for \$55,000. Copies of the July 2005 deed for the 3353 Property and the Vermont Transfer Tax Return for the 3353 Property are attached hereto as **Exhibit O** and **Exhibit P**, respectively. The initial deposit for the 3353 Property was funded by a wire transfer in the amount of \$5,000 from Nadel's SouthTrust Account to Nadel's attorney, Michael Caccavo, on July 7, 2005. A copy of the wire transfer confirmation is attached hereto as **Exhibit Q**. A bank statement for the SouthTrust Account dated July 7, 2005 shows that the \$5,000 wire originated from the SouthTrust Account, and is attached hereto as **Exhibit R**.

22. As shown by the copy of the closing statement for the 3353 Property, attached hereto as **Exhibit S**, Nadel owed \$51,883.58 at closing in July 2005. On July 27, 2005, Nadel wired \$51,833.58 from his SouthTrust Account to his attorney, Michael Caccavo, to cover the remainder due at closing. A copy of the wire transfer confirmation and a statement from the SouthTrust Account are attached hereto as **Exhibit T** and **Exhibit U**, respectively.

23. I have traced both the \$5,000 deposit and the \$51,883.58 payment at closing directly from Nadel's SouthTrust Account to the Receivership Entities and Nadel's fraudulent scheme. To cover the balance due at closing, Nadel transferred funds from his personal account held through brokerage firm Shoreline Trading Group to his SouthTrust Account. See **Exhibit V**. This transfer is also reflected in the July 2005 monthly statement for Nadel's Shoreline Account, attached hereto as **Exhibit W**.

24. My investigation has revealed that the source of funds in the Shoreline Account was a \$700,000 deposit from the SouthTrust Account on January 9, 2004. It does not appear that any other funds were deposited into Nadel's Shoreline Account from January 9, 2004 through July 12, 2005.

25. To cover the payment of the \$700,000 deposit into the Shoreline Account, on January 8, 2004, the day before the deposit was made, Nadel transferred \$700,000 from Intex Trading Corporation's ("**Intex**") Account with SouthTrust Bank to his SouthTrust Account. A copy of that check is attached hereto as **Exhibit X**. Additionally, a bank statements from the SouthTrust Account dated January 8, 2004 evidencing the transfer is attached hereto as **Exhibit Y**.

26. The \$700,000 check from Intex which funded the Shoreline Account, which in turn funded the \$51,883.58 payment at closing from the SouthTrust Account, is directly traceable to Receivership Entities and Nadel's scheme. According to filings with the Florida Secretary of State, Intex was the General Partner of Scoop Investments, Ltd. (*see* **Exhibit Z**), which is the original name for Relief Defendant and Receivership Entity Victory Fund, Ltd., one of the Hedge Funds in receivership (*see* **Exhibit AA**). Scoop Investments, Ltd. was renamed Victory Fund, Ltd., on November 27, 2002 (*see id.*), and on December 20, 2002, the general partner for that Hedge Fund was changed from Intex to Scoop Capital (*see* **Exhibit BB**).

27. Also according to filings with the Florida Secretary of State, Nadel created Intex in August 1996, and served as its sole director and registered agent. *See* **Exhibit CC**. Nadel remained Intex's sole director and officer at all times, including in 2004 when Nadel transferred \$700,000 from Intex's account to his SouthTrust Account and in July 2005 when Nadel used \$51,883.58 of the \$700,000 in investment proceeds to purchase the 3353 Property. *See* **Exhibit DD**. Nadel dissolved Intex in September 2005. *See* **Exhibit EE**.

28. According to records I have reviewed, between February 2002, and January 2003, approximately \$533,375.90 was deposited into Intex's account at SouthTrust Bank directly from accounts held in the names of Receivership Entities Valhalla Management, Inc. and Viking Management, Inc. Specifically, \$20,089.76 was transferred from Viking Management, LLC, and \$513,286.14 was transferred from Valhalla Management, Inc. As a result, the money used to fund the \$700,000 check referenced above in paragraph 38 came from Receivership Entities.



29. As explained above, Scoop Capital derived all of its income from purported management, advisory, and/or profit incentive fees paid by the Hedge Funds.

30. On November 7, 2008, Nadel, in his capacity as Trustee of the Clark/Nadel Trust executed a Warranty Deed for the 3353 Property transferring its ownership to his son, Geoffrey Nadel, and his son's wife, Anne Nadel. A copy of the November 7, 2008 deed for the 3353 Property and the Vermont Property Transfer Tax Return for the 3353 Property are attached hereto as **Exhibit FF** and **Exhibit GG**, respectively. No information that I have reviewed reflects any payment in exchange for transfer of title.

31. At all times during these transactions, Nadel was perpetrating his scheme, and essentially all of Nadel's income was derived from that scheme.

32. From this information, it is clear that the purchase of the 3353 Property was made using funds from the Receivership Entities and constituted proceeds of Nadel's scheme.

33. While Ms. Nadel represented to me that the transfer of the Vermont Properties was made in satisfaction of "documented and indisputable" debts owed by Nadel, Ms. Nadel later represented to my representative, Roger Jernigan, that, in reality, she has no documentation supporting this claim.

#### **Other Relevant Transfers of Scheme Proceeds**

34. My investigation has also revealed that Nadel made numerous other transfers of scheme proceeds to or for the benefit of Geoffrey and Anne Nadel over the course of his scheme. Constituting both direct transfers and payments for various expenses associated with the Vermont Properties, these transfers totaled nearly \$500,000.

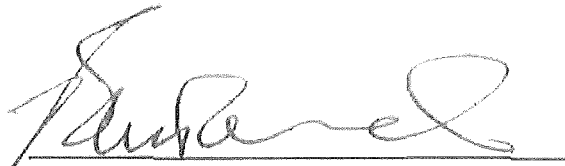
35. From September 2004 to November 2008, Nadel transferred approximately \$2.156 million to the Clark/Nadel Trust primarily from his personal Wachovia Bank account funded exclusively with scheme proceeds (the “**Wachovia Account**”). Copies of the cancelled checks are attached hereto as **Composite Exhibit HH**.

36. From February 2002 until December 2008, Nadel wrote approximately \$28,900 in checks to Geoffrey and Anne Nadel from that same Wachovia Account. These funds also were scheme proceeds. Copies of the cancelled checks are attached hereto as **Composite Exhibit II**.

37. Geoffrey Nadel also received more than \$428,000 in “distributions” from both the Wachovia Account and the Clark/Nadel Trust from September 2004 until June 2008. Those funds also were derived from the Hedge Funds and constituted scheme proceeds. Copies of the cancelled checks are attached hereto as **Composite Exhibit JJ**.

38. Additionally, Nadel made approximately \$28,000 in payments from the Wachovia Account for various expenses related to the Vermont Properties, including insurance premiums and tax assessments. The funds used to make these payments also were scheme proceeds. Copies of the cancelled checks are attached hereto as **Composite Exhibit KK**.

I **DECLARE** under the penalty of perjury that the foregoing is true and correct and is executed this 20<sup>th</sup> day of October, 2012.

A handwritten signature in black ink, appearing to read "Burton W. Wiand", written over a horizontal line.

Burton W. Wiand, as Receiver  
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