

EXHIBIT 2

**IN THE CIRCUIT COURT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR SARASOTA COUNTY, FLORIDA
Civil Division**

**JOSEPH T. BELL, II, individually and on
behalf of the JOSEPH T. BELL, II, M.D. SEP IRA,
DENNIS FLEMING, individually and on behalf
of the DENNIS FLEMING IRA, HAMILTON HAGAR,
individually and on behalf of the HAMILTON HAGAR
IRA, SEP IRA, and ROTH IRA, SCOTT LOCHRIDGE,
RANDOLPH NAYLOR, individually and on behalf
of the RANDOLPH NAYLOR IRA, MICHAEL WARD,
individually and on behalf of the MICHAEL WARD SEP IRA,**

Plaintiffs,

v.

Case No. 2009 CA 004925 NC

**DONALD H. ROWE, THE WALL STREET
DIGEST, a Delaware corporation, and
CARNEGIE ASSET MANAGEMENT, INC.,
a Delaware corporation,**

Defendants.

SECOND AMENDED COMPLAINT AND JURY DEMAND

PLAINTIFFS, JOSEPH T. BELL, II, individually and on behalf of the JOSEPH T. BELL, II, M.D. SEP IRA, DENNIS FLEMING, individually and on behalf of the DENNIS FLEMING IRA, HAMILTON HAGAR, individually and on behalf of the HAMILTON HAGAR IRA, SEP IRA, and ROTH IRA, SCOTT LOCHRIDGE, RANDOLPH NAYLOR, individually, on behalf of the RANDOLPH NAYLOR IRA, MICHAEL WARD, individually and on behalf of the MICHAEL WARD SEP IRA, MARVIN BERKMAN, individually and on behalf of the MARVIN BERKMAN IRA, LARRY W. HULL, individually and on behalf of the LARRY W. HULL IRA, ROGER B. JOHNSON, individually and on behalf of the ROGER B. JOHNSON IRA, and his spouse, LI HSU JOHNSON, STUART H. ARCHER, CHARLES SAVOCA,



individually and on behalf of the CHARLES SAVOCA IRA, and his spouse, BARBARA SAVOCA, by and through undersigned counsel, sue Defendants, DONALD H. ROWE, JOYCE ROWE a/k/a "Joy Rowe," THE WALL STREET DIGEST, INC., a Delaware corporation, and CARNEGIE ASSET MANAGEMENT, a Delaware corporation, and allege:

Parties, Jurisdiction & Venue

1. This is an action brought against all four Defendants on behalf of all Plaintiffs to recover damages in excess of \$5,400,000.00 stemming from fraudulent misrepresentations contained in an investment newsletter known as *The Wall Street Digest* as to the purported merits of investing in certain hedge funds promoted by Arthur Nadel, Neil Moody and Christopher Moody and, as to certain of the Plaintiffs identified below, additional claims for securities fraud pursuant to the Florida Securities and Investors Protection Act, F.S. 517.301, *et seq.*, violations of the securities registration provisions of F.S. 517.07, and violations of the dealer registration requirements of F.S. 517.12.

2. Plaintiff, Joseph T. Bell, II, is an individual who, at all times relevant to this proceeding, has resided in Boone, North Carolina. The acts complained of in this proceeding occurred in Sarasota County, Florida.

3. Plaintiff, Dennis Fleming, is an individual who, at all times relevant to this proceeding, has resided in Williamsburg, Virginia. The acts complained of in this proceeding occurred in Sarasota County, Florida.

4. Plaintiff, Hamilton Hagar, is an individual who initially resided in Springfield, Virginia, but moved in 2003 to Port Orange, Florida, where he now resides. The acts complained of in this proceeding occurred in Sarasota County, Florida.

5. Plaintiff, Scott Lochridge, is an individual who, at all times relevant to this

proceeding, has resided in Jackson, Tennessee. The acts complained of in this proceeding occurred in Sarasota County, Florida.

6. Plaintiff, Randolph Naylor, is an individual who, at the time he made his initial investment, resided in Scottsdale, Arizona. At the time he made his later securities in the Nadel-Moody hedge funds, he resided in Bonita Springs, and he continues to reside there at this time. The acts complained of in this proceeding occurred in Sarasota County, Florida.

7. Plaintiff, Michael Ward, is an individual who, at all times relevant to this proceeding, has resided in Kalamazoo, Michigan. The acts complained of in this proceeding occurred in Sarasota County, Florida.

8. Plaintiff, Marvin Berkman, is an individual who, at all times relevant to this proceeding, has resided in Eugene, Oregon. The acts complained of in this proceeding occurred in Sarasota County, Florida.

9. Plaintiffs, Roger Johnson and Li Hsu Johnson, are husband and wife who, at all times relevant to this proceeding, have resided in Massachusetts. The acts complained of in this proceeding occurred in Sarasota County, Florida.

10. Plaintiff, Stuart Archer, is an individual who, at all times relevant to this proceeding, has resided in Miami, Florida. The acts complained of in this proceeding occurred in Sarasota County, Florida.

11. Plaintiff, Larry Hull, is an individual who, at all times relevant to this proceeding, has resided in Wake Forest, North Carolina. The acts complained of in this proceeding occurred in Sarasota County, Florida.

12. Plaintiffs, Charles Savoca and Barbara Savoca, are husband and wife who, at all times relevant to this proceeding, have resided in Venice, Florida. The acts complained of in this

proceeding occurred in Sarasota County, Florida.

13. Defendant, DONALD H. ROWE ("Mr. Rowe"), is an individual who, at all times relevant to this proceeding, has resided in Sarasota County, Florida, and who was and is the founder of THE WALL STREET DIGEST, INC. ("WSD") as well as CARNEGIE ASSET MANAGEMENT, INC. ("CAM") and was, at all times relevant to this proceeding, the president, a principal shareholder and controlling principal of each of those entities. He is the spouse of Defendant JOYCE ROWE a/k/a "Joy Rowe."

14. Defendant, JOYCE ROWE a/k/a "Joy Rowe" ("Mrs. Rowe"), is an individual who, at all times relevant to this proceeding, has resided in Sarasota County, Florida and who was and is an "editor" of THE WALL STREET DIGEST, INC. ("WSD") as well as an officer and director of CARNEGIE ASSET MANAGEMENT, INC. ("CAM"). She is the spouse of Defendant DONALD H. ROWE.

15. Defendant, WSD, a Delaware corporation controlled by Rowe, maintains principal offices in Sarasota, Florida. At all times relevant to this proceeding, it has published an investment newsletter known as *The Wall Street Digest*, which describes itself as, "Wall Street's most widely read investment and financial service," and as "Wall Street's most widely read investment newsletter." As will be alleged in more detail below, the recommendations and sales of the hedge fund securities at issue appeared in this newsletter and in various marketing pieces prepared and distributed by Defendants from offices in this state on multiple occasions from approximately 2000 until sometime in 2004.

16. Defendant, CAM, a Delaware corporation controlled by Mr. Rowe and Mrs. Rowe, maintains principal offices in Sarasota, Florida. At all times relevant to this proceeding, CAM held itself out as an investment management company. As will be alleged in more detail below, CAM

received referral fees from Arthur Nadel, Neil Moody, Christopher Moody and/or their hedge funds in exchange for the Defendants' fraudulent recommendations that Plaintiffs invest in the foregoing hedge funds.

17. All representations made to Plaintiffs by Mr. and Mrs. Rowe, as detailed below, were made by them while they were acting within the scope of their employment by WSD and CAM and, as such, are properly chargeable to both WSD and CAM under principal/agency theory, the doctrine of *respondeat superior*, and applicable state securities laws and regulations.

18. Mr. and Mrs. Rowe, WSD, and CAM are "persons," as that term is intended in F.S. 517.211(2) and F.S. 517.301.

19. The acts and omissions at issue in this proceeding, specifically the recommendation and sale of the securities at issue, occurred in Sarasota County, Florida and the cause of action accrued here.

20. By virtue of the foregoing, this court has both subject matter and *in personam* jurisdiction in this proceeding, and venue is proper in this court.

Background Facts Common to All Counts

"America's Top Ranked Money Manager"

21. Between approximately 2000 and 2008, more than \$350 million was raised from investors, including Plaintiffs herein, by Sarasota-based hedge fund promoters Arthur Nadel, Neil Moody and Christopher Moody (collectively, "Nadel-Moody").

22. Nadel-Moody formed several different hedge funds between approximately 2000 and 2006, which were allegedly professionally-managed investment pools, targeted to investors located throughout the United States. Those hedge funds were named Scoop Real Estate, L.P., Valhalla Investment Partners, L.P., Victory IRA Fund, Ltd., Victory Fund, Ltd., Viking IRA Fund,

LLC, and Viking Fund, LLC.

23. From offices located within the state of Florida, Defendants promoted Nadel-Moody in various publications as "America's Top Ranked Money Manager" and other similarly-glowing descriptions from approximately 2000 through sometime in 2004. **Exhibits A, B, and C** are examples of three such publications and are incorporated herein by reference.

24. Moreover, from approximately 2000 through sometime in 2004, Mr. and Mrs. Rowe represented in *The Wall Street Digest*, and various promotional pieces that accompanied it, that Mr. Rowe had personally conducted a "due diligence visit to the offices of Nadel & Moody," and that

What I did learn is very important for the individual investor. After 26 years of reviewing the track records of over 11,000 mutual funds, 6,000 money managers and 5,800 hedge funds, Nadel's computerized investment program has produced the best track record and most consistent returns I have ever seen.

See Exhibit C, which is attached to this Complaint and incorporated by reference.

25. Each of the Plaintiffs herein either received those exact representations or representations to that effect in written and, in some instances, verbal communications from Rowe. And, as will be detailed in the separate counts below, each of the Plaintiffs reasonably relied on recommendations made by "Wall Street's most widely read investment newsletter."

26. Defendants were paid referral fees by the Nadel-Moody hedge funds in exchange for acting as their intermediary and for referring investors, including Plaintiffs herein, to those hedge funds and for advertising Nadel-Moody in *The Wall Street Digest* as "America's Top-Ranked Money Manager."

27. Each of the Plaintiffs in this proceeding, who were also subscribers to *The Wall Street Digest*, bought securities in the form of fractional interests in various hedge funds sponsored by Nadel-Moody as a direct result of recommendations made by Defendants in this proceeding.

SEC receivership

28. In mid-January, 2009, Arthur Nadel fled the state of Florida. Shortly thereafter, his business partners, Neil Moody and Christopher Moody, advised investors, including Plaintiffs herein, that not only had their business partner abandoned the business under highly suspicious circumstances, but that essentially all of their money was gone.

29. On January 21, 2009, the United States Securities and Exchange Commission ("SEC") filed a lawsuit in the district court for the Middle District of Florida, styled, *Securities and Exchange Commission v. Arthur Nadel, Scoop Capital, LLC and Scoop Management, Inc.*, Case No. 8:09-cv-87-T-26TBM (the "SEC Proceeding").

30. As a result of the SEC Proceeding, an injunction was issued as to Arthur Nadel and a receiver was appointed to examine the books and records of the above-referenced hedge funds. The receiver's examination disclosed that the alleged investment returns of the various hedge funds had been "massively overstated" for several years, encompassing the time period when Defendants were promoting them, and confirmed that there was virtually no money remaining in the various hedge fund accounts.

31. At or about the time the receivership was established, it was determined that Arthur Nadel had been disbarred as an attorney in the state of New York in the early 1980s, that none of the hedge funds had audited financial statements, that the accountant for the hedge funds had lost his license to practice as a certified public accountant in Florida, and that investors had paid extraordinary fees – totaling more than \$90 million by the time this fraud was discovered – to Mr. Nadel and his business partners, Neil Moody and Christopher Moody.

32. None of these material facts, each of which could be easily determined by any reasonable and competent "due diligence" examination, were disclosed by the Defendants herein at

the time they were recommending that Plaintiffs invest in the subject hedge funds.

33. Defendants and/or entities affiliated with them had also been investors in these hedge funds, but they withdrew their money and had actually “profited” from the hedge funds before the SEC Proceeding was instituted.

34. Moreover, Defendants never advised any of the investors, including Plaintiffs herein, that they were no longer recommending the Nadel-Moody hedge funds and that they were withdrawing their own securities from those hedge funds.

35. According to a recent complaint filed by the receiver in the SEC proceeding against Defendants in the instant proceeding, as well as The Wall Street Digest Defined Benefit Pension Plan,¹ Donald Rowe received almost \$6.3 million in distributions from Nadel-Moody and slightly less than \$2 million in fees between 1999 and 2008. The foregoing fees were paid by Nadel-Moody to Defendants herein in exchange for referring Plaintiffs and other investors to the hedge funds, according to the receiver.

36. In or about October, 2004, a dispute developed between Nadel-Moody and Defendants herein regarding the payment of fees as evidenced, in part, by correspondence from counsel for Defendants herein to counsel for Nadel-Moody dated January 25, 2005, a true and correct copy of which is attached as **Exhibit D**. In short summary, that correspondence demands that Nadel-Moody continue making payments to Defendants herein.

37. In a memorandum apparently authored by Neil Moody and Arthur Nadel to their attorney on January 31, 2005, they explained the history of the relationship with Donald Rowe and *The Wall Street Digest*, and attached a spreadsheet showing fees, representing a portion of hedge funds “management fees” and “performance fees” paid to Defendants herein in 2003 and the first

¹ *Burton H. Wland, as Receiver v. Donald Rowe, et al.*, Case No. 8:10-cv-00245, Middle District of Florida

three quarters of 2004.² A copy of this memorandum is attached as **Exhibit E** and incorporated by reference.

38. By letter dated February 2, 2005, counsel for Nadel-Moody responded to the foregoing demand for payment by Defendants herein and contended, in part, that "since your clients claim that this agreement [to receive fees] was for payment for your clients' solicitation of hedge fund investors, please be aware that under both Federal and Florida securities laws, your clients would have to be registered as a broker/dealer to accept such payments." **Exhibit F**.

39. The foregoing letter continues, alleging in essence that none of the Defendants herein were licensed to sell securities and that, "Accordingly, if any such agreement did exist, the agreement would be void under Florida law which consistently refuses to enforce a contract to sell securities unless the 'solicitor' is a registered broker."

40. Nadel-Moody and Defendants herein ultimately settled their dispute by entering into a "Non-Solicitation Agreement," a copy of which is attached as **Exhibit G**. In sum and substance, that agreement attempted to re-characterize future payments to Defendants, totaling \$125,000 per quarter for two years (i.e., \$1 million total) as payments in exchange for Defendants' agreement not to "recommend alternative investments or funds (other than by newsletter of general circulation or by general promotional mass mailings to existing or prospective clients or subscribers of Carnegie) to persons actually known by Carnegie to be Fund investors." Stated another way, Nadel-Moody continued to pay unlawful commissions to Defendants and simultaneously got their agreement not to steer Plaintiffs and other hedge fund investors away from Nadel-Moody.

41. All conditions precedent to the maintenance of this lawsuit have occurred or been waived.

² Exhibits D, E, F & G were all obtained by a subpoena from undersigned counsel to the receiver in the SEC

42. Plaintiffs have retained the undersigned attorneys to represent them in this proceeding, and have agreed to pay them a reasonable fee for their services.

COUNT ONE
(COMMON LAW FRAUD AS TO JOSEPH T. BELL, II)

43. Plaintiff, Joseph T. Bell, II, incorporates the allegations set forth in paragraphs 1-2 13 through 42 as if fully set forth herein.

44. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations to Joseph T. Bell in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

45. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

46. Defendants made the above-referenced misrepresentations with the intention that Plaintiff, Joseph T. Bell, rely upon them.

47. Defendants held themselves out to the public at large and to Plaintiff in particular as knowledgeable and experienced investment advisors.

48. Therefore, Plaintiff, Joseph T. Bell, reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

49. As a result of his reliance on the above-referenced misrepresentations, Plaintiff,

proceeding.

Joseph T. Bell, invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a)	09/03	Joseph T. Bell, II, M.D. SEP IRA	Viking IRA Fund, LLC	\$ 99,475.00
(b)	11/04			\$ 47,437.29
(c)	05/05			\$ 63,504.25
(d)	09/05			\$ 6,016.22
(e)	06/07			\$ 27,052.08
(f)	09/08			\$ 10,302.00
			TOTAL	\$ 253,786.84

50. Plaintiff, Joseph T. Bell, did not withdraw any money from this investment before the fraud was discovered, resulting in a net loss in the Nadel-Moody hedge funds totaling \$253,786.84.

51. As a direct and proximate result of Defendants' misrepresentations, Plaintiff, Joseph T. Bell, has suffered damages.

WHEREFORE, Plaintiff, Joseph T. Bell, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT TWO
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO JOSEPH T. BELL, II)

52. Plaintiff, Joseph T. Bell, incorporates the allegations set forth in paragraphs 1-2, 13 through 42, and 44-57 as if fully set forth herein.

53. The hedge fund securities recommended by Defendants to Plaintiff, as more particularly described in paragraphs 22, 27, and 49 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

54. By their recommendation of the foregoing hedge fund securities, Defendants

"participated or aided," within the meaning of F.S. 517.211(1) in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments," as that term is defined in F.S. 517.301.

55. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the securities described in paragraphs 49(b) through 49(f) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiff Joseph T. Bell, (b) obtained money or property from Plaintiff Joseph T. Bell by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiff Joseph T. Bell.

56. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-Moody hedge funds some time before their collapse.

57. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

58. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff Joseph T. Bell has been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

59. Plaintiff, Joseph T. Bell, did not know, nor could Plaintiff Joseph T. Bell have

reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was publicly-disclosed in January, 2009.

WHEREFORE, Plaintiff, Joseph T. Bell, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT THREE
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO JOSEPH T. BELL)

60. Plaintiff, Joseph T. Bell, incorporates the allegations set forth in paragraphs 1-2, 13-42, and 53-54, as if fully set forth herein.

61. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

62. Prior to this plaintiff's purchase of the hedge fund securities referenced above, he was not furnished with full and fair disclosure of all material information concerning this investment.

63. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received any compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

64. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration

requirements of Florida law.

65. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

66. The hedge fund securities at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

67. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiff, Joseph T. Bell, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT FOUR
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO JOSEPH T. BELL)

68. Plaintiff, Joseph T. Bell, incorporates the allegations set forth in paragraphs 1-2, 13-42, and 44-51, as if fully set forth herein.

69. Each of the Defendants acted as "dealers," as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

70. Defendants failed to register as dealers pursuant to F.S. 517.12.

71. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiff, Joseph T. Bell, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further

relief as the Court deems just and equitable.

COUNT FIVE
(COMMON LAW FRAUD AS TO DENNIS FLEMING)

72. Plaintiff, Dennis Fleming, incorporates the allegations set forth in paragraphs 1, 3, and 13 through 42 as if fully set forth herein.

73. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations to Dennis Fleming in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

74. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

75. Defendants made the above-referenced misrepresentations with the intention that Plaintiff, Dennis Fleming, rely upon them.

76. Defendants held themselves out to the public at large and to Plaintiff in particular as knowledgeable and experienced investment advisors.

77. Therefore, Plaintiff Dennis Fleming reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

78. As a result of his reliance on the above-referenced misrepresentations, Plaintiff, Dennis Fleming, invested the following amounts in the Nadel-Moody hedge funds, as indicated

below:

	<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a)	03/03/04	Dennis Fleming IRA	Victory IRA Fund, Ltd.	\$100,000.00
(b)	05/03/04			\$100,000.00
(c)	01/01/07			\$100,000.00
(d)	04/10/07			\$200,000.00
			TOTAL	\$500,000.00

79. Plaintiff Dennis Fleming withdrew the total sum of \$70,240.00 before the fraud was discovered, resulting in a net investment in the Nadel-Moody hedge funds totaling \$429,760.00.

80. As a direct and proximate result of Defendants' misrepresentations, Plaintiff, Dennis Fleming, has suffered damages.

WHEREFORE, Plaintiff, Dennis Fleming, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT SIX
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO DENNIS FLEMING)

81. Plaintiff, Dennis Fleming, incorporates the allegations set forth in paragraphs 1, 3, 13 through 42, and 73 through 78 as if fully set forth herein.

82. The hedge fund securities recommended by Defendants to Plaintiff Fleming, as more particularly described in paragraphs 22, 27 and 49 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

83. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities,

as that term is defined in F.S. 517.021, and "investments, as that term is defined in F.S. 517.301.

84. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the securities described in paragraphs 78 (b) through 78(d) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiff Dennis Fleming, (b) obtained money or property from Plaintiff Dennis Fleming by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiff Dennis Fleming.

85. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-Moody hedge funds some time before their collapse.

86. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

87. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff Dennis Fleming has been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

88. Plaintiff, Dennis Fleming, did not know, nor could Plaintiff Fleming have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund

fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiff, Dennis Fleming, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT SEVEN
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO DENNIS FLEMING)

89. Plaintiff, Dennis Fleming, incorporates the allegations set forth in paragraphs 1, 3, 13-42, and 82-83, as if fully set forth herein.

90. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

91. Prior to this plaintiff's purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this investment.

92. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received any compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

93. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

94. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

95. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

96. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiff, Dennis Fleming, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT EIGHT
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO DENNIS FLEMING)

97. Plaintiff, Dennis Fleming, incorporates the allegations set forth in paragraphs 1, 3, 13-42, and 73-80 as if fully set forth herein.

98. Each of the Defendants acted as “dealers,” as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

99. Defendants failed to register as dealers pursuant to F.S. 517.12.

100. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiff, Dennis Fleming, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT NINE
(COMMON LAW FRAUD AS TO HAMILTON HAGAR)

101. Plaintiff, Hamilton Hagar, incorporates the allegations set forth in paragraphs 1, 4, and 13 through 42 as if fully set forth herein.

102. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

103. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

104. Defendants made the foregoing misrepresentations with the intention that Plaintiff, Hamilton Hagar, rely upon them.

105. Defendants held themselves out to the public at large and to Plaintiff in particular as knowledgeable and experienced investment advisors.

106. Therefore, Plaintiff Hamilton Hagar reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

107. As a result of his reliance on the above-referenced misrepresentations, Plaintiff, Hamilton Hagar, invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	Date	Account Title	Hedge Fund	Amount
(a)	05/01	Hamilton Hagar IRA	Valhalla	\$104,000.00
(b)	04/03			\$ 58,000.00
(c)	06/04			\$153,000.00
(d)	10/04			\$ 10,000.00
(e)	02/06			\$ 60,000.00
(f)	05/08			<u>\$ 7,000.00</u>
				\$392,000.00
(g)	08/03	Hamilton Hagar SEP IRA	Viking IRA Fund	\$ 52,604.96
(h)	09/03			<u>\$ 44,651.46</u>
				\$97,256.42
(i)	01/05	Hamilton Hagar ROTH IRA	Victory IRA Fund	\$145,000.00
(j)	01/06			<u>\$ 60,000.00</u>
				\$205,000.00
(k)	04/05	Hamilton Hagar	Scoop Real Estate	<u>\$200,000.00</u>
			TOTAL	\$894,256.42

108. Plaintiff Hamilton Hagar withdrew the total sum of \$316,500.00 before the fraud was discovered, resulting in a net investment in the Nadel-Moody hedge funds totaling \$577,756.42.

109. As a direct and proximate result of Defendants' misrepresentations, Plaintiff Hamilton Hagar has suffered damages.

WHEREFORE, Plaintiff, Hamilton Hagar, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT TEN
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO HAMILTON HAGAR)

110. Plaintiff, Hamilton Hagar, incorporates the allegations set forth in paragraphs 1, 4, 13 through 42, and 102-107 as if fully set forth herein.

111. The hedge fund securities recommended by Defendants to Plaintiff, as more particularly described in paragraphs 22, 27 and 107 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

112. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments, as that term is defined in F.S. 517.301.

113. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the securities described in paragraphs 107(c) through 107(f), and 107 (i), (j) and (k) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiff Hamilton Hagar, (b) obtained money or property from Plaintiff Hamilton Hagar by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiff Hamilton Hagar.

114. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-

Moody hedge funds some time before their collapse.

115. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

116. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff Hamilton Hagar has been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

117. Plaintiff, Hamilton Hagar, did not know, nor could Plaintiff Hagar have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiff, Hamilton Hagar, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT ELEVEN
(VIOLATION OF SECURITIES REGISTRATION
PROVISIONS, F.S. 517.07 AS TO HAMILTON HAGAR)

118. Plaintiff, Hamilton Hagar, incorporates the allegations set forth in paragraphs 1, 4, 13-42, and 111-112, as if fully set forth herein.

119. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

120. Prior to this plaintiff's purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this

investment.

121. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received any compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

122. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

123. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

124. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

125. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiff, Hamilton Hagar, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWELVE
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO HAMILTON HAGAR)

126. Plaintiff, Hamilton Hagar, incorporates the allegations set forth in paragraphs 1, 4,

13-42, and 102-109, as if fully set forth herein.

127. Each of the Defendants acted as “dealers,” as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

128. Defendants failed to register as dealers pursuant to F.S. 517.12.

129. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiff, Hamilton Hagar, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT THIRTEEN
(COMMON LAW FRAUD AS TO SCOTT LOCHRIDGE)

130. Plaintiff, Scott Lochridge, incorporates the allegations set forth in paragraphs 1, 5, and 13 through 42 as if fully set forth herein.

131. Defendant, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

132. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual “due diligence” regarding Nadel-Moody, and that Nadel-Moody’s hedge funds were fraudulent enterprises.

133. Defendants made the foregoing misrepresentations with the intention that Plaintiff

Scott Lochridge, rely upon them.

134. Defendants held themselves out to the public at large and to Plaintiff in particular as knowledgeable and experienced investment advisors.

135. Therefore, Plaintiff Scott Lochridge reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

136. As a result of his reliance on the above-referenced misrepresentations made by Defendants, Plaintiff Scott Lochridge invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a)	03/2003	Scott Lochridge	Victory Fund, Ltd.	\$100,000.00
(b)	03/2004			\$100,000.00
(c)	03/2005			\$100,000.00
(d)	02/2006			\$100,000.00
				<u>\$100,000.00</u>
			TOTAL	\$400,000.00

137. Plaintiff Scott Lochridge did not withdraw any money from this investment before the fraud was discovered, resulting in a net investment in the Nadel-Moody hedge funds totaling \$400,000.00.

138. As a direct and proximate result of Defendants' misrepresentations, Plaintiff Lochridge has suffered damages.

WHEREFORE, Plaintiff, Scott Lochridge, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT FOURTEEN
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO SCOTT LOCHRIDGE)

139. Plaintiff, Scott Lochridge, incorporates the allegations set forth in paragraphs 1, 5, 13 through 42, and 131-136 as if fully set forth herein.

140. The hedge fund securities recommended by Defendants to Plaintiffs, as more particularly described in paragraphs 22, 27, and 136 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

141. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments, as that term is defined in F.S. 517.301.

142. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the investment described in paragraph 136 (b), (c), and (d) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiff Scott Lochridge, (b) obtained money or property from Plaintiff Scott Lochridge by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiff Scott Lochridge.

143. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-Moody hedge funds some time before their collapse.

144. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

145. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff Scott Lochridge has been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

146. Plaintiff, Scott Lochridge, did not know, nor could Plaintiff Lochridge have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiff, Scott Lochridge, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT FIFTEEN
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO SCOTT LOCHRIDGE)

147. Plaintiff, Scott Lochridge, incorporates the allegations set forth in paragraphs 1, 5, 13-42, and 140-141, as if fully set forth herein.

148. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

149. Prior to this plaintiff's purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this investment.

150. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received any compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

151. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

152. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

153. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

154. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiff, Scott Lochridge, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT SIXTEEN
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO SCOTT LOCHRIDGE)

155. Plaintiff, Scott Lochridge, incorporates the allegations set forth in paragraphs 1, 5, 13-42, and 131- 138 as if fully set forth herein.

156. Each of the Defendants acted as "dealers," as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

157. Defendants failed to register as dealers pursuant to F.S. 517.12.

158. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiff, Scott Lochridge, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT SEVENTEEN
(COMMON LAW FRAUD AS TO RANDOLPH NAYLOR)

159. Plaintiff, Randolph Naylor, incorporates the allegations set forth in paragraphs 1, 6, and 13 through 42 as if fully set forth herein.

160. Defendant, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

161. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

162. Defendants made the foregoing misrepresentations with the intention that Plaintiff Randolph Naylor rely upon them.

163. Defendants held themselves out to the public at large and to Plaintiffs in particular as knowledgeable and experienced investment advisors.

164. Therefore, Plaintiff Randolph Naylor reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

165. As a result of his reliance on the above-referenced misrepresentations made by Defendants, Plaintiff Randolph Naylor invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a) 04/2000	Randolph Naylor IRA	Valhalla Investment Partners, L.P.	\$100,000.00
(b) 11/2004	Randolph Naylor	Scoop Real Estate, L.P.	<u>\$500,000.00</u>
		TOTAL	\$600,000.00

166. Plaintiff Randolph Naylor withdrew the total sum of \$130,000.00 from his investment with Scoop Real Estate L.P. before the fraud was discovered, resulting in a net investment in the Nadel-Moody hedge funds totaling \$470,000.00.

167. As a direct and proximate result of Defendants' misrepresentations, Plaintiff Randolph Naylor has suffered damages.

WHEREFORE, Plaintiff, Randolph Naylor, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT EIGHTEEN
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO RANDOLPH NAYLOR)

168. Plaintiff, Randolph Naylor, incorporates the allegations set forth in paragraphs 1, 6 and 13 through 42, and 160-165 as if fully set forth herein.

169. The hedge fund securities recommended by Defendants to Plaintiff, as more particularly described in paragraphs 22, 27 and 165 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

170. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments, as that term is defined in F.S. 517.301.

171. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard the securities described in paragraphs 165(b) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiff, Randolph Naylor, (b) obtained money or property from Plaintiff, Randolph Naylor, by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiff, Randolph Naylor.

172. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-

Moody hedge funds some time before their collapse.

173. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

174. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff Randolph Naylor has been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

175. Plaintiff, Randolph Naylor, did not know, nor could he have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiff, Randolph Naylor, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT NINETEEN
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO RANDOLPH NAYLOR)

176. Plaintiff, Randolph Naylor, incorporates the allegations set forth in paragraphs 1, 6, 13-42, and 169- 170, as if fully set forth herein.

177. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

178. Prior to this plaintiff's purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this

investment.

179. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

180. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

181. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

182. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

183. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiff, Randolph Naylor, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWENTY
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO RANDOLPH NAYLOR)

184. Plaintiff, Randolph Naylor, incorporates the allegations set forth in paragraphs 1,

6, 13-42, and 160-167, as if fully set forth herein.

185. Each of the Defendants acted as "dealers," as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

186. Defendants failed to register as dealers pursuant to F.S. 517.12.

187. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiff, Randolph Naylor, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWENTY-ONE
(COMMON LAW FRAUD AS TO MICHAEL WARD)

188. Plaintiff, Michael Ward, incorporates the allegations set forth in paragraphs 1, 7, and 13 through 42 as if fully set forth herein.

189. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

190. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

191. Defendants made the foregoing misrepresentations with the intention that

Plaintiff, Michael Ward, rely upon them.

192. Defendants held themselves out to the public at large and to Plaintiff Ward in particular as knowledgeable and experienced investment advisors.

193. Therefore, Plaintiff Michael Ward reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

194. As a result of his reliance on the above-referenced misrepresentations, Plaintiff Michael Ward invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a)	10/2003	Michael Ward SEP IRA	Viking IRA Fund, LLC	\$99,425.00
(b)	03/2005			<u>\$99,642.42</u>
			TOTAL	\$199,067.42

195. Plaintiff Michael Ward did not withdraw any funds, resulting in a net investment in the Nadel-Moody hedge funds totaling \$199,067.42.

196. As a direct and proximate result of Defendants' misrepresentations, Plaintiff Michael Ward has suffered damages.

WHEREFORE, Plaintiff, Michael Ward, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT TWENTY-TWO
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO MICHAEL WARD)

197. Plaintiff, Michael Ward, incorporates the allegations set forth in paragraphs 1, 7,

13 through 42, and 189-196 as if fully set forth herein.

198. The hedge fund securities recommended by Defendants to Plaintiffs, as more particularly described in paragraphs 22, 27 and 194 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

199. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments, as that term is defined in F.S. 517.301.

200. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the securities described in paragraphs 194(b) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiff Michael Ward, (b) obtained money or property from Plaintiff Michael Ward by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiff Michael Ward.

201. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-Moody hedge funds some time before their collapse.

202. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for

their own benefit, before the hedge funds collapsed.

203. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff Michael Ward has been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

204. Plaintiff, Michael Ward, did not know, nor could Plaintiff Ward have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiff, Michael Ward, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWENTY-THREE
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO MICHAEL WARD)

205. Plaintiff, Michael Ward, incorporates the allegations set forth in paragraphs 1, 7 13-42, and 198-199, as if fully set forth herein.

206. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

207. Prior to this plaintiff's purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this investment.

208. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received compensation,

Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

209. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

210. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

211. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

212. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiff, Michael Ward, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWENTY-FOUR
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO MICHAEL WARD)

213. Plaintiff, Michael Ward, incorporates the allegations set forth in paragraphs 1, 7, 13-42, and 189-196, as if fully set forth herein.

214. Each of the Defendants acted as "dealers," as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

215. Defendants failed to register as dealers pursuant to F.S. 517.12.

216. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiff, Michael Ward, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWENTY-FIVE
(COMMON LAW FRAUD AS TO MARVIN BERKMAN)

217. Plaintiff, Marvin Berkman, incorporates the allegations set forth in paragraphs 1, 8, and 13 through 42 as if fully set forth herein.

218. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

219. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

220. Defendants made the foregoing misrepresentations with the intention that Plaintiff, Marvin Berkman, rely upon them.

221. Defendants held themselves out to the public at large and to Plaintiff Berkman in particular as knowledgeable and experienced investment advisors.

222. Therefore, Plaintiff Marvin Berkman reasonably relied on Defendants when they

opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

223. As a result of his reliance on the above-referenced misrepresentations, Plaintiff Marvin Berkman invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a)	05/2000	Marvin Berkman	Valhalla Investment Partners, L.P.	\$ 25,000.00
(b)	05/2001			\$ <u>70,000.00</u>
				\$ 95,000.00
(c)	05/2000	Marvin Berkman IRA	Valhalla Investment Partners, L.P.	\$ 79,950.00
(d)	05/2003			\$200,000.00
(e)	06/2004			\$200,000.00
(f)	07/2004			\$100,000.00
(g)	02/2008			\$ <u>50,000.00</u>
				\$629,950.00
(h)	09/2004	Marvin Berkman	Scoop Real Estate	\$201,570.27
(i)	09/2004			\$100,000.00
(j)	10/2004			\$ <u>100,000.00</u>
				\$401,570.27
(k)	10/2008	Marvin Berkman	Viking Fund, LLC	\$200,000.00
			TOTAL	\$1,326,520.20

224. Plaintiff Marvin Berkman did not withdraw any funds. Berkman did transfer \$201,570.27 from his individual Valhalla Investment Partners, L.P. account to his Scoop Real Estate account in September, 2004. After taking into account the transfer between the hedge funds in September 2004, the resulting net investment in the Nadel-Moody hedge funds totals

\$1,124,950.00.

225. As a direct and proximate result of Defendants' misrepresentations, Plaintiff Marvin Berkman has suffered damages.

WHEREFORE, Plaintiff, Marvin Berkman, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT TWENTY-SIX
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO MARVIN BERKMAN)

226. Plaintiff, Marvin Berkman, incorporates the allegations set forth in paragraphs 1, 8, 13 through 42, and 218-225 as if fully set forth herein.

227. The hedge fund securities recommended by Defendants to Plaintiffs, as more particularly described in paragraphs 22, 27, and 223 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

228. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments, as that term is defined in F.S. 517.301.

229. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the securities described in paragraphs 223(e) through (k) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiff Marvin Berkman, (b) obtained money or property from Plaintiff Marvin Berkman by means of untrue statements of material facts or omitted material facts necessary in order to make

the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiff Marvin Berkman.

230. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-Moody hedge funds some time before their collapse.

231. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

232. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff Marvin Berkman has been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

233. Plaintiff, Marvin Berkman, did not know, nor could Plaintiff Berkman have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiff, Marvin Berkman, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWENTY-SEVEN
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO MARVIN BERKMAN)

234. Plaintiff, Marvin Berkman, incorporates the allegations set forth in paragraphs 1,

8, 13-42, and 227 - 228, as if fully set forth herein.

235. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

236. Prior to this plaintiff's purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this investment.

237. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

238. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

239. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

240. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

241. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiff, Marvin Berkman, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund

securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWENTY-EIGHT
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO MARVIN BERKMAN)

242. Plaintiff, Marvin Berkman, incorporates the allegations set forth in paragraphs 1, 8, 13-42, and 218-225, as if fully set forth herein.

243. Each of the Defendants acted as "dealers," as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

244. Defendants failed to register as dealers pursuant to F.S. 517.12.

245. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiff, Marvin Berkman, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT TWENTY-NINE
(COMMON LAW FRAUD AS TO ROGER AND LI HSU JOHNSON)

246. Plaintiffs, Roger and Li Hsu Johnson, incorporate the allegations set forth in paragraphs 1, 9, and 13 through 42 as if fully set forth herein.

247. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

248. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

249. Defendants made the foregoing misrepresentations with the intention that Plaintiffs, Roger and Li Hsu Johnson, rely upon them.

250. Defendants held themselves out to the public at large and to Plaintiff in particular as knowledgeable and experienced investment advisors.

251. Therefore, Plaintiffs Roger and Li Hsu Johnson reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

252. As a result of his reliance on the above-referenced misrepresentations, Plaintiffs Roger Johnson and Li Hsu invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a)	05/2001	Roger and Li Johnson	Valhalla Investment Partners, L.P.	\$100,000.00
(b)	10/2001			\$ 20,000.00
(c)	10/2002			\$135,001.61
(d)	10/2002			\$ 25,000.00
(e)	08/2004			\$ 80,000.00
(f)	11/2004			\$100,000.00
(g)	11/2008	Roger B. Johnson IRA	Viking IRA Fund, LLC	<u>\$110,972.33</u>
			TOTAL	570,973.94

253. Plaintiffs Roger and Li Hsu Johnson withdrew funds totaling \$250,000.00

between March, 2006 and September, 2008, resulting in a net investment in the Nadel-Moody hedge funds totaling \$320,973.94.

254. As a direct and proximate result of Defendants' misrepresentations, Plaintiffs Roger and Li Hsu Johnson have suffered damages.

WHEREFORE, Plaintiffs, Roger and Li Hsu Johnson, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT THIRTY
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO ROGER AND LI HSU JOHNSON)

255. Plaintiffs, Roger and Li Hsu Johnson, incorporate the allegations set forth in paragraphs 1, 9, 13 through 42, and 247-254 as if fully set forth herein.

256. The hedge fund securities recommended by Defendants to Plaintiffs, as more particularly described in paragraphs 22, 27 and 252 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

257. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments, as that term is defined in F.S. 517.301.

258. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the securities described in paragraphs 252 (e) (f) (g) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiffs Roger and Li Hsu Johnson, (b) obtained money or property from Plaintiffs Roger and Li

Hsu Johnson by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiffs Roger and Li Hsu Johnson.

259. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-Moody hedge funds some time before their collapse.

260. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

261. As a direct and proximate result of Defendants' wrongful conduct, Plaintiffs Roger and Li Hsu Johnson have been damaged and have been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

262. Plaintiffs, Roger and Li Hsu Johnson, did not know, nor could they have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiffs, Roger and Li Hsu Johnson, demand judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including their attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT THIRTY ONE
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO ROGER AND LI HSU JOHNSON)

263. Plaintiffs, Roger and Li Hsu Johnson, incorporate the allegations set forth in paragraphs 1, 8, 13-42, and 256-257 as if fully set forth herein.

264. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

265. Prior to this plaintiff's purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this investment.

266. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

267. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

268. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

269. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

270. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiffs, Roger and Li Hsu Johnson, demand judgment against

Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT THIRTY TWO
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO ROGER AND LI HSU JOHNSON)

271. Plaintiffs, Roger and Li Hsu Johnson, incorporate the allegations set forth in paragraphs 1, 8, 13 -42, and 247-254, as if fully set forth herein.

272. Each of the Defendants acted as “dealers,” as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

273. Defendants failed to register as dealers pursuant to F.S. 517.12.

274. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiffs, Roger and Li Hsu Johnson, demand judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT THIRTY THREE
(COMMON LAW FRAUD AS TO STUART ARCHER)

275. Plaintiff, Stuart Archer, incorporates the allegations set forth in paragraphs 1, 10, and 13 through 42 as if fully set forth herein.

276. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard

to the truth or falsity of those statements.

277. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

278. Defendants made the foregoing misrepresentations with the intention that Plaintiff, Stuart Archer, rely upon them.

279. Defendants held themselves out to the public at large and to Plaintiff in particular as knowledgeable and experienced investment advisors.

280. Therefore, Plaintiff Stuart Archer reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

281. As a result of his reliance on the above-referenced misrepresentations, Plaintiff Stuart Archer invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a)	12/02	Stuart H. Archer	Viking Fund, LLC	\$100,000.00
			TOTAL	\$100,000.00

282. Plaintiff Stuart Archer never withdrew any funds, resulting in a net investment in the Nadel-Moody hedge funds totaling \$100,000.00.

283. As a direct and proximate result of Defendants' misrepresentations, Plaintiff

Stuart Archer has suffered damages.

WHEREFORE, Plaintiff, Stuart Archer, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT THIRTY FOUR
(COMMON LAW FRAUD AS TO LARRY HULL)

284. Plaintiff, Larry Hull, incorporates the allegations set forth in paragraphs 1, 11 and 13-42 as if fully set forth herein.

285. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

286. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

287. Defendants made the foregoing misrepresentations with the intention that Plaintiff, Larry Hull, rely upon them.

288. Defendants held themselves out to the public at large and to Plaintiff in particular as knowledgeable and experienced investment advisors.

289. Therefore, Plaintiff Larry Hull reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

290. As a result of his reliance on the above-referenced misrepresentations, Plaintiff

Larry Hull invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	<u>Date</u>	<u>Account Title</u>	<u>Hedge Fund</u>	<u>Amount</u>
(a)	12/2003	Larry Hull, IRA	Victory IRA Fund, Ltd.	\$400,000.00
(b)	07/2004			\$250,000.00
(c)	05/2005			<u>\$150,000.00</u>
			TOTAL	<u>\$800,000.00</u>

291. Plaintiff Larry Hull did not withdraw any funds, resulting in a net investment in the Nadel-Moody hedge funds totaling \$800,000.00.

292. As a direct and proximate result of Defendants' misrepresentations, Plaintiff Larry Hull has suffered damages.

WHEREFORE, Plaintiff, Larry Hull, demands judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT THIRTY-FIVE
(SECURITIES FRAUD, F.S. 517.301, et seq. AS TO LARRY HULL)

293. Plaintiff, Larry Hull, incorporates the allegations set forth in paragraphs 1, 11, 13 through 42, and 285-292 as if fully set forth herein.

294. The hedge fund securities recommended by Defendants to Plaintiff, as more particularly described in paragraphs 22, 27, and 290 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

295. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments, as that term is defined in F.S. 517.301.

296. Defendants' false and fraudulent representations concerning the investment

performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the securities described in paragraphs 290 (b) (c) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiff Larry Hull, (b) obtained money or property from Plaintiff Larry Hull by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiff Larry Hull.

297. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-Moody hedge funds some time before their collapse.

298. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiff and deprived him of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

299. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff Larry Hull has been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

300. Plaintiff, Larry Hull, did not know, nor could Plaintiff Hull have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiff, Larry Hull, demands judgment against Defendants, jointly and

severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT THIRTY-SIX
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO LARRY HULL)

301. Plaintiff, Larry Hull, incorporates the allegations set forth in paragraphs 1, 11, 13-42, and 294-295, as if fully set forth herein.

302. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

303. Prior to this plaintiff's purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this investment.

304. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

305. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

306. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

307. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

308. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiff, Larry Hull, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT THIRTY-SEVEN
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO LARRY HULL)

309. Plaintiff, Larry Hull, incorporates the allegations set forth in paragraphs 1, 11, 13-42, and 285-292 and as if fully set forth herein.

310. Each of the Defendants acted as "dealers," as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

311. Defendants failed to register as dealers pursuant to F.S. 517.12.

312. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiff, Larry Hull, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including his attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT THIRTY-EIGHT
(COMMON LAW FRAUD AS TO CHARLES AND BARBARA SAVOCA)

313. Plaintiffs, Charles Savoca and Barbara Savoca, incorporate the allegations set forth in paragraphs 1 and 13-42 as if fully set forth herein.

314. Defendants, Mr. and Mrs. Rowe, acting together and in concert with WSD and CAM, made intentional misrepresentations of material fact and/or made misrepresentations in a reckless manner, as more particularly detailed in paragraphs 23 through 25 above, without regard to the truth or falsity of those statements.

315. In fact, the evidence in this case will show that Nadel-Moody did not achieve the investment results touted by Defendants, that Rowe never actually engaged in any actual "due diligence" regarding Nadel-Moody, and that Nadel-Moody's hedge funds were fraudulent enterprises.

316. Defendants made the foregoing misrepresentations with the intention that Plaintiffs, Charles Savoca and Barbara Savoca, rely upon them.

317. Defendants held themselves out to the public at large and to Plaintiffs in particular as knowledgeable and experienced investment advisors.

318. Therefore, Plaintiffs Charles Savoca and Barbara Savoca reasonably relied on Defendants when they opined that Nadel-Moody was "America's Top Ranked Money Manager" and that their track record was superior to that of thousands of other money managers purportedly examined by Defendants.

319. As a result of their reliance on the above-referenced misrepresentations, Plaintiffs Charles Savoca and Barbara Savoca invested the following amounts in the Nadel-Moody hedge funds, as indicated below:

	Date	Account Title	Hedge Fund	Amount
(a)	06/2003	Barbara Savoca	Victory Fund, Ltd.	\$100,000.00
(b)	03/2004			\$ 20,000.00
(c)	04/2004			<u>\$ 30,000.00</u>
				\$150,000.00
(d)	06/2008	Charles Savoca, IRA	Victory IRA Fund, Ltd.	\$500,000.00
(e)	09/2008			<u>\$100,000.00</u>
				\$600,000.00
			TOTAL	\$750,000.00

320. Plaintiffs Charles Savoca and Barbara Savoca did not withdraw any funds, resulting in a net investment in the Nadel-Moody hedge funds totaling \$750,000.00.

321. As a direct and proximate result of Defendants' misrepresentations, Plaintiffs Charles Savoca and Barbara Savoca suffered damages.

WHEREFORE, Plaintiffs, Charles Savoca and Barbara Savoca, demand judgment against Defendants, jointly and severally, for damages, costs, and such further relief as the Court deems just and equitable.

COUNT THIRTY-NINE
(SECURITIES FRAUD, F.S. 517.301, et seq.
AS TO CHARLES AND BARBARA SAVOCA)

322. Plaintiffs, Charles Savoca and Barbara Savoca, incorporate the allegations set forth in paragraphs 1, 13 through 42, and 307-308 as if fully set forth herein.

323. The hedge fund securities recommended by Defendants to Plaintiffs, as more particularly described in paragraphs 22, 27, and 319 above, are "securities" within the meaning of F.S. 517.021 as well as "investments" as defined in F.S. 517.301(2).

324. By their recommendation of the foregoing hedge fund securities, Defendants "participated or aided," within the meaning of F.S. 517.211(1), in the "sale" of those securities, as that term is defined in F.S. 517.021 and "investments, as that term is defined in F.S. 517.301.

325. Defendants' false and fraudulent representations concerning the investment performance of the Nadel-Moody hedge funds, and the purported merits of Donald Rowe's "due diligence visit" to the offices of Nadel-Moody, constitutes a violation of F.S. 517.301 with regard to the securities described in paragraphs 319 (b)-(e) in that Defendants, acting individually and in concert with one another and Nadel-Moody, (a) employed a device, scheme or artifice to defraud Plaintiffs Charles Savoca and Barbara Savoca, (b) obtained money or property from Plaintiffs Charles Savoca and Barbara Savoca by means of untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in a transaction, practice or course of business which operated as a fraud and deceit upon Plaintiffs Charles Savoca and Barbara Savoca.

326. Defendants never corrected their glowing recommendations of the Nadel-Moody hedge funds. Upon information and belief, Defendants pulled their own securities out of the Nadel-Moody hedge funds some time before their collapse.

327. Defendants' failure or refusal to correct their earlier misrepresentations concerning the purported merits of the Nadel-Moody hedge funds had the effect of perpetuating the fraud against Plaintiffs and deprived them of the opportunity to protect his interests, as Defendants did for their own benefit, before the hedge funds collapsed.

328. As a direct and proximate result of Defendants' wrongful conduct, Plaintiffs Charles Savoca and Barbara Savoca have been damaged and has been required to retain the undersigned counsel and to pay them a reasonable fee in connection with their services.

329. Plaintiffs, Charles Savoca and Barbara Savoca, did not know, nor could they have reasonably discovered, the facts giving rise to this complaint until the Nadel-Moody hedge fund fraud was disclosed to all investors in January, 2009.

WHEREFORE, Plaintiffs, Charles Savoca and Barbara Savoca, demand judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including their attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT FORTY
(VIOLATION OF SECURITIES REGISTRATION PROVISIONS,
F.S. 517.07 AS TO CHARLES SAVOCA AND BARBARA SAVOCA)

330. Plaintiffs, Charles Savoca and Barbara Savoca, incorporate the allegations set forth in paragraphs 1, 13-42, and 307-308, as if fully set forth herein.

331. The hedge fund(s) referenced herein had more than 35 purchasers, including this plaintiff.

332. Prior to these plaintiffs' purchase of the hedge fund investment(s) referenced above, he was not furnished with full and fair disclosure of all material information concerning this investment.

333. Defendants received referral fees and/or compensation of some other type or nature in exchange for recommending the hedge fund securities at issue to this plaintiff and others and referring them to Nadel-Moody. Whether or not they received compensation, Defendants are each considered a "dealer" in securities. Yet, none of the Defendants are registered to act as such, nor are they legally entitled to receive any compensation under Florida law.

334. Based on the foregoing, the hedge fund transactions at issue failed to satisfy the

conditions of F.S. 517.061(11)(a), rendering the transactions subject to the registration requirements of Florida law.

335. The Nadel-Moody hedge fund securities described in this complaint were not properly registered as securities in this state or any other jurisdiction.

336. The hedge fund transactions at issue are not exempt from any securities registration requirement, and Defendants have the burden, pursuant to F.S. 517.171, to prove an entitlement to any such exemption from registration.

337. Defendants cannot meet the foregoing burden of proof.

WHEREFORE, Plaintiffs, Charles Savoca and Barbara Savoca, demand judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S. 517.211 as to the hedge fund securities described in this Complaint, including their attorney fees and costs, and for such further relief as the Court deems just and equitable.

COUNT FORTY-ONE
(VIOLATION OF DEALER REGISTRATION REQUIREMENTS,
F.S. 517.12 AS TO CHARLES SAVOCA AND BARBARA SAVOCA)

338. Plaintiffs, Charles Savoca and Barbara Savoca, incorporate the allegations set forth in paragraphs 1, 13-42, and 313-321 and as if fully set forth herein.

339. Each of the Defendants acted as "dealers," as defined in F.S. 517.021(6)(a), with respect to the Nadel-Moody hedge fund transactions at issue in this case.

340. Defendants failed to register as dealers pursuant to F.S. 517.12.

341. Defendants therefore engaged in an unlawful sale of securities within the meaning and intention of F.S. 517.211.

WHEREFORE, Plaintiffs, Charles Savoca and Barbara Savoca, demands judgment against Defendants, jointly and severally, for damages and other remedies provided by F.S.

517.211 as to the hedge fund securities described in this Complaint, including their attorney fees and costs, and for such further relief as the Court deems just and equitable.

JURY DEMAND

Plaintiffs demand trial by jury on all issues so triable.

CERTIFICATE OF SERVICE

IT IS CERTIFIED that a true and correct copy of the foregoing was transmitted to Edward O. Savitz, Esq., by email to esavitz@bushross.com and First Class U.S. Mail to Bush Ross, P.A., 1801 North Highland Avenue, Tampa, Florida 33602-2656 on 2/10, 2010.

JOHNSON, BROWNING & CLAYTON
A Partnership of Professional Associations

By: 

W. ANDREW CLAYTON, JR.
Florida Bar No. 0739464

JESSICA L. CLAYTON
Florida Bar No. 0578983

1 North Tuttle Avenue
Sarasota, FL 34237

Telephone: 941-951-0707

Facsimile: 941-951-7702

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jclayton@claytonlawyers.com

Attorneys for Plaintiffs

AMERICA'S TOP RANKED MONEY MANAGER

Market Beating Performance in 2003

2003	<u>Fund A</u>	<u>Fund B</u>	<u>S&P 500</u>
January	1.22%	1.28%	-2.73%
February	1.84	2.58	-1.75
March	<u>2.81</u>	<u>3.44</u>	<u>0.83</u>
First Quarter	5.98	7.46	-3.64

A SPECIAL REPORT FROM

THE WALL STREET DIGEST

EXHIBIT

A

AMERICA'S TOP RANKED MONEY MANAGER

Did Your Money Manager Return

21.7% in 2002

19.8% in 2001

55.1% in 2000

After last year's market disaster (S&P 500 -23.3%), would you be happy with a 21.7% return in 2002, a 19.8% return in 2001 (S&P 500 -13%), or a 55.1% return on your equity investments for the year 2000 (S&P 500 -10.1%)? Would you be happy with a 90.7% return in 1998 and 87.8% in 1999?

These are the actual results achieved by an effective team of managers in Sarasota, Florida. After 39 years on Wall Street, Neil Moody left the Street to form an association with Arthur Nadel and his group to manage equity funds. The Nadel Group had enjoyed unusual success with private investment groups, testing a technical trading system that interacts with fundamentals to produce results that consistently outperform the market averages.

My curiosity about Nadel's computerized trading program eventually led to a due diligence visit to the offices of Nadel & Moody. Understandably, I did not learn the various mathematical formulas in Nadel's "black box" computer program.

What I did learn is very important for the individual investor. After 26 years of reviewing the track records of over 11,000 mutual funds, 6,000 money managers and 5,800 hedge funds, Nadel's computerized investment program has produced the best track record and most consistent returns I have ever seen.

His proprietary program, combined with screening for stock fundamentals, has consistently produced a profit month after month in both up and down markets. The highly technical program used by the group is proprietary, but I was given an opportunity to see it in action during a due diligence visit to their office.

A large group of computer monitors display market data continuously, reviewing and digesting current market movements and comparing them to previous data. Immediate newswire flashes are intermingled with muted "talking heads" on CNBC. Equity positions are adjusted, long and short, by means of instant-response trading programs.

Nadel & Moody offer private investment programs for pension plans and wealthy individuals, which are organized and administered by Moody. Not surprisingly, they do not advertise. Each investment program is set up as a limited partnership which is limited to only 99 investors. Each program is currently accepting only accredited investors.

An accredited investor has a net worth of \$1 million or an annual income of at least \$200,000 each year over the past 2 years. An investment program is almost always open to accredited investors.

Nadel Moody 1998—2002 Performance Record

1998			1999		
	<u>Invest</u> <u>Group#</u>	<u>S&P</u> <u>500</u>		<u>Invest</u> <u>Group#</u>	<u>S&P</u> <u>500</u>
January	1.9	0.5	January	10.0	4.2
February	10.7	7.0	February	3.2	-3.3
March	9.1	4.4	March	4.7	3.9
April	7.7	2.4	April	4.5	3.8
May	4.3	-2.7	May	6.1	-2.8
June	5.3	4.0	June	3.5	5.5
July	3.0	-1.1	July	4.1	-3.2
August	7.6	-15.8	August	3.8	-0.7
September	2.6	7.7	September	4.5	-2.8
October	3.4	8.1	October	5.0	6.2
November	6.0	5.9	November	7.9	1.9
December	<u>5.4</u>	<u>5.6</u>	December	<u>7.6</u>	<u>5.8</u>
	*90.7%	26.7%		*87.8%	19.5%

2000			2001		
	<u>FundA**</u>	<u>S&P</u> <u>500</u>		<u>Fund A**</u>	<u>S&P</u> <u>500</u>
January	4.7	-5.1	January	1.71	3.48
February	26.5	-2.0	February	1.09	-9.22
March	4.6	9.7	March	2.78	-6.45
April	1.5	-3.1	April	1.83	7.67
May	2.8	-2.1	May	2.53	0.56
June	3.2	2.3	June	1.41	-2.31
July	0.4	-1.6	July	1.27	-1.30
August	3.2	6.1	August	1.08	-6.36
September	1.5	-5.4	September	-0.04	-8.20
October	-1.3	-0.5	October	1.60	1.83
November	-0.6	-8.0	November	1.93	-1.98
December	<u>0.8</u>	<u>0.4</u>	December	<u>1.02</u>	<u>0.79</u>
	*55.1%	-10.1%		19.78%	-18.03%

*#Management fees, incentive fees and trading fees have not been deducted from performance figures. *Comparisons are month to month. Totals are year to date and reflect monthly compounding of gains. Net year-end performance is therefore, greater than the sum of monthly performance because of compounding. **Net of all Fees and Expenses. Past performance is no guarantee of future results.*

	2001				2002		
			S&P				S&P
	Fund A**	Fund B**	500		Fund A**	Fund B**	500
January	1.71		3.48	January	1.25	3.18	-1.57
February	1.09		-9.30	February	0.95	2.99	-2.04
March	2.78		-6.38	March	1.25	3.19	3.61
April	1.83		7.67	April	1.23	3.05	-6.10
May	2.53		0.56	May	1.24	2.99	-0.93
June	1.41	4.46	-2.31	June	1.09	1.35	-7.22
July	1.27	1.18	-1.30	July	1.32	3.06	-7.88
August	1.08	1.99	-6.36	August	1.63	3.23	0.44
September	-0.04	3.32	-8.20	September	1.73	2.87	-11.03
October	1.60	4.09	1.83	October	3.16	4.14	8.71
November	1.93	3.82	1.98	November	4.29	5.28	5.64
December	1.02	3.13	10.49	December	0.78	0.85	-5.98
	*19.78%	*34.05%	-13.03%		*21.74%	*42.25%	-23.34%

*Comparisons are month to month. Totals are year-to-date, and not the sum total of the compounded monthly returns. **Net of all fees and expenses, excluding performance fee for 2001 and 2002. Past performance is no guarantee of future results. The S&P 500 Index is unmanaged, does not reflect advisory fees, may have volatility or other material characteristics that are different from the Fund and is included for illustration purposes.

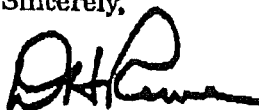
Limited partnerships of this type include a management fee and an incentive fee. Minimum investment is \$100,000. The investment should be viewed as long term. However, investors may redeem all or a portion of his/her investment at the end of any calendar quarter. Nadel & Moody offer private programs that are available to qualified investors and only through the firm's offering materials.

Over the past 63 months of managing money, Nadel's Management Group has been down only twice and flat once. During the same period, the S&P 500 Index has been down 33 months out of 63.

While past performance is no guarantee of future results, keep in mind that a consistent annual return of 26% will double your money every three years.

If you have questions or would like to review the firm's offering summary, call (800) 966-7693, or you may e-mail your name, address and telephone number to info@carnegieasset.com and we will mail the company's information out to you.

Sincerely,



Donald H. Rowe
Chairman
Carnegie Asset Management



ONE SARASOTA TOWER • SARASOTA, FL 34236
Phone: 800-785-5050 • Fax: 941-364-8447
www.wallstreetdigest.com

CARNEGIE ASSET MANAGEMENT, INC.

One Sarasota Tower Suite 602 Sarasota, Florida 34236

Did Your Money Manager Return 55% in 2000?

Dear Investor,

After last year's market disaster, would you be happy with a 55.1% return on your equity investments for the year 2000? Would you be happy with a 90.7% return in 1998 and 87.8% in 1999?

These are the actual results achieved by an effective team of managers in Sarasota, Florida. After 39 years on Wall Street, Neil Moody left the Street to form an association with Arthur Nadel and his group to manage an equity hedge fund. The Nadel Group had enjoyed unusual success with private investment groups, testing a technical trading system that interacts with fundamentals to produce results that consistently outperform the market averages.

	1998		1999		2000		
	Invest*	S&P	Invest*	S&P	Invest*	Hedge	S&P
	Group	500	Group	500	Group	Fund **	500
January	1.9	0.5	10.0	4.2	6.5	4.7	-5.1
February	10.7	7.0	3.2	-3.3	6.7	26.5	-2.0
March	9.1	4.4	4.7	3.9	4.7	4.6	9.7
April	7.7	2.4	4.5	3.8	3.0	1.5	-3.1
May	4.3	-2.7	6.1	-2.8	3.6	2.8	-2.1
June	5.3	4.0	3.5	5.5	3.9	3.2	2.3
July	3.0	-1.1	4.1	-3.2	3.9	0.4	-1.6
August	7.6	-15.8	3.8	-0.7	4.0	3.2	6.1
September	2.6	7.7	4.5	-2.8	3.1	1.5	-5.4
October	3.4	8.1	5.0	6.2	2.5	-1.3	-0.5
November	6.0	5.9	7.9	1.9	2.3	-0.6	-8.0
December	<u>5.4</u>	<u>5.6</u>	<u>7.6</u>	<u>5.8</u>	<u>3.1</u>	<u>0.8</u>	<u>0.4</u>
	90.7%	26.7%	87.8%	19.5%	59.6%	55.1%	-10.1%

My curiosity about Nadel's computerized trading program eventually led to a due diligence visit to the offices of Nadel & Moody. Understandably, I did not learn the various mathematical formulas in Nadel's "black box" computer program.

**Management fees, incentive fees and trading fees have not been deducted from performance figures. Comparisons are month to month. Totals are year to date. **Net of all Fees and Expenses. Past performance is no guarantee of future results.*

• 941-954-5500 • 800-966-7693 • Fax: 941-364-8447 •

EXHIBIT

3

CARNEGIE ASSET MANAGEMENT, INC.

What I did learn is very important for the individual investor. After 25 years of reviewing the track records of over 11,000 mutual funds, 6,000 money managers and 5,800 hedge funds, Nadel's computerized investment program has produced the best track record and most consistent returns I have ever seen.

His proprietary program has consistently produced a profit month after month in both up and down markets. The highly technical program used by the group is proprietary, but I was given an opportunity to see it in action during a due diligence visit to their office.

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Nadel & Moody offer private investment programs for pension plans and wealthy individuals, which are organized and administered by Moody. Not surprisingly, they do not advertise. Each investment program is set up as a limited partnership which is limited to only 99 investors. Each program may also include up to 35 non-accredited investors.

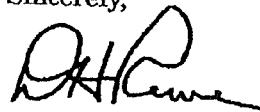
An accredited investor has a net worth of \$1 million or an annual income of at least \$200,000 each year over the past 2 years. An investment program is almost always open to accredited investors. Non-accredited investors may have to wait a month or so for the next available program.

Limited partnerships of this type include a management fee and an incentive fee. Moody's investment programs, however, are unique because they do not charge an incentive fee until investors have received the equivalent return of the S&P 500.

Minimum investment is \$100,000. The investment should be viewed as long term. However, investors may redeem all or a portion of his/her investment at the end of any calendar quarter. Nadel & Moody offer private programs that are available to qualified investors and only through the firm's offering materials.

If you have questions or would like to review the firm's offering summary, call Pam McDonald at (800) 966-7693.

Sincerely,



Donald H. Rowe
Chairman
Carnegie Asset Management

3/3/2009

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Donald H. Rowe's
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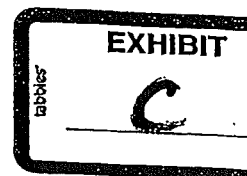
America's Top Ranked Money Manager

Market Beating Performance in 2003

2003	Fund A	Fund B	S & P 500
January	1.22	1.28	-2.73
February	1.84	3.58	-1.75
March	2.81	3.44	0.83
April	2.98	3.32	8.13
May	3.61	4.00	5.09
June	3.13	3.05	1.13
July	4.12	2.48	1.62
August	3.07	3.63	1.79
Thru 8/31/03	25.08%	26.38%	14.55%

Did Your Money Manager Return

21.6% in 2002
19.8% in 2001
55.1% in 2000



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These are the actual results achieved by an effective team of

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managers in Sarasota, Florida. After 39 years on Wall Street, Neil Moody left the Street to form an association with Arthur Nadel and his group to manage equity funds. The Nadel Group had enjoyed unusual success with private investment groups, testing a technical trading system that interacts with fundamentals to produce results that consistently outperform the market averages.

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3/3/2009

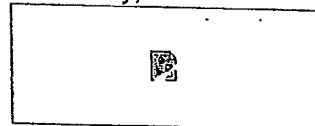
Financial investment newsletter - Wall...

available to qualified investors and only through the firm's offering materials.

Over the past 68 months of managing money, Nadel's Management Group has been down fractionally twice and flat once. During the same period, the S&P 500 Index has been down 33 months out of 68. While past performance is no guarantee of future results, keep in mind that a consistent annual return of 26% will double your money every three years.

If you have questions or would like to review the firm's offering summary, call (800) 966-7693, or you may e-mail your name, address and telephone number to us at info@carnegieasset.com and we will mail the company's information out to you.

Sincerely,



Donald H. Rowe
Chairman
Carnegie Asset
Management

**Download Nadel
Moody's performance
record for
1998 through 2002**

Performance Record

Carnegie Asset Management is affiliated with The Wall Street Digest, Inc., as is The Wall Street Trader, Inc. Carnegie Asset Management, from time to time, makes referrals to MRM Asset Allocation Group, Inc. and/or The Nadel Moody Group, registered investment advisors not affiliated with each other nor with Carnegie Asset Management, for which Carnegie Asset Management receives monetary compensation.

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ICARD, MERRILL, CULLIS, TIMM
FUREN & GINSBURG, P.A.

ATTORNEYS AND COUNSELORS

2033 MAIN STREET, SUITE 600

SARASOTA, FLORIDA 34237

TELEPHONE (941) 366-8100

FACSIMILE (941) 366-6384

www.icardmerrill.com

JASON A. LESSINGER
jlessinger@icardmerrill.com

REPLY TO:
P.O. BOX 4195
SARASOTA, FLORIDA 34230

January 25, 2005

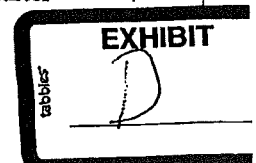
*Via Facsimile 365-7612,
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Return Receipt #7160 3901 9842 7072 3689*

Mr. Art Nadel, Mr. Neil Moody, Mr. Christopher Moody
Scoop Management, Inc., Valhalla Management, Inc.,
Viking Management, LLC, Valhalla Investment Partners, L.P.,
Viking Fund, LLC, Viking IRA, LLC, Valkyrie, LLC,
Victory Fund, Ltd., and Victory IRA Fund, Ltd.
1618 Main Street
Sarasota, FL 34236

Re: Donald Rowe, Joy Rowe, Carnegie Asset Management, Inc.,
Carnegie Wealth Management, Inc. and The Wall Street Digest, Inc.

Dear Sirs:

By way of introduction, this firm has been retained by Don Rowe, Joy Rowe, Carnegie Asset Management, Inc., Carnegie Wealth Management, Inc. and The Wall Street Digest, Inc. to respond to your October 18, 2004, correspondence. While this firm was evaluating our clients' rights, and preparing this response, our clients delivered your January 11, 2005, correspondence. In response, please be advised this firm's clients are in possession of your companies' checks numbered 1262 (Valhalla Management, LLC), 1165 (Viking Management, LLC), and 4208 (Scoop Management, Inc.), in the total amount of \$90,000.00, which you delivered, purporting to be payment for what you have called "public relations work" in the third quarter of 2004. The \$90,000.00 in payments represents only a portion of the amount due, as the total amount due for the third quarter is over \$200,000.00. Our clients have deposited the \$90,000.00 in mitigation of the actual outstanding amount due. Your unilateral reduction of the payment amount is contrary to a clear payment history demonstrating significantly larger amounts paid. Please immediately deliver the remaining amount due for the third quarter of 2004, and make prompt payment in the full amount for the fourth quarter of 2004.



Nadel Receivership
ROWE000080

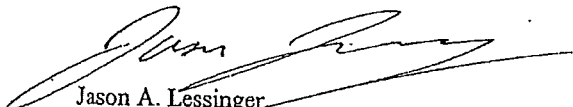
Mr. Art Nadel, Mr. Neil Moody, Mr. Christopher Moody
Scoop Management, Inc., Valhalla Management, Inc.,
Viking Management, LLC, Valhalla Investment
Partners, L.P., Viking Fund, LLC, Viking IRA, LLC,
Valkyrie, LLC, Victory Fund, Ltd., and Victory IRA Fund, Ltd.
January 25, 2005
Page 2

On a separate note, your October 18, 2004, correspondence included a "schedule of payments" and a purported "termination date" for my clients' services. As you are well aware, my clients' services are ongoing and they are entitled to continued compensation. Your attempt to impose an expiration date can be construed as nothing other than an attempt to wrongfully terminate an ongoing agreement, without cause. Be advised that any attempts by you to wrongfully terminate the existing agreement between the parties, or otherwise pay less than the proper amount due, shall be vigorously contested.

Please govern yourselves accordingly.

Sincerely yours,

ICARD, MERRILL, CULLIS,
TIMM, FUREN & GINSBURG, P.A.


Jason A. Lessinger
For the Firm

JAL/ljp

cc: Clients

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ART NADEL, NEIL MOODY, CHRISTOPHER MOODY
SCOOP MANAGEMENT, VALHALLA MANAGEMENT, E.
1618 MAIN STREET
SARASOTA, FL 34236

PS Form 3800, January 2003
JAL (Rowe)

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2

Nadel Receivership
ROWE000081

MEMORANDUM

FROM: Neil Moody, Arthur Nadel
TO: John Chapman, Esq.
DATE: 1/31/05
RE: Don Rowe, et al.

During May, 1999, Neil Moody and Arthur Nadel formed Valhalla Investment Partners, L.P. ("Valhalla") for the purpose of investment and trading in market equities. Shortly thereafter, Neil Moody, who had been acquainted with Don Rowe, the publisher of Wall Street Digest, held a meeting with Mr. Rowe, the time, place and substance of which will be the subject of a supplemental memorandum. What is not disputed is that some form of oral agreement was arrived at during that meeting. The terms of that agreement are in dispute.

Thereafter, Mr. Rowe referred prospective clients to Valhalla, and later to four additional funds formed by Moody and Nadel, called Viking Fund, Viking IRA Fund, Victory Fund and Victory IRA Fund (together with Valhalla, "The Funds"). The managers of the Funds, Valhalla Management, Inc., Viking Management, Inc. and Scoop Management, Inc. paid Rowe compensation for these referrals until December 31, 2004, after which a dispute arose. (No payments were ever made by the Funds to Rowe). The amounts and dates of this compensation are shown in the attached schedule.

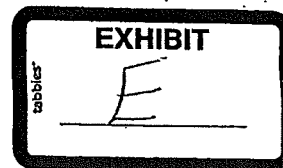
It is undisputed that the compensation started initially as a combination of percentages of the management fees and performance fees derived from each individual person referred by Rowe. The details of this computation are set out in the supplemental memorandum. Sometime in 2003 (?) the compensation was changed by Moody to a different formula, and Rowe was advised of this and accepted it. This change is also set out in the supplemental memorandum. Also in 2003, Moody advised Rowe that the Funds would no longer accept referrals from him.

During 2004, counsel for the Funds, Scott Macleod of Holland+Knight advised Moody and Nadel that the payment of compensation as described above might be illegal under current securities law. A brief outline of the situation as described by Mr. Macleod is attached hereto. It was decided to terminate the relationship by the end of 2005, and refrain from tracking referrals as of the third quarter, 2004. Instead, Mr. Rowe would be paid for public relations work, inasmuch as that was always a part of the arrangement. (Rowe would periodically write about the Funds in his newsletters).

The situation was discussed between Moody and Rowe, and on October 18, 2004, Moody and Nadel sent Rowe a letter with a schedule of payments through 2005 attached, and enclosed checks totaling \$90,000 and intended to cover Rowe's services for the third quarter, 2004. Nothing was

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Scoop Office Files - Chris Moody - Box 8 - 000290



heard from Mr. Rowe thereafter, but the checks were not cashed until on or about January 21, 2005. On the latter date, Moody and Nadel sent Rowe a letter requiring him to accept in writing the arrangement outlined in their letter of October 18, 2004. The claim letter of Icard, Merrill, et al. followed immediately.

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Nadel Receivership
Scoop Office Files - Chris Moody - Box 8 - 000291

2003 Ending Capital				2004 Ending Capital				@5% per Qtr			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	1st Qtr	2nd Qtr	3rd Qtr	DR's % of Funds
Valhalla	\$11,472,739.19	\$12,273,511.42	\$14,822,484.03	\$15,444,141.03	\$16,063,278.15	\$19,329,411.34	\$19,500,000.00	\$19,500,000.00	\$19,500,000.00	\$19,500,000.00	52.86%
Viking	\$3,444,925.92	\$4,879,119.48	\$8,765,244.25	\$10,512,823.43	\$12,595,134.73	\$13,687,330.72	\$14,000,000.00	\$14,000,000.00	\$14,000,000.00	\$14,000,000.00	33.59%
Viking IRA	\$7,899,966.39	\$9,946,061.20	\$14,145,414.30	\$15,398,490.00	\$16,088,905.09	\$16,378,258.35	\$16,500,000.00	\$16,500,000.00	\$16,500,000.00	\$16,500,000.00	59.74%
Victory	\$6,918,602.81	\$11,601,271.42	\$12,679,074.16	\$14,149,126.28	\$15,355,438.20	\$16,593,497.23	\$17,000,000.00	\$17,000,000.00	\$17,000,000.00	\$17,000,000.00	40.75%
Victory IRA	\$29,736,234.31	\$38,699,963.52	\$54,441,724.22	\$60,337,835.24	\$65,552,950.32	\$82,225,274.65	\$86,500,000.00	\$86,500,000.00	\$86,500,000.00	\$86,500,000.00	50.91%
DR Total	\$50,235,214.98	\$65,560,623.58	\$87,401,892.87	\$113,953,973.27	\$140,216,280.11	\$157,678,771.26	\$164,000,000.00	\$164,000,000.00	\$164,000,000.00	\$164,000,000.00	
DR's % of Assets	59.19%	59.03%	62.29%	52.95%	46.75%	45.80%	44.82%				
Valhalla	\$22,332.33	\$23,874.23	\$27,372.66	\$30,620.06	\$33,644.04	\$35,877.20	\$37,500.00	\$37,500.00	\$37,500.00	\$37,500.00	
Management	\$19,217.79	\$955.95	\$273.45	\$48,051.63	\$14,000.00	\$20,000.00	\$24,375.00	\$24,375.00	\$24,375.00	\$24,375.00	
Viking	\$6,648.20	\$8,209.24	\$11,468.95	\$15,970.58	\$18,383.31	\$20,185.27	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	
Management	\$4,770.31	\$14,645.36	\$18,211.78	\$24,542.29	\$20,202.95	\$20,479.62	\$17,500.00	\$17,500.00	\$17,500.00	\$17,500.00	
Performance	\$15,095.17	\$17,119.29	\$21,069.28	\$25,910.89	\$27,838.71	\$28,619.59	\$8,250.00	\$8,250.00	\$8,250.00	\$8,250.00	
Viking IRA	\$11,440.35	\$28,545.41	\$32,919.53	\$35,224.81	\$23,737.70	\$23,469.76	\$20,625.00	\$20,625.00	\$20,625.00	\$20,625.00	
Management	\$13,467.76	\$18,738.62	\$21,987.82	\$21,048.75	\$24,762.07	\$25,575.61	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	
Performance	\$15,388.65	\$25,464.44	\$26,588.53	\$29,990.81	\$25,162.78	\$23,395.30	\$21,250.00	\$21,250.00	\$21,250.00	\$21,250.00	
Victory	\$3,083.83	\$3,717.74	\$3,717.74	\$3,717.74	\$473.7	\$5,576.73	\$3,250.00	\$3,250.00	\$3,250.00	\$3,250.00	
Management	\$1,326.61	\$1,746.04	\$1,746.04	\$1,746.04	\$2,537.30	\$3,716.90	\$8,125.00	\$8,125.00	\$8,125.00	\$8,125.00	
Performance	\$57,543.46	\$67,941.38	\$84,982.54	\$97,268.02	\$109,361.83	\$115,834.40	\$36,750.00	\$36,750.00	\$36,750.00	\$36,750.00	
Totals	\$50,817.10	\$67,699.26	\$78,319.90	\$139,555.58	\$85,640.73	\$91,063.58	\$91,875.00	\$91,875.00	\$91,875.00	\$91,875.00	
DR's Mgmt Total	\$108,360.56	\$135,640.64	\$164,302.44	\$236,823.60	\$195,002.56	\$206,897.98	\$128,625.00	\$128,625.00	\$128,625.00	\$128,625.00	
DR Total	\$228,296.76	\$298,248.04	\$397,533.41	\$525,388.75	\$676,028.92	\$795,908.62	\$820,000.00	\$820,000.00	\$820,000.00	\$820,000.00	
Fund Mgmt Total	\$675,489.59	\$953,344.81	\$1,425,082.41	\$2,312,109.03	\$1,942,887.43	\$2,054,219.58	\$2,050,000.00	\$2,050,000.00	\$2,050,000.00	\$2,050,000.00	
Fund PIF Total	\$903,786.35	\$1,251,592.85	\$1,822,615.82	\$2,837,497.78	\$2,618,916.35	\$2,850,128.20	\$2,870,000.00	\$2,870,000.00	\$2,870,000.00	\$2,870,000.00	
DR's % of Mgmt	25.21%	22.78%	21.38%	18.51%	16.18%	14.55%	4.48%	4.48%	4.48%	4.48%	
DR's % of PIF	7.52%	7.10%	5.57%	6.04%	4.41%	4.43%	4.48%	4.48%	4.48%	4.48%	
DR's % of Total	11.99%	10.84%	9.01%	8.35%	7.45%	7.26%					
DR's Client Mgmt Total	\$148,681.17	\$193,499.82	\$272,208.62	\$301,689.18	\$327,764.75	\$361,068.86	\$367,500.00	\$367,500.00	\$367,500.00	\$367,500.00	
DR's Avg Mgmt %	38.70%	35.11%	31.22%	32.24%	33.37%	32.08%	10.00%	10.00%	10.00%	10.00%	
DR's Client PIF Total	\$404,741.30	\$816,228.68	\$1,023,216.00	\$1,475,620.69	\$825,818.36	\$827,413.04	\$918,750.00	\$918,750.00	\$918,750.00	\$918,750.00	
DR's Avg PIF %	12.56%	8.29%	7.75%	9.46%	10.37%	11.01%	10.00%	10.00%	10.00%	10.00%	



RECEIVED

FEB 03 2005

NORTON, HAMMERSLEY, LOPEZ & SKOKOS, P.A.

ATTORNEYS AT LAW

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1819 Main Street, Sarasota, Florida 34236
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E-Mail jchapman@nhslaw.com

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CRAIG P. COLBURN, JR., **
JOHN M. COMPTON *
PHILIP N. HAMMERSLEY †
MICHAEL P. INFANTI
DARKEN R. INVERSO
E. JOE LOPEZ **
SAM D. NORTON *
PETER Z. SKOKOS

* BOARD CERTIFIED
REAL ESTATE LAWYER
** BOARD CERTIFIED
TAX LAWYER
*** BOARD CERTIFIED
BUSINESS LITIGATION LAWYER
† CERTIFIED CIRCUIT
COURT MEDIATOR
* ALSO LICENSED IN
ALABAMA
** ALSO LICENSED IN GEORGIA
AND PENNSYLVANIA

February 2, 2005

Jason A. Lessinger, Esquire
Icard, Merrill
P. O. Drawer 4195
Sarasota, Florida 34230

Re: Donald Rowe

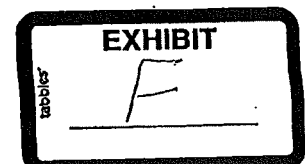
Dear Mr. Lessinger:

Please be advised that we represent Mr. Art Nadel, Mr. Neil Moody, Mr. Christopher Moody, Scoop Management, Inc. and Valhalla Management, Inc. This letter is in response to yours of January 25th. In your letter, you reference several individuals and entities whom you represent. Please note that any contract my clients had was with Donald Rowe, individually.

You also reference an oral agreement, however you do not specify the terms of this agreement. Any such "agreement" is invalid and unenforceable:

1. First of all, your letter describes your clients' services as "ongoing" over a period in excess of one year, which, as you know, renders them ineligible for an oral contract under the Florida statute of frauds.

2. Also, since your clients claim that this agreement was for payment for your clients' solicitation of hedge fund investors, please be aware that under both Federal and Florida securities laws, your clients would have to be registered as a broker/dealer to accept such payments. My clients do not offer separate advisory services, only hedge funds. Interests in hedge funds are securities. Those who induce sales of such securities for a fee are deemed to be in receipt of commissions and are required to be appropriately licensed and associated with a federal and state registered broker entity. This is a well settled state and federal law. Although our research is preliminary, we have been unable to confirm that any of the individuals or entities referenced is registered pursuant to Fla.Stat. § 517.12 or federal law. Accordingly, if any such agreement did exist, the agreement would be void under Florida law which consistently refuses to enforce a contract to sell securities unless the "solicitor" is a registered broker. See *Umbel v. Food Trader.Com, Inc.*, 820 So.2d 372 (Fla. 3rd DCA 2002); *Buehler v. LTI International, Inc.*, 762 So.2d 530 (Fla. 2nd DCA 2000).



Nadel Receivership
ROWE000084

Jason A. Lessinger, Esquire
February 2, 2005
Page 2

3. Regulators view sales of hedge funds also to constitute solicitations of advisory services, which require advisor registration of the solicitor. The remedy for failure to register is reimbursement of fees.

4. The investment funds operated by my clients are exempt from federal securities law registration based on being "privately placed" without general solicitation. To the extent Mr. Rowe has offered these products via the internet or by other general solicitation, his actions violate federal securities laws and the terms of any agreement with my clients, and render any such agreement unenforceable.

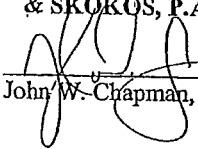
I would suggest a careful review of Chapter 517 and all relevant federal statutes, together with the ramifications provided therein, when advising your clients whether to proceed with this claim. In addition to a right to terminate any alleged agreement, my clients and their related investment funds may have a cause of action to recoup past fees and a right to be made whole for any losses caused to them by your clients' improperly unregistered status.

Initially, my clients had agreed that their relationship with Mr. Rowe would continue until the end of 2005. Due to your clients' statements and actions wherein Mr. Rowe has advised certain individuals to withdraw their investments from the funds, your client is in breach of any alleged agreement. Any payments otherwise agreed to be paid as set forth in my client's previous correspondence are hereby withdrawn. Further, any continued efforts by your clients to induce my clients' investors to withdraw their funds will be considered a tortious interference with contract and dealt with accordingly.

Please contact me directly should you wish to discuss this matter further.

Very truly yours,

**NORTON, HAMMERSLEY, LOPEZ
& SKOKOS, P.A.**


John W. Chapman, Jr.

cc: clients

JWC/sm

H:\APPS\wp80\4185\8\Lessinger ltr 02.02.05 revised.DOC

Nadel Receivership
ROWE000085

Non-Solicitation Agreement

This Agreement (the "Agreement") is entered into as of June 27, 2005, between Valhalla Management, Inc., a Florida corporation ("VMI"), Viking Management, LLC a Delaware limited liability company ("Viking"), Valkyrie Management, LLC, a Delaware limited liability company ("Valkyrie"), Scoop Management, Inc., a Florida corporation ("SMI"), and Scoop Capital, LLC, a Florida limited liability company ("Scoop" and, together with VMI, Viking, Valkyrie and SMI, the "Manager") and Carnegie Asset Management, Inc. and The Wall Street Digest, Inc. (together, with their Affiliates (as defined in Section 4) "Carnegie").

WITNESSETH:

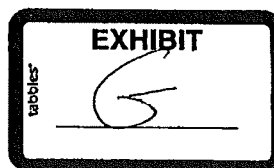
WHEREAS, the Manager serves as manager of Valhalla Investment Partners LP, a Delaware limited partnership ("Valhalla Fund"), Viking Fund, LLC and Viking IRA Fund, LLC, each a Delaware limited liability company (together, the "Viking Funds"), Valkyrie Fund, LLC, a Delaware limited liability company ("Valkyrie Fund"), Victory Fund, Ltd. and Victory IRA Fund, Ltd., each a Florida limited partnership (together, "Victory Funds", and with Valhalla Fund, the Viking Funds, Valkyrie Fund, and the Victory Funds, the "Funds").

NOW, THEREFORE, the parties agree as follows:

1. Non-Solicitation. Manager will pay to Carnegie fees as described in Section 2 of this Agreement for providing the undertakings described herein. Carnegie will not mention the Funds by name in Carnegie's newsletter. Carnegie will not directly contact (other than by newsletter of general circulation or by general promotional mass mailings to existing or prospective clients or subscribers of Carnegie) any person actually known by Carnegie to be a Fund investor. Carnegie will not recommend that any person redeem existing interests in the Fund. Carnegie will refer to the Funds promptly and not reply to any questions Carnegie receives about the Funds. Carnegie will report promptly to the Funds any direct contact with a person actually known by Carnegie to be a Fund investor. Carnegie will not recommend alternative investments or funds (other than by newsletter of general circulation or by general promotional mass mailings to existing or prospective clients or subscribers of Carnegie) to persons actually known by Carnegie to be Fund investors.

Notwithstanding the foregoing, Carnegie may recommend alternative investment funds or products other than the Fund in Carnegie's newsletter or by general promotional mass mailings to existing or prospective clients or subscribers of Carnegie.

2. Fees. Manager will pay a quarterly fee to Carnegie at the end of each calendar quarter in an amount equal to \$125,000. This fee shall be paid within 30



business days of the end of each calendar quarter, except that the first such payment shall be due by June 30, 2005 with respect to the calendar quarter ended June 30, 2005. Each party will pay its own expenses.

3. Independent Contract. Neither Carnegie nor any agent, employee, officer, or independent contractor of or retained by Carnegie, will become or be deemed an employee, partner, joint venturer, or agent of the Funds or the Manager, by reason of this Agreement or the transactions contemplated in this Agreement. Carnegie is and will remain an independent contractor of the Manager.

4. Nondisclosure. Without the written consent of the other party, neither party nor any Affiliate may disclose to any person or entity outside of its company, or to any person or entity within its company not having a need to know for the purposes of consummating the transactions contemplated by this Agreement, any confidential information submitted to it by or which it possesses from the other party. Each party will take all appropriate necessary action to provide for the safekeeping of any confidential information and use its best efforts to prevent disclosure, in whole or in part, of the information to any third party without prior written consent of the other party. Affiliate, as used in this Agreement, means a person or persons who control, or are controlled by any other person, or are both under the common control of a third person.

5. Representations and Warranties. Each party, on behalf of itself, its Affiliates, and their agents, represents, warrants, and covenants to the other that: (a) it is duly organized and validly existing, and has the legal power, right, and authority to enter into this Agreement and (b) all requisite action has been taken by it in connection with entering into this Agreement and the consummation of the transactions contemplated by this Agreement and the individual executing this Agreement on behalf of it has the legal power, right, and actual authority to bind it to the terms and conditions of this Agreement.

6. Waiver. Any waiver of a default or provision under this Agreement must be in writing.

7. Term. The term of this Agreement shall be up until April 30, 2007, meaning that the final payment will be due by April 30, 2007 with respect to the calendar quarter ending March 31, 2007.

At the conclusion of the Agreement, assuming all payments required under Section 2 hereof have been made, the Funds and Affiliates shall have no further obligation to Carnegie and Affiliates in relation to the Funds or any past or present Fund investor, and Carnegie and Affiliates shall have no further or ongoing obligations to the Funds and Affiliates in relation to the Funds or any past or present Fund investor.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida to the extent not pre-empted by federal law.

9. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Funds:

Neil V. Moody
Viking Management, LLC
1618 Main Street
Sarasota, FL 34236

AND

Arthur Nadel
Victory Fund, Ltd.
1618 Main Street
Sarasota, FL 34236

with a copy to:

Scott R. MacLeod, Esq.
Holland & Knight LLP
200 South Orange Avenue
Suite 2600
Orlando, FL 32801

If to Carnegie:

Donald H. Rowe
Carnegie Asset Management, Inc.
8830 S. Tamiami Trail
Suite 110
Sarasota, Florida 34238

with a copy to:

Jason Lessinger, Esq.
Icard, Merrill, Cullis, Timm, Furen & Ginsburg
2033 Main Street
Suite 600
Sarasota, FL 34237

or to such other addresses as either party hereto may from time to time give notice of to the other in the aforesaid manner.

10. Benefits; Binding Effect. This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs personal representatives, legal representatives, successors and, where applicable, assigns. Notwithstanding the foregoing, neither party may assign its rights or obligations hereunder without the prior written consent of the other. All amounts remaining payable under Section 2 hereof shall become immediately payable, upon the resignation or death of Art Nadel or Neil Moody, the termination of the Manager, or any merger, consolidation or sale of Manager or substantially all of its assets.

11. Severability. The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted. If such invalidity is caused by length of time or size of area, or both, the otherwise invalid provision will be considered to be reduced to a period or area which would cure such invalidity.

12. Attorney Fees. In any litigation between the parties concerning this Agreement or its enforcement, the prevailing party or parties in such litigation shall be entitled to collect in such action from the non-prevailing party or parties all costs of such litigation, including reasonable attorney fees at all levels of proceedings.

13. Entire Agreement. This Agreement contains the entire agreement between the parties pertaining to the subject matter set forth herein and may be modified or amended only upon the mutual written consent of the parties hereto or their respective heirs, legal representatives, successors or assigns; provided that this Agreement will not override existing provisions of the Funds' constituent documents regarding management discretion over accepting new investors, mandatory redemption, etc.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement
as of the date first written above.

VALHALLA MANAGEMENT, INC.

By: Neil V. Moody
Neil V. Moody

CARNEGIE ASSET MANAGEMENT,
INC.

By: Donald H. Rowe
Donald H. Rowe

VIKING MANAGEMENT, LLC

By: Neil V. Moody
Neil V. Moody

THE WALL STREET DIGEST, INC.

By: Donald H. Rowe
Donald H. Rowe

VALKYRIE MANAGEMENT, LLC

By: Neil V. Moody
Neil V. Moody

SCOOP CAPITAL, LLC

By: Arthur Nadel
Arthur Nadel

SCOOP MANAGEMENT, INC.

By: Arthur Nadel
Arthur Nadel

#2208229_v6

Nadel Receivership
ROWE000005

Non-Solicitation Agreement

This Agreement (the "Agreement") is entered into as of June 27, 2005, between Valhalla Management, Inc., a Florida corporation ("VMT"), Viking Management, LLC a Delaware limited liability company ("Viking"), Valkyrie Management, LLC, a Delaware limited liability company ("Valkyrie"), Scoop Management, Inc., a Florida corporation ("SMI"), and Scoop Capital, LLC, a Florida limited liability company ("Scoop" and, together with VMI, Viking, Valkyrie and SMI, the "Manager") and Carnegie Asset Management, Inc. and The Wall Street Digest, Inc. (together, with their Affiliates (as defined in Section 4) "Carnegie").

WITNESSETH:

WHEREAS, the Manager serves as manager of Valhalla Investment Partners LP, a Delaware limited partnership ("Valhalla Fund"), Viking Fund, LLC and Viking IRA Fund, LLC, each a Delaware limited liability company (together, the "Viking Funds"), Valkyrie Fund, LLC, a Delaware limited liability company ("Valkyrie Fund"), Victory Fund, Ltd. and Victory IRA Fund, Ltd., each a Florida limited partnership (together, "Victory Funds", and with Valhalla Fund, the Viking Funds, Valkyrie Fund, and the Victory Funds, the "Funds").

NOW, THEREFORE, the parties agree as follows:

1. Non-Solicitation. Manager will pay to Carnegie fees as described in Section 2 of this Agreement for providing the undertakings described herein. Carnegie will not mention the Funds by name in Carnegie's newsletter. Carnegie will not directly contact (other than by newsletter of general circulation or by general promotional mass mailings to existing or prospective clients or subscribers of Carnegie) any person actually known by Carnegie to be a Fund investor. Carnegie will not recommend that any person redeem existing interests in the Fund. Carnegie will refer to the Funds promptly and not reply to any questions Carnegie receives about the Funds. Carnegie will report promptly to the Funds any direct contact with a person actually known by Carnegie to be a Fund investor. Carnegie will not recommend alternative investments or funds (other than by newsletter of general circulation or by general promotional mass mailings to existing or prospective clients or subscribers of Carnegie) to persons actually known by Carnegie to be Fund investors.

Notwithstanding the foregoing, Carnegie may recommend alternative investment funds or products other than the Fund in Carnegie's newsletter or by general promotional mass mailings to existing or prospective clients or subscribers of Carnegie.

2. Fees. Manager will pay a quarterly fee to Carnegie at the end of each calendar quarter in an amount equal to \$125,000. This fee shall be paid within 30

business days of the end of each calendar quarter, except that the first such payment shall be due by June 30, 2005 with respect to the calendar quarter ended June 30, 2005. Each party will pay its own expenses.

3. Independent Contract. Neither Carnegie nor any agent, employee, officer, or independent contractor of or retained by Carnegie, will become or be deemed an employee, partner, joint venturer, or agent of the Funds or the Manager, by reason of this Agreement or the transactions contemplated in this Agreement. Carnegie is and will remain an independent contractor of the Manager.

4. Nondisclosure. Without the written consent of the other party, neither party nor any Affiliate may disclose to any person or entity outside of its company, or to any person or entity within its company not having a need to know for the purposes of consummating the transactions contemplated by this Agreement, any confidential information submitted to it by or which it possesses from the other party. Each party will take all appropriate necessary action to provide for the safekeeping of any confidential information and use its best efforts to prevent disclosure, in whole or in part, of the information to any third party without prior written consent of the other party. Affiliate, as used in this Agreement, means a person or persons who control, or are controlled by any other person, or are both under the common control of a third person.

5. Representations and Warranties. Each party, on behalf of itself, its Affiliates, and their agents, represents, warrants, and covenants to the other that: (a) it is duly organized and validly existing, and has the legal power, right, and authority to enter into this Agreement and (b) all requisite action has been taken by it in connection with entering into this Agreement and the consummation of the transactions contemplated by this Agreement and the individual executing this Agreement on behalf of it has the legal power, right, and actual authority to bind it to the terms and conditions of this Agreement.

6. Waiver. Any waiver of a default or provision under this Agreement must be in writing.

7. Term. The term of this Agreement shall be up until April 30, 2007, meaning that the final payment will be due by April 30, 2007 with respect to the calendar quarter ending March 31, 2007.

At the conclusion of the Agreement, assuming all payments required under Section 2 hereof have been made, the Funds and Affiliates shall have no further obligation to Carnegie and Affiliates in relation to the Funds or any past or present Fund investor, and Carnegie and Affiliates shall have no further or ongoing obligations to the Funds and Affiliates in relation to the Funds or any past or present Fund investor.

DR

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida to the extent not pre-empted by federal law.

9. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Funds:

Neil V. Moody
Viking Management, LLC
1618 Main Street
Sarasota, FL 34236

AND

Arthur Nadel
Victory Fund, Ltd.
1618 Main Street
Sarasota, FL 34236

with a copy to:

Scott R. MacLeod, Esq.
Holland & Knight LLP
200 South Orange Avenue
Suite 2600
Orlando, FL 32801

If to Carnegie:

Donald H. Rowe
Carnegie Asset Management, Inc.
8830 S. Tamiami Trail
Suite 110
Sarasota, Florida 34238

DR

with a copy to:

Jason Lessinger, Esq.
Icard, Merrill, Cullis, Timm, Furen & Ginsburg
2033 Main Street
Suite 600
Sarasota, FL 34237

or to such other addresses as either party hereto may from time to time give notice of to the other in the aforesaid manner.

10. Benefits; Binding Effect. This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs personal representatives, legal representatives, successors and, where applicable, assigns. Notwithstanding the foregoing, neither party may assign its rights or obligations hereunder without the prior written consent of the other. All amounts remaining payable under Section 2 hereof shall become immediately payable, upon the resignation or death of Art Nadel or Neil Moody, the termination of the Manager, or any merger, consolidation or sale of Manager or substantially all of its assets.

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12. Attorney Fees. In any litigation between the parties concerning this Agreement or its enforcement, the prevailing party or parties in such litigation shall be entitled to collect in such action from the non-prevailing party or parties all costs of such litigation, including reasonable attorney fees at all levels of proceedings.

13. Entire Agreement. This Agreement contains the entire agreement between the parties pertaining to the subject matter set forth herein and may be modified or amended only upon the mutual written consent of the parties hereto or their respective heirs, legal representatives, successors or assigns; provided that this Agreement will not override existing provisions of the Funds' constituent documents regarding management discretion over accepting new investors, mandatory redemption, etc.

DR

IN WITNESS WHEREOF, the parties hereto have executed this Agreement
as of the date first written above.

VALHALLA MANAGEMENT, INC.

By: _____
Neil V. Moody

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Donald H. Rowe

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By: _____
Neil V. Moody

THE WALL STREET DIGEST, INC.

By: _____
Donald H. Rowe

VALKYRIE MANAGEMENT, LLC

By: _____
Neil V. Moody

SCOOP CAPITAL, LLC

By: _____
Arthur Nadel

SCOOP MANAGEMENT, INC.

By: _____
Arthur Nadel

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