

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**ARTHUR NADEL,
SCOOPCAPITAL, LLC,
SCOOP MANAGEMENT, INC.,**

Defendants,

CASE NO.: 8:09-cv-0087-T-26TBM

**SCOOP REAL ESTATE, L.P.
VALHALLA INVESTMENT PARTNERS, L.P.,
VALHALLA MANAGEMENT, INC.,
VICTORY IRA FUND, LTD.,
VICTORY FUND, LTD.,
VIKING IRA FUND, LLC,
VIKING FUND, LLC, AND
VIKING MANAGEMENT, LLC.**

Relief Defendants.

**RECEIVER'S MOTION FOR APPROVAL OF SETTLEMENT WITH
VFS FINANCING, INC. REGARDING CESSNA 550**

Burton W. Wiand, as Receiver of Tradewind, LLC and Venice Jet Center, LLC under the Order entered January 27, 2009 (Doc. 17), requests the Court to enter an order approving the proposed settlement set forth in the attached Settlement Agreement (with supporting exhibits) under which the Receiver and VFS Financing, Inc. ("the Lender") have agreed, subject to Court approval, that the Receiver will deliver and transfer title to a Cessna 550 corporate jet aircraft ("the aircraft") owned by Tradewind, LLC to the Lender in Massachusetts, at the cost of the Lender, where the Lender will accept the

aircraft in full satisfaction of Tradewind, LLC's indebtedness to the Lender under the relevant loan documents concerning the aircraft and will release the Receiver and the Receivership Estate from all claims.

The Receiver has determined that the proposed settlement is in the best interest of the Receivership and the investors for whose benefit the Securities and Exchange Commission initiated this securities fraud action for at least the following reasons:

1. The Receiver believes the Lender has validly perfected its security interest in the aircraft, and the security interest has a default value of in excess of \$2,000,00.00;
2. The Lender provided the Receiver with a current market valuation of the aircraft of \$1,100,000.00. The Receiver believes the valuation to be accurate. Therefore, it is apparent Tradewind has no equity in the aircraft but is exposed to a large claim by the Lender;
3. The on-going costs of maintaining and storing the aircraft are high, and the Receiver, after full investigation and consideration, determined the aircraft has no utility to the Receiver or the Receivership Estate; and
4. The proposed settlement will benefit the investors, because remaining Receivership Assets will be preserved and not needlessly be expended maintaining the aircraft, and the Lender is waiving its sizeable claim against the Receivership Estate as part of the proposed settlement.

In summary, the Receiver recommends approval of this settlement because of the security interest, the absence of equity, the continuing costs to maintain and store the aircraft, the potential dispute with and claim of the Lender, and other administrative efforts that would be required of the Receiver in connection with the aircraft.

WHEREFORE, the Receiver requests the Court to approve the proposed settlement regarding disposition of the Cessna 550 described in the attached Settlement Agreement.

LOCAL RULE 3.01(g) CERTIFICATE OF COUNSEL

The undersigned counsel for the Receiver is authorized to represent to the Court that the SEC has no objection to the Court's granting this motion. The undersigned counsel is unable to contact Arthur Nadel, who is incarcerated in New York and is not represented by counsel in this action.

CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of April, 2009, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system. I further certify that I mailed the foregoing document and the notice of electronic filing by first-class mail to the following non-CM/ECF participants:

Arthur G. Nadel
Register No. 50690-018
MCC New York
Metropolitan Correctional Center
150 Park Row
New York, NY 10007

s/ Carl R. Nelson
Carl R. Nelson, FBN 0280186
cnelson@fowlerwhite.com
Gianluca Morello, FBN 034997
Gianluca.morello@fowlerwhite.com
Ashley B. Trehan, FBN 0043411
Ashley.trehan@fowlerwhite.com
Maya M. Lockwood, FBN 0175481
mlockwood@fowlerwhite.com
FOWLER WHITE BOGGS, P.A.
501 E. Kennedy Blvd., Suite 1700
Tampa, FL 33602
Phone (813) 228-7411, Fax (813) 229-8313
Attorneys for the Receiver, Burton W.
Wiand

SETTLEMENT AGREEMENT

Subject to approval of the Court in *Securities and Exchange Commission v. Arthur Nadel, et al.*, Case No.: 8:09-cv-87-T-26TBM (M.D. Fla.) (the “SEC Action”), VFS Financing, Inc. (the “Lender”), and Burton W. Wiand, Esquire, as receiver of Tradewind, LLC (“Tradewind”) and Venice Jet Center, LLC (“Venice Jet Center”) (the “Receiver”) appointed by orders entered in the SEC Action, agree to the following settlement regarding disposition of Cessna; Model No.: 550; Serial No.: 550-0695; Registration No.: N153TH and two Pratt & Whitney JTD15D aircraft engines bearing manufacturer’s serial numbers 71740 and 71741 (“Aircraft”) owned by Tradewind and stored at Venice Jet Center, and the Promissory Note and Aircraft Security Agreement concerning the Aircraft:

1. Receiver acknowledges and agrees that the Lender has a properly perfected security interest in the Aircraft pursuant to the Aircraft Security Agreement securing payment on the indebtedness evidenced by the Promissory Note. Receiver further acknowledges and agrees that Tradewind is in default under the Promissory Note. To resolve a dispute over the disposition of the Aircraft and avoid litigation, including, without limitation, Lender’s foreclosure claims, Receiver agrees to execute bills of sale as described herein, and deliver the Aircraft to the Lender at Barnes Municipal Airport in Westfield, Massachusetts (the “Destination”) where Lender will accept delivery and title as indicated below.

2. Promptly after approval by the Court in the SEC Action, Receiver will deliver the aircraft to the Lender at the Destinaton on or about May 5, 2009 (“Delivery Date”). Receiver makes no warranty as to the condition of the Aircraft at the time of

delivery to the Destination, but represents that the Aircraft has not been flown, modified, or damaged, to the best of his information and belief, since the Aircraft was inspected by Lender's representatives on February 26, 2009.

3. Receiver agrees to fly the Aircraft using Receiver's pilots to the Destination. Lender shall reimburse Receiver up to \$4,000 for Receiver's documented reasonable expenses for pilots' flight time, fuel, landing fees, and pilots' return travel associated with Receiver's delivery of the Aircraft to the Destination. Lender shall also reimburse Receiver for reasonable expenses required to perform necessary maintenance to assure the Aircraft is in airworthy condition before departure to the Destination.

4. Receiver agrees expeditiously to seek an order from the Court in the SEC Action approving the settlement reflected by this Settlement Agreement and authorizing Receiver to execute and deliver to Daugherty, Fowler, Peregrin, Haught & Jenson, as escrow agent (the "Escrow Agent"), that certain (1) undated original Federal Aviation Administration Bill of Sale, the form of which is attached hereto as Exhibit "A" (the "FAA Bill of Sale"), which, when recorded with the FAA registry, shall cause title to the Aircraft to be transferred to Canal Air, LLC ("Canal Air"), 44 Ridgebury Road, Danbury, CT 06180, Lender's nominee; and (2) undated original long form of Bill of Sale, the form of which is attached hereto as Exhibit "B," each of which to be held in escrow by the Escrow Agent.

5. Receiver also agrees to deliver to Lender at the Destination with the Aircraft such of the following documents and things attached to, connected with, or related to the Aircraft that are readily available to Receiver:

- a. all instruments, avionics, auxiliary power units, equipment, accessories, and all keys in the possession of Tradewind and Venice Jet Center;
- b. the originals of all electronic and paper logs, manuals, and other documents reflecting use or maintenance of the Aircraft;
- c. all manufacturers' and suppliers' warranties and manuals;
- d. documentation that all maintenance, fuel, and storage charges, and any other charges concerning the Aircraft's ownership, use, maintenance, or storage before surrender to Lender has been paid or otherwise satisfied in full;
- e. all other original ledgers, files, and records concerning the Aircraft; and
- f. documentation that all charter agreements regarding the Aircraft have been cancelled and that any obligations of Receiver, Tradewind, and/or Venice Jet Center have been fully discharged thereunder.

6. Receiver agrees not to cancel the physical damage and liability insurance currently in force on the Aircraft through the Delivery Date and to deliver to the Lender on or before the Delivery Date, or as soon thereafter as reasonably practicable, all insurance policies on the Aircraft.

7. Receiver agrees to authorize the Escrow Agent in writing (which can be delivered via electronic mail) to release and date the FAA Bill of Sale and the long form Bill of Sale to Lender for recording and filing with the FAA and other governmental

authorities upon receipt of written confirmation from Lender that the Aircraft has landed at the Destination.

8. Upon Lender's acceptance of the Aircraft, the authorized pilot(s), as agents of the Receiver, and a representative of Canal Air shall execute an "Affidavit for Acceptance of Delivery of Aircraft Outside Florida" in the form attached hereto as Exhibit "C" in the presence of a notary duly licensed in the State of Massachusetts. The Lender will secure the services of a notary and pay for such services.

9. Receiver agrees not to permit the Aircraft to be chartered or flown before taking off on the flight to the Destination.

10. Receiver agrees to maintain and store the Aircraft indoors in accordance with the current practice of Venice Jet Center and to make the Aircraft, its equipment, accessories, and available records available to Lender and its agents during normal business hours, provided however that all relevant documents and records will be released to the Lender upon delivery at the Destination.

11. Receiver, on behalf of Tradewind and Venice Jet Center, waives and releases any claims Tradewind and Venice Jet Center may have for fuel, storage, hangar space, and similar expenses.

12. Receiver understands and acknowledges that Lender seeks delivery of the Aircraft as soon as possible, and Receiver agrees promptly to seek approval by the Court in the SEC Action of the settlement reflected by this Settlement Agreement.

13. Receiver, on behalf of himself and Tradewind, waives notice of the Lender's sale or disposition of the Aircraft.

14. In consideration of Receiver's seeking approval of this settlement, delivery of the Aircraft to the Destination, and waiver and release of any claims Tradewind and Venice Jet Center may have for fuel, storage, hangar space, and similar expenses, Lender agrees to release any claims it may have against the Receiver and the Receivership Estate, and hereby agrees such release shall be deemed effective upon Lender's acceptance of the Aircraft at the Destination. See form of release attached as Exhibit "D".

15. Lender agrees to insure the Aircraft under Canal Air's aircraft insurance policy which coverage shall become effective before Receiver delivers the Aircraft to Lender at the Destination.

16. In the event the Aircraft suffers any damage prior to completion of delivery at the Destination, the Lender agrees and acknowledges that the Lender's sole remedy is recovery of insurance proceeds. Receiver's insurance policy shall be primary since Receiver bears risk of loss during delivery of the Aircraft to the Destination.

17. Receiver acknowledges and agrees that Lender, by entering into this Settlement Agreement and releasing the Receiver and the Receivership Estate, does not waive, forfeit, release, or otherwise relinquish Lender's rights to pursue any and all claims available to it against Arthur Nadel ("Nadel") at law or in equity. Lender hereby reserves all rights and remedies against Nadel under the Promissory Note, Aircraft Security Agreement, Guaranty, and applicable law, and nothing contained in this Settlement Agreement or any delay on the part of Lender in exercising any of its rights and remedies against Nadel under the Promissory Note, Aircraft Security Agreement,

and/or Guaranty shall be considered a waiver, estoppel, release, discharge, satisfaction, or modification as to Nadel.

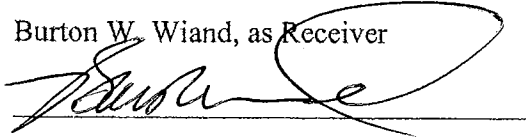
18. The Lender understands and agrees that Receiver's entering into this Settlement Agreement does not and will not enhance any claim the Lender may have had had this Settlement Agreement not been entered into by the Receiver.

19. Receiver and the Lender agree that signed and electronically transmitted copies of signature pages shall be as valid as original documents and that this Settlement Agreement may be executed in counterparts.

[Signatures on following page]

Receiver:

Burton W. Wiand, as Receiver



Burton W. Wiand

Dated: 4/29/2009

Lender:

VFS Financing, Inc.

By: [Handwritten Signature]
Its: Litigation Specialist

Dated: 4/29/09

[Signature Page to Settlement Agreement]

UNITED STATES OF AMERICA
 U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION
AIRCRAFT BILL OF SALE

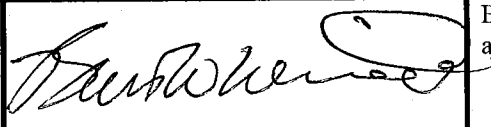
FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICINCY OF WHICH IS HEREBY ACKNOWLEDGED, THE UNDERSIGNED OWNER(S) OF THE AIRCRAFT DESCRIBED AS FOLLOWS:

UNITED STATES REGISTRATION NUMBER	N153TH
AIRCRAFT MANUFACTURER & MODEL CESSNA/MODEL 550	
AIRCRAFT SERIAL NUMBER 550-0695	
DOES THIS _____ DAY OF MAY 2009, HEREBY GRANT, TRANSFER AND DELIVER ALL RIGHTS, TITLE, AND INTERESTS IN AND TO SUCH AIRCRAFT UNTO:	

PURCHASER	NAME AND ADDRESS (IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL) CANAL AIR, LLC 44 Old Ridgebury Road Danbury, CT 06810
	DEALER CERTIFICATE NUMBER

AND TO _____ EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD SINGULARLY THE SAID AIRCRAFT FOREVER. THE AIRCRAFT IS SOLD AS IS WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN TESTIMONY WHEREOF _____ HAVE SET _____ HAND AND SEAL THIS _____ DAY OF MAY 2009

SELLER	NAME(S) OF SELLER (TYPED OR PRINTED)	SIGNATURE(S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)
	Tradewind, LLC		Burton W. Wiand, Esquire, as Receiver of Tradewind, LLC

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

ORIGINAL: TO FAA

AC FORM 8050-2 (9/92) (NSN 0052-00-629-0003) SUPERSEDES PREVIOUS EDITION

AIRCRAFT BILL OF SALE

Tradewind, LLC ("Transferor"), for good and valuable consideration delivered by Canal Air, LLC ("Transferee"), the receipt and adequacy of which is acknowledged by Transferor, does hereby set over, transfer, assign and convey unto Transferee, Transferee's successors and assigns, all Transferor's right, title and interest in the Aircraft described below together with all equipment, components, appliances, parts, instruments, avionics, appurtenances, accessories, furnishings and other equipment of whatever nature installed in or attached to the airframe or the engines and all repair or maintenance agreements or programs relating to the airframe, engines or components, and all airframe and engine logbooks, flight, maintenance and operations manuals, weight and balance manuals, drawings, blueprints, wiring and completion diagrams, and related maintenance records (collectively, the "Aircraft"),

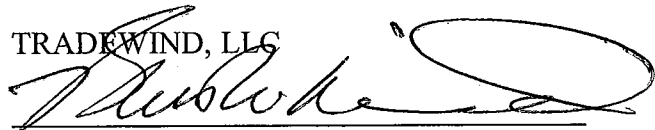
<u>Aircraft/Engines</u>	<u>Model</u>	<u>Year</u>	<u>Serial No.</u>	<u>Registration No.</u>
CESSNA	550		550-0695	N153TH
PRATT & WHITNEY	JTD15D		71740 71741	

The Aircraft is sold as is without any warranty, express or implied, including but not limited to WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN WITNESS WHEREOF, Transferor has caused this Bill of Sale to be signed by its duly authorized representative this _____ day of May, 2009.

TRANSFEROR:

TRADEWIND, LLC



By: Burton W. Wiand, Esquire, as Receiver for Tradewind, LLC

AFFIDAVIT FOR ACCEPTANCE OF DELIVERY OF AIRCRAFT OUTSIDE FLORIDA

May __, 2009

Transferor:

Transferee:

Tradewind, LLC
c/o Burton W. Wiand, Esq., as Receiver
Fowler, White, Boggs, P.A.
501 E. Kennedy Boulevard
Suite 1700
Tampa, Florida 33602

Canal Air, LLC
44 Old Ridgebury Road
Danbury, CT 06810

Description of aircraft transferred, including make, model, identification number, and purchase price:

<u>Aircraft/Engines</u>	<u>Model</u>	<u>Year</u>	<u>Serial No.</u>	<u>Registration No.</u>
CESSNA	550		550-0695	N153TH
PRATT & WHITNEY	JTD15D		71740 71741	

The above-described aircraft and engines were transferred in satisfaction of a security interest.

State of _____
County of _____

Before me, the undersigned, personally appeared the individuals whose names and addresses are shown below, and after being duly sworn certified that they are duly authorized representatives of the transferor and the transferee of the aircraft and that delivery of the aircraft was accepted outside Florida. Transferee certifies that the aircraft listed hereon will not be used in Florida under conditions which will subject said aircraft to the Florida sales or use tax.

TRADEWIND, LLC

CANAL AIR, LLC

By: _____
Print name: _____
a duly authorized representative of Burton W. Wiand, Esquire, Receiver
Fowler, White, Boggs, P.A.
501 E. Kennedy Boulevard
Suite 1700
Tampa, Florida 33602

By: _____
Print name: _____
a duly appointed representative of Canal Air, LLC
44 Old Ridgebury Road
Danbury, CT 06810

Dated: _____

Dated: _____

NOTARY PUBLIC, STATE OF _____

NOTARY SEAL

My commission expires:

Personally known []

Produced Identification [] Type: _____

EXHIBIT C

LENDER'S RELEASE OF CLAIMS FOR DEFICIENCY

In accordance with the terms of the Settlement Agreement between the Lender, VFS Financing, Inc., and the Receiver, Burton W. Wiand, as Receiver for Tradewind, LLC, and Venice Jet Center, LLC, the Lender releases its claims for deficiency against the Receiver, Tradewind, LLC, and Venice Jet Center, LLC arising out of or under the Promissory Note and Aircraft Security Agreement issued by Tradewind, LLC on May 23, 2008 concerning Cessna; Model No.: 550; Serial No.: 550-0695; Registration No.: N153TH. The Lender has not been able to deliver to the Receiver with this Release the original Promissory Note and Aircraft Security Agreement marked as cancelled because the originals are lost. The Lender acknowledges that all obligations of the Receiver, Tradewind, LLC, and Venice Jet Center, LLC associated therewith have been released. The Lender does not release any claims against Arthur Nadel who remains obligated to Lender under the Guaranty issued by him on or about May 23, 2008.

Lender:

VFS Financing, Inc.

By: _____

Its: _____

Dated: _____