

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

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

Case No. 8:09-cv-87-T-26TBM

ARTHUR NADEL;  
SCOOP CAPITAL, LLC;  
SCOOP MANAGEMENT, INC.

Defendants,

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

Relief Defendants.

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**RECEIVER'S UNOPPOSED MOTION TO (1) APPROVE DETERMINATION  
AND PRIORITY OF CLAIMS, (2) POOL RECEIVERSHIP ASSETS AND  
LIABILITIES, (3) APPROVE PLAN OF DISTRIBUTION,  
AND (4) ESTABLISH OBJECTION PROCEDURE**

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Burton W. Wiand, as Receiver (the “**Receiver**”), respectfully moves this Court for an Order: (1) approving his determination and priority of claims as set forth in this Motion and attached **Exhibits B** through **J**; (2) pooling all assets and liabilities of the receivership entities into one consolidated Receivership estate; (3) approving a plan of distribution; and (4) establishing a procedure for objections to the Receiver’s determination of claims and claim priority and plan of distribution.

It is worth emphasizing the last prong of the relief sought by this Motion: the Receiver seeks to establish an objection procedure which will allow the Receiver and the Court to efficiently address any objections to claim determinations, claim priority, and the plan of distribution in an orderly and fair process. This process will allow the Receiver to attempt to resolve objections before they are submitted to the Court for consideration, which will avoid inefficient piecemeal adjudication of objections and conserve both the Court’s and the Receivership’s time and resources. Accordingly, any objection to claim determinations, claim priority, or the plan of distribution directly filed in Court in response to this Motion should be denied without prejudice to its submission to the Receiver in accordance with the pertinent parameters set forth in Section V. of this Motion.

### **BACKGROUND**

On January 21, 2009, the Securities and Exchange Commission (the “**Commission**”) initiated this action to prevent the defendants from further defrauding investors of hedge funds managed by them. That same day, the Court entered an order appointing Burton W. Wiand as Receiver for Defendants Scoop Capital, LLC (“**Scoop Capital**”) and Scoop Management, Inc. (“**Scoop Management**”) and Relief Defendants Scoop Real Estate, L.P.

(“**Scoop Real Estate**”); Valhalla Investment Partners, L.P. (“**Valhalla Investment Partners**”); Valhalla Management, Inc. (“**Valhalla Management**”); Victory Fund, Ltd. (“**Victory Fund**”); Victory IRA Fund, Ltd. (“**Victory IRA Fund**”); Viking IRA Fund, LLC (“**Viking IRA Fund**”); Viking Fund, LLC (“**Viking Fund**”); and Viking Management, LLC (“**Viking Management**”).<sup>1</sup> (*See generally* Order Appointing Receiver (Doc. 8).)

The Court subsequently granted seven motions to expand the scope of the Receivership and appointed the Receiver as receiver over the following:

- Venice Jet Center, LLC, and Tradewind, LLC (Order, Jan. 27, 2009 (Doc. 17));
- Laurel Mountain Preserve, LLC; Laurel Preserve, LLC; the Marguerite J. Nadel Revocable Trust UAD 8/2/07; and the Laurel Mountain Preserve Homeowners Association, Inc. (Order, Feb. 11, 2009 (Doc. 44));
- The Guy-Nadel Foundation, Inc. (Order, Mar. 9, 2009 (Doc. 68));
- Lime Avenue Enterprises, LLC, and A Victorian Garden Florist, LLC (Amended Order, Mar. 17, 2009 (Doc. 81));
- Viking Oil & Gas, LLC (Order, July 15, 2009 (Doc. 153));
- Home Front Homes, LLC (Order, Aug. 10, 2009 (Doc. 172)); and
- Traders Investment Club (Order, Aug. 9, 2010 (Doc. 454)).

All of the entities and the trust in receivership are referred to collectively as the “**Receivership Entities.**” The Receiver was reappointed as Receiver for the Receivership

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<sup>1</sup> Relief Defendants Scoop Real Estate, Valhalla Investment Partners, Victory IRA Fund, Victory Fund, Viking IRA Fund, and Viking Fund are collectively referred to as the “**Hedge Funds.**” Defendants Scoop Capital and Scoop Management and Relief Defendants Valhalla Management and Viking Management are collectively referred to as the “**Fund Managers.**”

Entities by Orders dated June 3, 2009 (Doc. 140), January 19, 2010 (Doc. 316), and September 23, 2010 (Doc. 493). (All Orders appointing and reappointing Receiver are collectively referred to as “**Order Appointing Receiver**”).

The Defendants and Relief Defendants purported to engage in the sale of securities in the form of hedge fund interests with high levels of return to investors throughout the United States and overseas. In reality, Arthur Nadel (“**Nadel**”) and the other Defendants, through Relief Defendants, engaged in a Ponzi scheme (the “**scheme**”) in which money raised from new investors and additional money raised from existing investors was used to: (1) pay fictitious returns to existing investors; (2) pay substantial management, advisory, and/or incentive fees to Nadel and others; and (3) purchase and/or fund additional businesses and other endeavors controlled by Nadel. While some investors received funds from Receivership Entities, others did not.

Pursuant to the Order Appointing Receiver, the Receiver was obligated to take possession of the Receivership Entities’ assets for the benefit of defrauded investors. The Receiver’s goal has been to marshal, liquidate, and then distribute Receivership assets to investors (and other creditors) with allowed claims in a fair and equitable manner.

### **PROCEDURAL BACKGROUND**

On April 20, 2010, the Receiver filed an Unopposed Motion to (1) Approve Procedure to Administer Claims and Proof of Claim Form, (2) Establish Deadline for Filing Proofs of Claim, and (3) Permit Notice by Mail and Publication (the “**Claims Form Motion**”) (Doc. 390). On April 21, 2010, the Court granted the Receiver’s motion in its entirety (Doc. 391). The Court established a Claim Bar Date of the later of 90 days from the

date of the Order granting the Claims Form Motion or the mailing of Proof of Claim Forms to all known investors and other potential creditors (as the term Claim Bar Date is defined in the Claims Form Motion). Pursuant to the Court's Order, any person or entity who failed to submit a proof of claim to the Receiver so that it was actually received by the Receiver on or before the Claim Bar Date is barred and precluded from asserting any claim against the Receivership or any Receivership Entity.

The Court's Order further provided that sufficient and reasonable notice would be given by the Receiver if made (1) by mail to the last known addresses of all known potential claimants, (2) by global publication on one day in The Wall Street Journal and publication on one day in the Sarasota-Herald Tribune, and (3) by publication on the Receiver's website ([www.nadelreceivership.com](http://www.nadelreceivership.com)). In compliance with the Court's Order, on June 4, 2010, the Receiver mailed 1,256 packages to the last known addresses of known investors and their attorneys, if any, and any other known potential creditors of the Receivership estate, thereby establishing September 2, 2010, as the Claim Bar Date. Each package included a cover letter, the Notice of Deadline Requiring Filing of Proofs of Claim (the "**Notice**"), and a Proof of Claim Form (collectively, the "**Claims Package**"). The Receiver also published the Notice in the global edition of The Wall Street Journal and in the Sarasota Herald-Tribune on June 15, 2010, and posted the Notice and a Proof of Claim Form on his website.

Following investors' and other potential creditors' submission of Proof of Claim Forms (the "**Claimants**"), over time the Receiver sent approximately 134 letters to pertinent Claimants notifying them of deficiencies in their respective Proof of Claim Forms. The Receiver sent these letters to give Claimants an opportunity to correct deficiencies in their

claim filings which might ultimately affect the recognition of their claim. The Claimants were given thirty days from the date of the notice of deficiency to return a corrected Proof of Claim Form.

The Receiver received 504 claims (the “**Claims**”).<sup>2</sup> Of the 504 claims, 478 claims were submitted in connection with 473 investor “accounts”<sup>3</sup> (the “**Investor Claimants**” or “**Investor Claims**”), which represent approximately 60% of all currently known Investor Accounts.<sup>4</sup> The Receiver also received 26 claims from other purported creditors (the “**Non-Investor Claimants**” or “**Non-Investor Claims**”), including two claims from taxing authorities (the “**Tax Lien Claimants**” or “**Tax Lien Claims**”). Fourteen of the 504 claims were received after the Claim Bar Date.

To make the process less burdensome for investors, the Court approved the Receiver’s proposal to include in Proof of Claim Forms distributed to investors his calculation for the applicable Investor Account’s “**Net Investment Amount**” where sufficient information existed. The Net Investment Amount for an account was calculated by adding all amounts contributed by the pertinent investor(s) to an account and subtracting all

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<sup>2</sup> Overall, the Receiver received and reviewed 631 Proof of Claim Forms. This number includes corrected and supplemented Proof of Claim Forms that were received in response to deficiency letters sent by the Receiver. As noted above, these 631 Proof of Claims Forms relate to 504 total claims.

<sup>3</sup> Although Nadel and the Receivership Entities did not maintain separate investor accounts, the purported statements they created and distributed referred to fictitious “accounts” in the Hedge Funds (the “**Investor Accounts**”). For ease of reference, this Motion and its Exhibits use the term “account” even though no such accounts actually existed.

<sup>4</sup> Multiple claims were submitted for five accounts.

distributions made to that accountholder(s), regardless of whether those distributions were characterized as interest, earnings, returns of principal, or by any other terminology. In other words, the Net Investment Amount reflects dollars an investor actually deposited in the scheme minus dollars that investor actually received from the scheme.

If the Investor Claimant agreed with the numbers provided by the Receiver, it did not have to provide any documentation supporting its claim. The Investor Claimant, however, was required to sign under penalty of perjury and return the completed Proof of Claim Form by the Claim Bar Date.<sup>5</sup> Of the 478 Investor Claims submitted, 392 claims agreed with the Receiver's calculations; 63 claims disagreed; 4 claims did not indicate whether they agreed; and the remaining 19 claims were not provided calculations by the Receiver for various reasons. To date, the Receiver has received claims from Investor Claimants totaling approximately \$149,033,449.32 and claims from Non-Investor Claimants totaling approximately \$9,205,581.14, for a total claim amount of approximately \$158,239,030.46.<sup>6</sup>

After the filing of this Motion, the Receiver will promptly mail a letter giving notice of this Motion to all Claimants to the mailing address provided on each of their respective submitted Proof of Claim Forms, and to their attorneys, if any were identified. The letter will inform the Claimants that this Motion is available on the Receiver's website or, upon request,

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<sup>5</sup> For the Court's ease of reference, a copy of a blank Proof of Claim Form is attached as **Exhibit A**.

<sup>6</sup> The amount indicated for Non-Investor Claimants may not include all claimed interest, fees, or penalties which may be sought by them. Importantly, these numbers reflect the amount Claimants are claiming they are owed, and not the amount the Receiver has determined is the value of allowable claims.

from the Receiver's office. The letter will also advise each Claimant of his, her, or its respective claim number.<sup>7</sup>

**THE RECEIVER'S DETERMINATIONS AND FURTHER  
PLANS FOR ADMINISTERING THE CLAIMS PROCESS**

**I. OVERVIEW OF THE RECEIVER'S DETERMINATION OF CLAIMS AND CLAIM PRIORITY**

As set forth in the Receiver's Claims Form Motion, any properly completed and timely filed proof of claim should be allowed if it is established that: (1) the claim arises out of any Receivership Entity's activities; (2) losses resulted from such activities; (3) any alleged claim and losses are consistent with the books and records gathered by the Receiver; and (4) no other ground exists for denying the claim. The Receiver has carefully and thoroughly reviewed and considered all 504 submitted claims. The Receiver has determined that each claim falls within one of five categories:

- (1) Investor Claims and Tax Lien Claims which should be allowed and should receive the highest priority among claims;
- (2) Investor Claims which should be allowed in part and also should receive the highest priority among claims;
- (3) secured Non-Investor Claims (the "**Non-Investor Secured Claims**") which should be allowed in part, but should be paid only from the proceeds of the sale of the collateral securing the claims, less certain fees and costs;

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<sup>7</sup> To minimize public disclosure of Claimants' financial affairs, the Receiver has assigned each claim a number. As permitted by Court order (Doc. 674), by separate sealed filing, the Receiver will file with the Court a list disclosing the identity of each Claimant associated with each claim identified by number in **Exhibits B** through **J**.

In certain instances, however, where the Claimant's identity is important to the determination of a claim, this Motion discloses that information.



- (4) unsecured Non-Investor Claims (the “**Non-Investor Unsecured Claims**”) which should be allowed (in whole or in part), but should be paid only after defrauded investors’ allowed claims have been paid in full; and
- (5) claims which should be denied.

As detailed in **Exhibits B** through **J**, the Receiver has proposed an Allowed Amount<sup>8</sup> for each claim. The Receiver’s determination of a Claimant’s Allowed Amount is not indicative of the amount the Claimant will receive through distributions of Receivership assets. Rather, each Claimant holding an allowed claim with a positive Allowed Amount will be eligible for distributions on a *pro rata* basis depending on the priority of the claim (unless otherwise discussed in this Motion), and ultimately will likely only receive a percentage of its Allowed Amount. For example, claims submitted by Non-Investor Unsecured Claimants, such as unsecured trade creditors, may receive no distributions despite having a positive Allowed Amount because, as discussed below in Section II. A., those claims are subject to a lower priority than defrauded investors’ claims.

As of November 29, 2011, the Receiver had approximately \$21,882,616.97 in cash and certificates of deposits in all Receivership accounts. The Receiver believes that he has sufficient funds to warrant the expense inherent in making an interim distribution. As discussed in more detail below, the Receiver recommends making an interim distribution as

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<sup>8</sup> “**Allowed Amount**” is the amount of a claim to which the Receiver has determined the Claimant is entitled. The Allowed Amount will serve as the basis for determining a Claimant’s ultimate distribution of Receivership assets.

soon as practicable after Claimants have had the opportunity to object as provided in Section V. of this Motion.

The Receiver considered each submitted claim to determine its claim category, with the goal that distribution of the Receivership's assets be equitable and fair among all Claimants. Various types of Claimants submitted claims, including individual investors, institutional investors, service providers, and mortgage lenders. Some Claimants had no reason to know of Nadel's scheme while others were more sophisticated and, at a minimum, should have recognized at least some of the numerous "red flags." A subsequent reasonable and diligent inquiry would have revealed fraud or, at a minimum, failed to ameliorate suspicions. It is through the Receiver's review and assessment of information each Claimant provided, the books and records of the Receivership Entities, and information obtained from non-parties that the Receiver established the categories of Claimants discussed in this Motion to assure fair and equitable treatment.

The Receiver asks the Court to approve his recommended claim determinations as set forth in **Exhibits B** through **J** and, in certain instances, discussed in more detail below. Further, as the Claim Bar Date has passed and all Claimants and other potential creditors have had ample notice of the claims process and an opportunity to file claims and to seek enforcement of any liens or other asserted rights or interests in Receivership property, the Receiver asks the Court to issue an order (1) confirming that no further claims will be considered and (2) barring any future claims against Receivership Entities, Receivership property, the Receivership estate, or the Receiver, and any proceedings or other efforts to enforce or otherwise collect on any lien, debt, or other asserted interest in or against

Receivership Entities, Receivership property, or the Receivership Estate. Such an order is important to bring finality and to allow distributions to proceed, and is warranted in light of the ample time that has been available to address such matters.

**A. Allowed Investor Claims And Tax Lien Claims, Which Should Receive Highest Priority**

**1. Allowed Investor Claims**

Highest priority should be given to claims submitted by investors who were victimized by the scheme and who did not have reason to recognize “red flags.” Specifically, these investors invested a principal amount in the scheme which exceeded any distributions they received from the scheme. The Receiver has determined that 345 Investor Claims should be allowed. These claims are identified in **Exhibit B** and are consistent with the Receivership Entities’ books and records and other documents recovered by the Receiver (collectively, the “**Receivership Records**”). Accordingly, the Court should allow each of these claims in the Allowed Amounts as set forth in **Exhibit B**.

**2. Allowed Tax Lien Claims**

Under the procedures set forth in the Claims Form Motion, the Receiver sent Claims Packages to numerous state and federal taxing authorities, advising them of their opportunity to submit a claim. The Receiver selected these recipients based on information in his possession indicating ties between the Receivership and those jurisdictions. Specifically, the Receiver sent Claims Packages to the Internal Revenue Service (“**IRS**”) and state and certain county taxing authorities in Florida, Delaware, Georgia, North Carolina, Mississippi, and Ohio. In Florida, the Receiver sent Claims Packages to the Florida Department of Revenue and the Sarasota County Tax Collector. In Delaware, the Receiver sent a Claims Package to

the Delaware Department of Revenue. In Georgia, the Receiver sent Claims Packages to the Georgia Department of Revenue, the Coweta County Tax Assessor, the Grady County Tax Assessor, and the Thomas County Tax Assessor. In North Carolina, the Receiver sent Claims Packages to the North Carolina Department of Revenue, the Alamance County Tax Department, the Buncombe County Tax Department, and the Wake County Revenue Department. In Mississippi, the Receiver sent Claims Packages to the Mississippi State Tax Commission and the Lee County Tax Collector. And in Ohio, the Receiver sent Claims Packages to the Ohio Department of Taxation and the Lorain County Auditor. In total, the Receiver sent Claims Packages to 23 local, state, and federal taxing authorities.

The Receiver received claims from two taxing authorities: the IRS and the Sarasota County Tax Collector. (*See* Claim Nos. 479 and 480 on **Exhibit C**, respectively.) The IRS's claim seeks \$3,400 for penalties owed in connection with Receivership Entities' returns for the year ending 2007. The IRS submitted this claim on June 30, 2011, nearly ten months after the Claim Bar Date and only after repeated contact by the Receiver's accountant. Despite the IRS's late filing, given the low dollar amount of this tax claim, the Receiver does not believe it makes financial sense to contest the claim, and thus the Court should allow this claim as specified in **Exhibit C**.<sup>9</sup>

The Sarasota County Tax Collector's timely filed claim stems from tangible personal property taxes incurred in 2009 on property then owned by Receivership Entity Home Front

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<sup>9</sup> Because the IRS's claim seeks a minimal amount and was received sufficiently prior to the filing of this Motion and any interim distribution, allowing this claim should not cause any appreciable prejudice to other Claimants.

Homes, LLC. The Sarasota County Tax Collector seeks \$1,081.99. Given the low dollar amount of this tax claim, the Court should allow this claim as specified in **Exhibit C**.

Because the Claim Bar Date has long passed, the Court should order that the above taxing authorities are barred and precluded from asserting a claim or any further claim against the Receiver, Receivership estate, or any Receivership Entity. *See Callahan v. Moneta Capital Corp.*, 415 F.3d 114, 117-18 (1st Cir. 2005) (potential claimants that did not submit claims by bar date lacked “standing to object to the adjudication of a pending claim in the Claims Disposition Order”); *S.E.C. v. Princeton Econ. Int’l Ltd.*, 2008 WL 7826694, \*4 (S.D.N.Y. 2008) (“All persons or entities with a claim that failed to file a proof of claim prior to the Bar Date and were not excused from filing a proof of claim under the Plan are forever barred, estopped, and permanently enjoined.”); *C.F.T.C. v. Wall St. Underground, Inc.*, 2007 WL 1531856, \*4 (D. Kan. 2007) (same). Enforcement of the Claim Bar Date against any future claim is necessary to allow the Receiver to proceed with his plan of distribution as discussed in Section I. E. 2. below.

**B. Allowed In Part Investor Claims, Which Also Should Receive Highest Priority**

The Receiver received 75 Investor Claims which, because of various factors, should not be allowed in full. These claims, and the factors impacting each claim, are set forth in

**Exhibit D.**<sup>10</sup> Sections I. B. 1. and I. B. 2. below contain general discussions of certain matters impacting the Allowed Amount of these claims. Section I. B. 3. below contains a preliminary discussion about additional matters impacting one of these claims.

**1. Investor Claims Should Be Allowed Only For The Net Investment Amount**

As a general matter, as detailed in Section II. B. below, an Investor Claimant is not entitled to an Allowed Amount that exceeds its Net Investment Amount. Accordingly, the Court should approve the “**Net Investment Method**” as the appropriate method for determining Allowed Amounts for Investor Claims. The Net Investment Method begins with the Net Investment Amount for each Investor Account which, as previously noted, adds all amounts contributed by the pertinent investor(s) to an account and subtracts all distributions made to that accountholder(s), regardless of whether those distributions were characterized as interest, earnings, returns of principal, or by any other terminology. The Court approved the Receiver’s proposal to include this amount on the Proof of Claim Forms sent to investors where sufficient information was available.

The Net Investment Amount appropriately does not include any “**False Paper Profits.**” False Paper Profits represent the purported appreciation in an Investor Account from the Hedge Funds’ purported investment activities as reflected in statements sent to

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<sup>10</sup> There are seven additional claims included in **Exhibit D** for which Investor Claimants agreed to a reduction of their claim amount or potential distribution as part of resolutions of litigation brought by the Receiver. The set-off or reduced amounts are reflected in **Exhibit D**. (See Claim Nos. 346, 351, 363, 377, 378, 390, and 396.) **Exhibit D** also includes one additional claim for an account which transferred all of its funds to one of the aforementioned claims. (See Claim No. 395).

investors. These False Paper Profits were fictitious because no profits were actually earned by the Hedge Funds. Rather, the Hedge Funds were operated as a Ponzi scheme, and the reported profits were a fiction. The fictitious profits were only on “paper” because the investors associated with those accounts did not ask for distributions of those purported profits and thus did not receive any money purportedly representing those fictitious profits.

In applying the Net Investment Method, where an Investor Claimant or related Investor Claimants have multiple accounts with the Hedge Funds and one or more of those accounts received “**False Profits**,” those accounts have been considered on a consolidated basis. False Profits refer to the amount of money actually received by investors associated with an Investor Account from the scheme which exceeds the amount of money those investors actually invested in the scheme. Typically, Investor Claimants would have received False Profits because of distributions they received of purported investment gains or principal redemptions.

Inconsistent with the Net Investment Method, nine Investor Claims seek False Paper Profits in addition to their Net Investment Amounts. (*See* Claim Nos. 350, 369, 397, 398, 403, 405, 407, 408, and 417.)<sup>11</sup> The Receiver’s determination of the Allowed Amounts for each of those nine Investor Claims reflects each of their associated Investor Account’s Net Investment Amount but does not include their fictitious False Paper Profits.

Also inconsistent with the Net Investment Method, the Receiver received 24 claims for Investor Accounts which had losses but which were associated with investors who

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<sup>11</sup> Claim Number 349 is included on **Exhibit D** because the Receiver has consolidated it into Claim Number 350.

received False Profits in connection with one or more additional Investor Accounts. (*See* Claim Nos. 347, 352, 355, 358, 360, 364, 365, 367, 372, 375, 381, 383, 385, 389, 393, 396, 401, 402, 404, 409, 412, 413, 418, and 419.) In determining the Allowed Amounts for those claims, the Receiver set-off the claimed losses with the False Profits in the related accounts.<sup>12</sup>

Accordingly, the Court should (1) find the Net Investment Method as proposed above and as reflected in the Exhibits is the appropriate method to use in determining Allowed Amounts for investors and (2) allow all of the foregoing claims for the Allowed Amounts as set forth in **Exhibit D**. Legal authority supporting these conclusions is detailed in Sections II. B. 1. and II. B. 2. below.

**2. Investor Claims For Amounts That Are Inconsistent With The Amounts Reflected In Receivership Records Should Be Allowed Only In The Appropriate Amount Reflected In Receivership Records**

Nine Investor Claims have claim amounts that are inconsistent with Receivership Records and should be allowed only in the appropriate amount reflected in those records. (*See* Claim Nos. 354, 373, 374, 387, 394, 399, 406, 415, and 416.) The Receiver has

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<sup>12</sup> For ease of the Court's and the Claimants' review, **Exhibit D** includes both the claims for losses and the related claims involving Investor Accounts with False Profits. Entries in the "Recommended Claim Determination" column in **Exhibit D** for each of these claims identifies which claims should be set-off and the amounts to be set-off. Each claim involving an Investor Account with False Profits necessarily has no loss and thus has no Allowed Amount. Those False Profits claims are only included in **Exhibit D** for purposes of set-off and otherwise would have been in the Exhibit listing denied claims because they had no loss. (*See* Claim Nos. 348, 353, 356, 359, 361, 366, 368, 371, 376, 382, 384, 386, 388, 392, 400, 403, 410, 411, 414, and 420.) Also included in **Exhibit D** for ease of reference are related claims for Investor Accounts which may have purportedly transferred funds or have been consolidated with other Investor Accounts which are involved in the set-offs discussed above. (*See* Claim Nos. 357, 362, 370, 379, and 380.)



thoroughly reviewed those claims and relevant Receivership Records, and those records show the figures and Allowed Amounts set forth in **Exhibit D** for each of those claims accurately reflect their Net Investment Amount. Accordingly, the Court should allow each of those claims only for the Allowed Amounts specified in **Exhibit D**.

**3. Investor Claim Which Received Inequitable Preference Payment Resulting In A 50% Recovery Only Should Be Allowed To Receive Any Distribution When And If Other Investor Claimants With Allowed Claims Have Received A 50% Recovery Of Their Allowed Amounts.**

As discussed in more detail below in Section II. C. 1. and as set forth in **Exhibit D**, one Investor Claim should be allowed only in part because the Claimant received an inequitable preference payment after it was placed on notice of “red flags.” (*See* Claim No. 391.) Specifically, in 2005 the Claimant invested \$2 million in Victory Fund. By 2008, the purported value of that “investment” exceeded \$3 million, and the Claimant attempted to redeem its entire “investment” by no later than September 30, 2008. Nadel resisted the Claimant’s initial attempt to redeem citing “extraordinary market circumstances.” In reality, the scheme was on the brink of collapse and Nadel had run out of money to satisfy the redemption request. In response, the Claimant sent Nadel letters and emails demanding the return of its purported investment and threatening legal action if Nadel did not comply. To forestall the immediate detection of his scheme, Nadel arranged a partial “redemption” of \$1 million to the Claimant on November 11, 2008. Two months later, Nadel’s scheme collapsed, and he fled Sarasota.

The \$1 million that Nadel transferred to the Claimant after being threatened with legal action was an inequitable preference payment made after the Claimant was placed on

notice of red flags as a result of Nadel's refusal to honor the Claimant's redemptions request. That preference amounted to a return to the Claimant of 50% of its principal investment under inequitable circumstances. As such, that transfer effectively should be treated as an "advance" on claims process distributions, and the Claimant should not be allowed to participate in any further distributions *unless and until* all Investor Claimants receive 50% of their Allowed Amounts.

**C. Allowed In Part Non-Investor Secured Claims, Which Should Only Be Paid From Proceeds Of The Sale Of Collateral Less Certain Fees And Costs**

The Receiver received secured claims which should be allowed in part from two banks which loaned money to certain Receivership Entities for the purchase of real property: (1) Branch Banking & Trust Company ("**BB&T**") and (2) Bank of Coweta.<sup>13</sup> (*See* Claim Nos. 481 and 482.) Both BB&T and Bank of Coweta have secured liens on property purchased with those loans.

BB&T loaned \$394,000 to Receivership Entity Laurel Preserve, LLC to refinance Nadel's cottage located at 10 Laurel Cottage Lane, Black Mountain, North Carolina (the "**Laurel Preserve Cottage**"). (*See* Claim No. 482.) The principal balance of the loan when the Receiver was appointed was \$360,157.37. During the life of the loan, \$79,103.30 was paid towards the loan's principal or interest. Thus, BB&T has already received slightly more

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<sup>13</sup> The Receiver also received: (1) a secured claim from Wachovia Bank, N.A. ("**Wachovia Bank**") relating to a loan to a Receivership Entity for the purchase of real estate (*see* Claim No. 502) and (2) two claims from LandMark Bank of Florida ("**LandMark Bank**") asserting secured interests in connection with a loan made to Christopher Moody (*see* Claim Nos. 500 and 501). However, as discussed in Sections II. D. 2. and II. D. 3. below, those claims should be denied.

than 20% of the original loan amount. As discussed in more detail in Section II. C. 2. below and as set forth in **Exhibit E**, this claim should be allowed in the amount of \$360,157.37, which is the principal amount of the loan outstanding at the time of the Receiver's appointment, but should only be paid from the proceeds of the eventual sale of the Laurel Preserve Cottage, less fees and costs incurred by the Receivership to maintain and sell the property. Because the Receiver is entitled to compensation for these fees and costs, the Receiver's fees and costs should be deducted from the proceeds of the sale of the property first and then the remaining proceeds should be distributed to BB&T up to the Allowed Amount.

Bank of Coweta loaned \$1,000,000 to Receivership Entity Tradewind, LLC for the purchase of five aircraft T-hangars and one box hangar in Coweta County, Georgia (the "**Hangars**"). (See Claim No. 481.) When the Receiver was appointed, the principal balance of the loan was \$964,300.80. The Receiver has been making monthly payments on that loan because he believes they are in the best interest of the Receivership. As of November 25, 2011, the principal balance of the loan was \$891,628.04. During the life of the loan, \$399,078.75 has been paid towards the loan's principal or interest. Thus, Bank of Coweta has already received nearly 40% of the original loan amount. Because the Receiver has been making payments on this loan, as discussed in more detail in Section II. C. 2. below and set forth in **Exhibit E**, this claim should be allowed in the amount of the principal amount of the loan outstanding at the time of the eventual sale of the Hangars, not to exceed \$891,628.04, but should only be paid from the proceeds of the eventual sale of the Hangars, less fees and costs incurred by the Receivership to maintain and sell the Hangars. Again, because the

Receiver is entitled to compensation for these fees and costs, the Receiver's fees and costs should be deducted from the proceeds of the sale of the property first and then the remaining proceeds should be distributed to Bank of Coweta up to the Allowed Amount.

**D. Allowed And Allowed In Part Non-Investor Unsecured Claims, Which Should Receive Lowest Priority Among Allowed And Allowed In Part Claims**

Unsecured non-investor creditors submitted 13 claims for amounts owed in connection with their provision of goods or services to Receivership Entities (“**Non-Investor Unsecured Claimants**”). The total amount of those 13 claims is \$755,452.51, and they are itemized in **Exhibit F**. Eight of those claims should be allowed for the full amount claimed (*see* Claim Nos. 484, 485, 486, 488, 490, 491, 492, and 493), and the remaining five claims should have Allowed Amounts that are less than the amount claimed (*see* Claim Nos. 483, 487, 489, 494, and 495). The latter five claims should be allowed only in the Allowed Amounts set forth in **Exhibit F**. As discussed in Section II. A. below, all of the Allowed and Allowed In Part Non-Investor Unsecured Claims should receive the lowest priority among Allowed and Allowed In Part claims, such that those claims are paid only after the Allowed Amounts of all Investor Claims have been paid in full.

The reasons for allowing five of the Non-Investor Unsecured Claims only in part are specified in **Exhibit F**, but following is a summary. Two claims seek fees for services provided after appointment of the Receiver which the Receiver did not request or approve. (*See* Claim Nos. 487 and 494.) One claim seeks late charges for unpaid invoices. (*See* Claim No. 489.) Another claim seeks the remainder of monthly payments due on a pre-Receivership lease agreement for Receivership Entities' offices plus interest through the term

of a lease which runs until after this Receivership was instituted. (*See* Claim No. 495.) That claim also: (1) seeks a 3% rent increase beginning more than two months after appointment of the Receiver and after the offices had been vacated and (2) fails to reduce the amount sought by the last month's rent, which was prepaid by Receivership Entities. The final claim seeks the balance due on a promissory note given by a Receivership Entity plus exorbitant interest of 25% beginning from January 2009 (*i.e.*, the month of the Receiver's appointment), legal fees, and management fees presumably for services rendered to the Receivership Entity. (*See* Claim No. 483.) As a matter of equity, under the circumstances of this Receivership, these claims should not recover for unsolicited services, interest charges, late fees, legal fees, management fees, or rent increases imposed or incurred after the Receiver's appointment. The Receiver's claim determination for each of these claims deducts from their respective Allowed Amounts the amounts claimed for these items.

#### **E. Denied Claims**

Forty-three of the 504 submitted claims should be denied. These claims are identified and discussed in **Exhibits G and H** and briefly summarized below.

##### **1. Investor Claims Which Should Be Denied Because No Losses Were Suffered**

Nineteen of the 43 claims, all 19 of which are Investor Claims, should be denied because the Investor Claimants submitting those claims did not experience any losses. (*See* Claim Nos. 449, 450, 451, 452, 453, 454, 455, 456, 459, 461, 462, 463, 464, 465, 466, 467, 468, 471, and 477.) In fact, 16 of those 19 Investor Claims were submitted by Investor Claimants who are overall net "winners." This means that when considering all Investor Accounts associated with each of those Investor Claimants, each Investor Claimant had an

overall False Profit. For at least one of those Investor Claimants, False Profits exceeded \$1 million.

Consistent with the legal authority discussed below in Section II. B., claims by Investor Claimants who have not experienced an overall loss should be denied. It would be inequitable and inconsistent with precedent to allow an Investor Claimant to recover for a loss in one Investor Account when the Investor Claimant has received False Profits greater than that loss in connection with another Investor Account. These claims should be denied as set forth in **Exhibit G**.

**2. Investor Claim Which Should Be Denied Because It Was Filed After The Claim Bar Date And Investor Claimant Failed To Explain Reason For Late Submission**

Fourteen Proof of Claim Forms were received after the Claim Bar Date. The Receiver sent a letter to each Investor Claimant who filed a late claim without providing an explanation for the late filing. The letter requested that any extenuating circumstances for the late filing be provided to the Receiver in writing and that failure to do so could result in denial of the claim. The Receiver received responses for each such claim except for one. (*See* Claim No. 458.) Not only did the non-responding Investor Claimant (which is a Limited Liability Company) fail to provide any explanation for the late filing, but the Receiver has learned the owners of this Claimant, along with other individuals, previously invested in Hedge Funds through another Limited Liability Company. That previous investment received False Profits. Because the Receiver was not provided any details about who invested in the Hedge Funds through both Limited Liability Companies and how much

those persons or entities invested in and received from the Hedge Funds, the Receiver cannot determine each such person or entity's losses or False Profits.

Pursuant to the Court's Order on the Claims Form Motion, any person or entity who failed to submit a proof of claim to the Receiver so that it was actually received by the Receiver on or before the Claim Bar Date is barred and precluded from asserting any claim to Receivership assets. Under the circumstances of this Receivership, and specifically the scheme's impact on defrauded investors with losses, a limited exception should be made for Investor Claimants that provided extenuating circumstances for the delay which the Receiver believes, under the totality of the circumstances, reasonably justify allowing those late-filed claims. (*See* Claim Nos. 5, 48, 52, 57, 181, 183, 269, 357, 358, 359, and 417.)<sup>14</sup> This conclusion is heavily based on the fact that (i) because those claims were filed so close in time to the Claim Bar Date (they were received by October 6, 2010, which is slightly more than one month after the Claim Bar Date), there is no prejudice in accepting them at this time and (ii) the Claimants made an effort to provide extenuating circumstances for their late filings. On the other hand, however, as specified in **Exhibit G**, the late-filed Investor Claim discussed in the previous paragraph should be denied for the reasons discussed.

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<sup>14</sup> Another late-filed claim was accompanied by an explanation of extenuating circumstances (*see* Claim No. 471), but as explained in **Exhibit G** and Section I. E. 1., this claim should be denied because the associated Investor Account had False Profits rather than a loss.

**3. Claims Which Should Be Denied For Failure To Cure Deficiencies In Proof Of Claim Forms**

**a. Investor Claims From Offshore Nominee Accounts That Did Not Disclose Beneficial Owners**

Two Investor Claims should be denied because they were submitted by nominees of offshore bank accounts that did not disclose the beneficial owners of the accounts. (*See* Claim Nos. 445 and 469.) The Receiver sent these Investor Claimants letters explaining the deficiencies in the Proof of Claim Forms and requesting disclosure of all beneficial owners of the pertinent accounts. One offshore bank did not respond to the deficiency letter. (*See* Claim No. 469.) The other offshore bank provided some information but wrote on the Proof of Claim Form that the beneficial owners, which appear to be investment funds, “do not intend to provide/divulge the requested information.” (*See* Claim No. 445.) This answer was given in response to Question 3 on the Proof of Claim Form (*see* Exhibit A) which states: “If this form is being completed on behalf of an entity, please provide the full name of the entity and all of its trustees, officers, directors, managing agents, shareholders, partners, beneficiaries, and any other party with an interest in the entity.”

These offshore banks’ refusal to provide requested information has impeded the Receiver from assessing whether the pertinent Investor Claimants have submitted allowable claims. For instance, without knowing the beneficial owners of the accounts, the Receiver cannot determine whether those owners held other Investor Accounts, whether they received False Profits in connection with any such other accounts, whether they otherwise received additional money from Receivership Entities, or whether they were “insiders.” Accordingly, these claims should be denied as set forth in **Exhibit G**.



**b. Investor Claims Filed By Claimants Who Lack Necessary Authority**

The Receiver received three Investor Claims from Millennium Trust submitted on behalf of accounts for which it acted as custodian. (*See* Claim Nos. 457, 470, and 472.) Millennium Trust acted as custodian for numerous Individual Retirement Accounts which invested in the Hedge Funds. These claims were submitted on behalf of Marguerite Nadel (Nadel's wife); Geoff Quisenberry (her son); and an investor. Mrs. Nadel's and the investor's respective Proof of Claim Forms were signed only by an officer of Millennium Trust and not by them. Mr. Quisenberry's Proof of Claim Form was signed by him and the same Millennium Trust officer, but Mr. Quisenberry's signature was not an original signature. Further, the claim submitted on behalf of the investor is a duplicate claim as that investor also submitted his own claim for that same account.

The Receiver sent letters to these Claimants identifying the deficiencies in the submitted Proof of Claim Forms. The Receiver requested (1) a writing showing Millennium Trust had authority to submit the relevant claims or (2) an original signature of the account owner on the Proof of Claim Form certifying the information provided on the Proof of Claim Form was true and correct. The Receiver received no response from Millennium Trust or the underlying Claimants regarding these deficiencies.

Further, information on the Proof of Claim Forms for both Mrs. Nadel and Mr. Quisenberry was not complete or accurate. For instance, even though required by the Proof of Claim Forms, they fail to identify any money Mrs. Nadel or Mr. Quisenberry received from Receivership Entities that was unrelated to the specific accounts held by Millennium Trust. This omission renders those forms severely inaccurate because both of them received

substantial “wages” from Receivership Entity Scoop Management. This omission from Mr. Quisenberry’s Proof of Claim Form is particularly troubling because he signed a copy under penalty of perjury. Indeed, neither Mrs. Nadel nor Mr. Quisenberry suffered overall losses because they each received substantial amounts of scheme proceeds unrelated to investments, including as “wages.” And in any event, the money used to fund their Millennium Trust Individual Retirement Account investments was scheme proceeds which they received as “wages.” For these reasons, these claims should be denied as specified in **Exhibit G**.

**c. Claims With No Supporting Documentation**

The Receiver received an Investor Claim from Nadel’s brother-in-law. (*See* Claim No. 460.) The Receiver did not provide any amounts in the Exhibit A attached to the Proof of Claim Form for this Claimant. In light of the relationship between the Claimant and Nadel, the Receiver wanted the Claimant to provide proof that the investment was (1) made with money that was not proceeds of the scheme or (2) not simply credited on the books without actual receipt of funds. The Claimant did not provide any supporting documentation as required by the Proof of Claim Form. The Receiver sent the Claimant a letter identifying this deficiency and providing the Claimant 30 days to provide the requested documentation, but the Claimant did not respond. Receivership Records do not reflect any actual deposit of money to fund this investment, and because this Claimant failed to provide documentation, the Receiver has no record that this was a legitimate investment. Accordingly, the claim should be denied as specified in **Exhibit G**.

The Receiver also received a claim from an individual with a correctional facility’s address as a return address who appears to be an inmate of that facility. (*See* Claim No. 497.)

No record of this Claimant was found in Receivership Records. The Claimant submitted a claim for “health care goods and services of a confidential nature.” He also states that he was an investor and unpaid creditor. However, the Proof of Claim Form was not properly completed and did not include any supporting documents. The Receiver sent the Claimant a letter identifying the deficiencies and providing the Claimant 30 days to correct them, but the Receiver did not receive any response. Because the Receiver has no record of this Claimant or any purported investment made or service provided and because the Claimant failed to provide any support for his claim, the claim should be denied as specified in **Exhibit H**.

**4. Claims Which Should Be Denied Because They Relate To Matters Outside The Scope Of The Receivership**

The Receiver received two claims for matters which are outside the scope of the Receivership and do not involve Receivership Entities. One pertinent Claimant is a former wife of Nadel who seeks recovery for purported mortgage loans secured by her property obtained while she and Nadel were married. (*See* Claim No. 504.) The other Claimant is a purported investor who seeks recovery of her purported investment or loan given to an individual named J.C. Abercrombie. (*See* Claim No. 503.) Neither J.C. Abercrombie nor the purported investment appears to have any relationship to this Receivership. Likewise, the claim relating to the purported mortgages on Nadel’s former wife’s property is not within the scope of this Receivership. That claim involves alleged damages caused by Nadel in his individual capacity that have no relation to the activities of the Receivership Entities. In fact, the conduct purportedly giving rise to that claim pre-dates the matters which underlie this case. Relief in this receivership does not extend to all victims of frauds perpetrated by the

same actors. *S.E.C. v. Homeland Commc'ns Corp.*, 2010 WL 2035326, \*4 (S.D. Fla. 2010).

Accordingly, these claims should be denied as set forth in **Exhibit H**.

**5. Claims Which Should Be Denied Because Claimants Were On Inquiry Or Actual Notice Of Fraud**

**a. Sophisticated Financial Companies**

As discussed in detail in Section II. D. below, eight claims should be denied because the Claimants had either actual or inquiry notice of fraud, and thus it would be inequitable to share Receivership assets with these Claimants. (*See* Claim Nos. 446, 447, 448, 473, 476, 500, 501, and 502.) Five of these claims were Investor Claims submitted by: (1) Citco Global Custody N.V. (“**Citco**”), a global foreign bank, on behalf of KBC Financial Products (“**KBC**”), a sophisticated financial products firm with offices in London, New York, and Hong Kong (Claim Nos. 446, 447, and 448);<sup>15</sup> and (2) Think Strategy Capital Management LLC (“**Think Strategy**”), a capital management firm that acted as investment manager of the TS Multi-Strat Fund LP, an offshore investment fund (Claim Nos. 473 and 476).<sup>16</sup> The

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<sup>15</sup> This Claimant’s Proof of Claim Forms were deficient because they failed to provide information requested in Question 3. *See* Proof of Claim Form, Ex. A. The Receiver sent the Claimant notice of the deficiency and provided the Claimant with 30 days to correct the deficiency. The Claimant did not respond to this request and thus these claims should be denied for this reason alone.

<sup>16</sup> This Claimant’s Proof of Claim Forms were deficient because they were not signed by an individual authorized to act on behalf of the entity which held the account. Rather, the signature line simply bore the name of the company itself. The Receiver sent the Claimant notice of the deficiency and provided the Claimant with 30 days to correct the deficiency. The Claimant did not respond to this request and thus these claims should be denied for this reason alone.

remaining three of these claims were Non-Investor Claims submitted by (1) Wachovia Bank (Claim No. 502); and (2) LandMark Bank (Claim Nos. 500 and 501).

As discussed in detail in Section II. D. below, each of these Claimants was a sophisticated financial company and, at a minimum, should have recognized at least some of the numerous and easily discernible “red flags” surrounding Nadel and Receivership Entities. In turn, they should have conducted a diligent and reasonable investigation, which would have uncovered fraud or, at a minimum, failed to ameliorate the issues. As a consequence, they were on inquiry notice of fraud. Further, as also detailed in Section II. D. 3. below, one of these Claimants, LandMark Bank, was on actual notice of fraud when it purportedly entered into the transaction which forms the basis of one of its claims (*see* Claim No. 501). Under principles of equity, these Claimants should not receive any Receivership assets. Accordingly, these claims should be denied as set forth in **Exhibits G and H**.

**b. Receivership Entity Employee**

Similarly, as discussed in more detail in Section II. E. below, the Receiver received two claims from a former employee of a Receivership Entity. (*See* Claim Nos. 474 and 475.) The Claimant was employed by Scoop Management as a bookkeeper from approximately December 2004 through the collapse of the scheme and was Neil Moody’s step-child.<sup>17</sup> The

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<sup>17</sup> Neil Moody and his son Christopher Moody were “business partners” of Nadel (Neil and Christopher Moody are collectively referred to as the “**Moody**s”). Each of them consented to entry of judgments for securities fraud in connection with the scheme and to disgorge all gains they received from the scheme. *See generally* *S.E.C. v. Neil V. Moody et al.*, Case No. 8:10-cv-00053-T-33TBM (M.D. Fla.), Consent of Def. Neil V. Moody ¶ 3 (Doc. 2, Ex. 2); Consent of Def. Christopher D. Moody ¶ 3 (Doc. 2, Ex. 1); Judgments of Permanent Injunction and Other Relief against Neil Moody (Doc. 9) and Christopher Moody (Doc. 9-1).

Claimant was involved in certain aspects of the financial affairs of Viking Fund, Viking IRA Fund, Valhalla Investment Partners, Valhalla Management, and Viking Management. The Claimant is also identified as handling the Hedge Fund Investor Account for Receivership Entity Viking Oil & Gas, LLC and Neil Moody's personal account. In only approximately four years as a bookkeeper, the Claimant received total compensation of \$385,811.32. The Claimant received wages of \$118,326.76 in 2008 alone. The median salary for a bookkeeper in the relevant geographic area is less than half the amount the Claimant received. Receivership Records also indicated the Claimant drove a car paid for by Receivership Entities and had a Receivership Entity credit card.

As detailed in Section II. E. below, these claims should be denied for two independent reasons. First, they should be denied because the Claimant cannot satisfy the good faith obligations. The Claimant was on inquiry notice of problems with the Hedge Funds because (1) the Claimant had an intimate connection with investor assets, movement of funds, and Neil Moody's accounting and (2) the Claimant received more than twice the amount of compensation that was justified for the services the Claimant provided – which were clerical and often of a personal nature for Neil Moody. Second, even if the Claimant had satisfied good faith obligations, the claim still should be denied because the claimed loss – a combined \$91,987.50 – is more than offset by the excess salary the Claimant received, which consisted of proceeds of the scheme.<sup>18</sup> Accordingly, these claims should be denied as specified in **Exhibit G**.

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<sup>18</sup> Further, the Claimant failed to provide proof of every investment deposit the Claimant purportedly made. The Proof of Claim Forms sent to this Claimant did not include  
(footnote cont'd)

**6. Investor Claim Which Should Be Denied Because Claimant Is A Charitable Organization Whose Invested Principal Consisted Of Proceeds Of The Scheme It Received From Neil Moody**

One claim was filed by a charitable organization which received contributions from the Neil V. Moody Charitable Foundation (the “**Moody Foundation**”) and then invested most of those funds in a Hedge Fund. (*See* Claim No. 478.) Specifically, from April 26, 2004 through November 21, 2008, Neil Moody, through the Moody Foundation, gave this Claimant approximately \$1,219,222 on the condition that it invest the bulk of those funds in Valhalla Investment Partners. The Claimant “invested” \$1,111,111.40 of those funds and received \$30,315.90 in distributions from this “investment.” The donations given to this Claimant consisted of proceeds of the scheme funneled to Neil Moody as Hedge Fund management “fees” based on grossly distorted Hedge Fund performance figures and asset values. As such, those donations were actually funds wrongfully taken from new and existing investors of the Hedge Funds. As explained in Section II. F. below, the Claimant did not provide any value in return for those donations.

Also as discussed in Section II. F. below, the Receiver can recover scheme proceeds transferred as a donation or “gift” to a charity. Thus, if the Claimant had kept all of the funds

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any calculation for Net Investment Amount. Accordingly, the Claimant was required to provide documentation, such as cancelled checks and bank statements, showing the funds invested and received. While the Claimant provided documents substantiating some investments, the Claimant did not provide support for all funds the Claimant purportedly invested. Without that proof, the Claimant has not established that all of the Claimant’s investments in the Hedge Funds were legitimate and made with actual dollars and that the Claimant was not simply credited with “deposits” without actually depositing funds. As such, even if this claim were allowable, the amount of the claim should be reduced by the amount of claimed deposits the Claimant failed to substantiate.

it received from the Moody Foundation, the Receiver would have a claim to recover them. Here, the Claimant transferred almost all of the funds back into the scheme. Because it had no right to receive or keep those funds in the first place, it now has no right to recover them from the Receivership estate. To the contrary, the Receiver has a right to recover from the Claimant the approximately \$138,426.50 the Claimant retained from the Moody Foundation's donations. As such, this claim should be denied as specified in **Exhibit G**.

**7. Investor Claim Which Should Be Denied Because Claimant Is A Charitable Organization Which Received Scheme Proceeds As Donations Which Far Exceed Its Claimed Loss Amount**

One claim was filed by a charitable organization which received donations from Nadel's Guy-Nadel Foundation. (*See* Claim No. 499.) Specifically, from at least 2006 through 2008, Nadel, through the Guy-Nadel Foundation, gave that Claimant over \$682,500. The Guy Nadel Foundation was funded exclusively with scheme proceeds. In some instances, Nadel transferred scheme proceeds directly from Fund Managers to the Guy-Nadel Foundation. In other instances, Nadel transferred scheme proceeds from the Fund Managers to himself or his wife and then to the Guy-Nadel Foundation. As such, the donations given to this Claimant consisted of proceeds of the scheme and thus were funds wrongfully taken from new and existing investors of the Hedge Funds. This Claimant, like the charitable organization discussed in Section II. F. of this Motion, did not provide any value in return for those donations.



As discussed in Section II. F. below, the Receiver has a claim to recover all scheme proceeds transferred as a donation or “gift” to the Claimant.<sup>19</sup> Here, the Claimant has asserted a claim in the amount of \$58,114.50 for the return of a payment it made to Receivership Entity Home Front Homes for the purchase of building materials which were not delivered. The Receiver believes that it is fair and equitable to set-off this claim with the claim the Receiver has against the Claimant to recover all scheme proceeds transferred to the Claimant as donations (*i.e.*, over \$682,500). Because those transfers exceed the amount claimed, the claim should be denied as specified in **Exhibit H**.

**8. Investor Claim Which Should Be Denied Because Claimant’s Sole Director Has Ties To Other Investor Accounts, Including Accounts That Experienced False Profits**

One Investor Claim submitted by an offshore bank was submitted on behalf of an entity whose sole director is an individual with close affiliations with other entities that invested in the Hedge Funds. (*See* Claim No. 444.) That director has a financial interest in at least two other Investor Accounts funded from offshore which had combined False Profits of approximately \$1,084,293.47. The Receiver also has information that the director is a partner of a trust which invested in another Investor Account through a Swiss bank. The Swiss bank has refused to provide all pertinent information about the investment and the beneficial owners, citing Swiss banking laws. However, the Receiver knows that trust received at least \$458,000 in False Profits.

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<sup>19</sup> The Receiver investigated the recovery of those transfers, but based on evidence of inability to pay provided by the Claimant, the Receiver determined that it was not in the Receivership’s best interest to pursue litigation.

Further still, this director is a highly sophisticated investor who should be subject to the equitable considerations discussed in Section II. D. 1. above. Because the Receiver has not been provided sufficient information regarding this director and his control and involvement with the entity that is the beneficial owner of this claim and in light of that director's close affiliation with other investors that had False Profits, this claim should be denied, as also specified in **Exhibit G**.

**9. Claims Which Should Be Denied Because Claimants Waived Them In Related Transactions With The Receiver**

After filing their Proof of Claim Forms, Investor Claimants asserting 23 Investor Claims settled litigation brought against them by the Receiver. *See Exhibit I*. As part of those settlements, each of the Claimants waived any claim they may have had to a distribution of Receivership assets. Accordingly, as set forth in **Exhibit I**, each of those 23 Investor Claims should be denied.

Two claims submitted by Non-Investor Claimants also have been waived. One of those claims was waived in connection with the conveyance of real property (*see* Claim No. 496). The other claim seeks recovery of a security deposit paid by the Claimant in connection with the lease of a gas station and associated real property entered into with Scoop Real Estate. (*See* Claim No. 498.) However, on August 4, 2010, that Claimant executed a lease termination agreement waiving all of its rights under the lease, which include any right to receive deposits paid on the lease. As such, these two claims also should be denied as set forth in **Exhibits H and J**.

## **II. THE RECEIVER'S DETERMINATION OF CLAIMS AND PRIORITY IS FAIR AND EQUITABLE**

Section I provided an overview of the Receiver's determination of claims and claim priority. This Section provides additional information, including additional support for the basis of how the Receiver determined priority of claims, the proper method of calculating Allowed Amounts, and other matters affecting claims consistent with the goal of making distributions of Receivership Entities' assets fair and equitable.

### **A. Priority Of Claims**

As discussed above, the Receiver has established the following categories of claims: (1) Investor Claims and Tax Lien Claims which should be allowed; (2) Investor Claims which should be allowed in part; (3) Non-Investor Secured Claims which should be allowed in part; (4) Non-Investor Unsecured Claims which should be allowed (in whole or in part); and (5) claims which should be denied. From these categories, the Receiver has determined the fair and equitable priority for each of these claims' participation in distributions of Receivership assets. The highest priority ("**Class 1**") should be afforded to all Investor Claims which are Allowed (**Exhibit B**) and Investor Claims which are Allowed In Part (**Exhibit D**). Also, given the diminutive amount, Tax Lien Claims which are Allowed (**Exhibit C**) should also receive this priority. Each Claimant holding a Class 1 claim will receive a *pro rata* share of its respective claim's Allowed Amount from the total aggregate distribution as discussed in more detail below in Section IV.

Second priority ("**Class 2**") should be afforded to Allowed In Part Non-Investor Secured Claims (*i.e.*, to Claimants holding such claims that were not on inquiry or actual notice of fraud or whose claims should not otherwise be denied for reasons discussed in this

Motion) (**Exhibit E**). However, as discussed in Section II. C. 2. a. below, these Claimants should be allowed to recover only from proceeds of the sale of the asset securing their respective interest up to the lesser of the outstanding principal amount of the debt (i) at the time of the Receiver's appointment or (ii) at the time of sale of the pertinent asset, as applicable, less fees and costs incurred by the Receivership to maintain and sell the asset. Class 2 claims have priority over all other classes with respect to the proceeds of the sale of the asset securing each of the respective secured claims.

Third priority ("**Class 3**") should be afforded to Allowed and Allowed In Part Non-Investor Unsecured Claims (**Exhibit F**). Claimants holding Class 3 claims will only participate in a distribution of Receivership assets after all Allowed Amounts for Class 1 claims have been satisfied in full.

The remaining claims ("**Class 4**") are those which should be denied in full (**Exhibits G and H**) or which have been waived (**Exhibits I and J**). Claimants holding Class 4 claims will not receive any distribution of Receivership assets.

The Court's power to approve the Receiver's claim determinations and priority of claims is settled. *See S.E.C. v. Elliot*, 953 F. 2d 1560, 1566 (11th Cir. 1992) (court has "broad powers and wide discretion" to assure equitable distributions). Further, courts have consistently found that treating similarly-situated parties alike in claims processes is fair and equitable. *Id.* at 1570; *United States v. Petters*, 2011 WL 281031, \*7 (D. Minn. 2011) (*citing S.E.C. v. Credit Bancorp, Ltd.* 2000 WL 1752979, \*28 (S.D.N.Y. 2000)). There is no requirement, however, that all claimants be treated in the same manner; rather, fairness only requires that similarly situated claimants should be treated alike. *See, e.g., Quilling v. Trade*

*Partners, Inc.*, 2006 WL 3694629, \*1 (W.D. Mich. 2006) (distinguishing between fraud victims and general creditors); *S.E.C. v. Byers*, 637 F. Supp. 2d 166, 184 (S.D.N.Y. 2009) (“The Receiver’s proposal to treat differently those involved in the fraudulent scheme when distributions are being made is eminently reasonable and is supported by caselaw.”). Further, no specific method of distribution is required; the method of distribution should simply be “fair and equitable.” *S.E.C. v. P.B. Ventures*, 1991 WL 269982, \*2 (E.D. Pa. 1991). In the end, “[a]n equitable plan is not necessarily a plan that everyone will like.” *Credit Bancorp*, 2000 WL 1752979 at \*29. Indeed, “when funds are limited, hard choices must be made.” *Byers*, 637 F. Supp. 2d at 176 (quoting *Official Comm. of Unsecured Creditors of WorldCom, Inc. v. S.E.C.*, 467 F.3d 73, 84 (2d Cir. 2006)).

Investor Claims from investors who were not on inquiry or actual notice of fraud should be given highest priority. Typically, payment to claimants whose property was unlawfully taken from them, such as investors who had no reason to know of the scheme, is given a higher priority than payment to general creditors. *S.E.C. v. HKW Trading LLC*, 2009 WL 2499146, \*3 (M.D. Fla. 2009); *Trade Partners, Inc.*, 2006 WL 3694629 at \*1 (“As an equitable matter in receivership proceedings arising out of a securities fraud, the class of fraud victims takes priority over the class of general creditors with respect to proceeds traceable to the fraud.”); *see also* III Clark on Receivers § 667 at 1154 (Anderson 3d ed. 1959). This is the appropriate priority because “[t]he equitable doctrine of constructive trusts gives ‘the party injured by the unlawful diversion a priority of right over the other creditors of the possessor.’” *Id.* (quoting Clark on Receivers § 662.1 at 1174); *see also S.E.C. v. Megafund Corp.*, 2007 WL 1099640, \*2 (N.D. Tex. 2007) (holding that general creditors

“will not be paid until all defrauded investors are fully compensated”); *C.F.T.C. v. PrivateFX Global One*, 778 F. Supp. 2d 775, 786-87 (S.D. Tex. 2011) (overruling objection of bank that extended line of credit and adopting receiver’s argument that “courts regularly grant defrauded investors a higher priority than defrauded creditors”).

In *S.E.C. v. Mutual Benefits Corp.*, Case No. 0:04-cv-60573, Order Granting Receiver’s Motion For Final Determination Of Allowed Claims at 3 (S.D. Fla. Oct. 23, 2008), attached as **Exhibit K**, the court identified additional factors that weighed in favor of giving priority to investor claims:

(1) this is an SEC enforcement action designed to protect the *investors*, not the creditors, (2) [the receivership entity’s] fraudulent conduct was directed toward its *investors*, not its creditors (which were paid substantial amounts already), [and] (3) the investors as a whole are less able to bear the financial costs of [the receivership entity’s] conduct than are the creditors. . . .

*See also Trade Partners, Inc.*, 2006 WL 3694629 at \*1 (noting “there is no evidence that there was an attempt to defraud [the objecting general creditor]”). Each of those factors applies equally here. Nadel focused his fraud on the individuals and entities that invested in the Hedge Funds. The Ponzi scheme depended on their capital infusions to survive, and when the Hedge Funds could no longer attract enough additional investments to cover Nadel’s losses, pay bogus gains, return existing investors’ funds, or cover other improper diversions of investors’ money, the scheme collapsed. In addition, the funds available for distribution by the Receiver consist of proceeds of Nadel’s scheme: they mainly consist of False Profits recovered from investors and money the Receiver raised through the sale of property that was purchased or financed with investors’ funds. As such, as a matter of equity, defrauded investors should be compensated before general creditors.

Finally, Non-Investor Secured Claimants with allowed claims – *i.e.*, creditors who have a security interest in a Receivership asset in connection with debt owed to that creditor – should receive distributions solely from proceeds of the sale of the asset which secures their interest subject to several limitations. The basis for this treatment of this category of Claimants is detailed in Section II. C. 2. below.

**B. The Net Investment Method Is The Proper Method Of Calculating Allowed Amounts For Investor Claims**

As indicated above in Section I. B. 1., the Receiver calculated the Allowed Amount of each Investor Claim using the Net Investment Method. As discussed in that Section, the Net Investment Method begins with the calculation of an Investor Account’s Net Investment Amount (*i.e.*, the actual dollars the Claimant “invested” in the scheme less any amounts the Claimant already received from the scheme) and does not include any fictitious False Paper Profits. Further, in applying the Net Investment Method, where Claimants have multiple Investor Accounts and one or more of those accounts received False Profits, the accounts are considered on a consolidated basis. For example, if a claimant has one Investor Account in which it invested \$100,000 and received distributions of \$50,000 and another Investor Account in which it invested \$100,000 and received distributions of \$125,000, absent application of the Net Investment Method (including consolidated treatment of the accounts), this claimant would have a claim for \$50,000. Using the Net Investment Method, the claimant’s loss of \$50,000 is set-off by the claimant’s False Profit of \$25,000, resulting in a net claim amount of \$25,000. Thus, the Net Investment Method yields the actual difference between how much an investor “deposited” in Nadel’s scheme and how much the investor received back from that scheme. This method of calculating a Claimant’s loss is equitable

and regularly adopted by receivership courts as demonstrated by legal authority cited in the next two subsections.

**1. Investor Claimants May Not Recover False Paper Profits**

As noted, False Paper Profits should not factor into the determination of an Allowed Amount because they do not reflect actual profits. Rather, they simply reflected numbers made up by Nadel. Using the Net Investment Method, the Allowed Amount only takes into account the actual dollars the Claimant “invested” less any amounts the Claimant already received, regardless of whether it was falsely represented to the Claimant that it had earned profits.

A Ponzi scheme is an illegal endeavor and thus creates no legal entitlement to profits or interest for its investors. *Warfield v. Carnie*, 2007 WL 1112591, \*12-13 (N.D. Tex. 2007) (referencing *In re United Energy Corp.*, 944 F.2d 589, 595 (9th Cir. 1991)). As a fraudulent scheme, a Ponzi scheme has no legitimate investment appreciation or interest, and “recognizing profits or other earnings in claims for distribution would be to the detriment of later investors and would therefore be inequitable.” *CFTC v. Equity Fin’l Group, LLC*, 2005 WL 2143975, \*23 (D.N.J. 2005). Early investors would have the benefit of many more months of False Paper Profits to inflate their claim while more recent investors who lost the same amount of actual dollars would have far less of a claim because they had less time to accumulate those purported profits. Further, if such “paper profits” were recognized, early investors could potentially experience no actual losses as a result of receiving distributions over the years and yet still have a claim to False Paper Profits to the detriment of later investors who did not have the time to recoup their investment or accrue “profits.” Early



investors should not benefit at the expense of later ones. *See Cunningham v. Brown*, 265 U.S. 1, 13 (1924); *Abrams v. Eby*, 294 F. 1, 4 (4th Cir. 1923); *In re Bernard L. Madoff Inv. Secs. LLC*, 2011 WL 3568936, \*5 (2d Cir. 2011) (if Net Investment Method is not adopted “those claimants who have withdrawn funds from their . . . accounts that exceed their initial investments ‘would receive more favorable treatment by profiting from the principal investments of those claimants who have withdrawn less money than they deposited, yielding an inequitable result’”) (citations omitted). The purported profits or earnings reflected on statements provided to investors were wholly fictitious and arbitrarily determined by Nadel. The Net Investment Method avoids “the absurd effect of treating fictitious and arbitrarily assigned paper profits as real” and avoids legitimizing the scheme. *In re Madoff*, 2011 WL 3568936 at \*5.

**2. False Profits Received By An Investor Claimant In Connection With An Investor Account Should Set-Off Losses That Investor Suffered In Connection With Another Investor Account**

Similarly, for an Investor Claimant who has an Investor Account with losses but received False Profits in connection with another Investor Account, the losses should be set-off with the False Profits. *See Equity Fin’l Grp.*, 2005 WL 2143975 at \*12, 26 (upholding Receiver’s determination to consolidate accounts). Courts have consistently held that an investor’s claim should be limited to the total dollar amount of its investment reduced by any funds it received. *In re Old Naples*, 311 B.R. 607, 616 (M.D. Fla. 2002) (citing *In re C.J. Wright & Co.*, 162 B.R. 597 (Bankr. M.D. Fla. 1993)); *Warfield*, 2007 WL 1112591 at \*12-13; *Homeland Communic’ns Corp.*, 2010 WL 2035326 at \*3; *Credit Bancorp*, 2000 WL 1752979 at \*40; *In re Madoff*, 2011 WL 3568936 at \*3-5. As these cases show, this is the

most equitable and practical approach for determining investor claim amounts, and a common approach for handling investor claims in a receivership involving a fraudulent investment scheme. *See In re Madoff*, 2011 WL 3568936 at \*3-5. As discussed above, netting Investor Accounts held by a Claimant where at least one account received False Profits is necessary under the Net Investment Method and avoids the inequitable possibility of allowing a Claimant to profit at the expense of similarly situated investors. Indeed, in determining which Hedge Fund investors should be sued by the Receiver for False Profits, where applicable the Receiver offset losses and False Profits for investors with multiple Investor Accounts and only sued if the Investor Accounts collectively had a False Profit.

This approach is warranted because any amount a Claimant received in excess of the amount invested in an Investor Account was not the result of any legitimate business or investment activity, but was a fraudulent transfer of funds deposited by new and existing investors. Thus, if a Claimant who received more than the actual dollars invested in connection with one Investor Account is allowed to claim losses in another Investor Account without setting off the profit and the loss, that Claimant will receive a disproportionate share of any distribution. Put differently, to allow investors to retain False Profits while simultaneously recognizing a claim for losses would be inequitable to investors who did not profit in any account. Accordingly, the Net Investment Method as proposed by the Receiver above and as reflected in the Exhibits is the appropriate method for determining Allowed Amounts for Investor Claims.

**C. Other Limitations On Claims**

**1. Limitation On Participation In Any Distribution For Investor Claimant Which Received Inequitable Preference Payment**

One Investor Claimant received an inequitable preference payment while it was on notice of red flags associated with the Hedge Funds. (*See* Claim No. 391.) The Claimant invested \$2 million dollars in one Hedge Fund in 2005. In June 2008, the Claimant requested a full redemption, and when the funds were not forwarded shortly after the close of the quarter ending September 30, 2008, the Claimant repeated its request. Ultimately, the Claimant sent several letters and emails demanding the return of its investment and reserving its rights to pursue legal remedies. Nadel resisted the Claimant's attempt to withdraw the funds citing "extraordinary market circumstances." In reality, Nadel's scheme was on the brink of collapse, and he could not satisfy the redemption request. Because of the Claimant's persistence, Nadel eventually had no choice but to relent, and the Claimant ultimately agreed to accept \$1 million in November 2008 and the balance in January 2009. The Claimant received the \$1 million payment merely two months before the scheme collapsed; it did not receive the balance of redemption request. Nadel arranged for this \$1 million payment to forestall the immediate detection of his scheme because the Claimant was insisting on a redemption. The \$1 million that Nadel transferred to the Claimant was an inequitable preference payment composed of investors' comingled principal investment money. Nadel's initial failure to fund the redemption request and his later agreement to fund it in installments was a clear red flag, so by the time the Claimant received funds it was aware of possible problems.

The U.S. Supreme Court has held that no Ponzi scheme victim may keep a preference. *See Cunningham*, 265 U.S. at 12 (holding “[t]hose who were successful in the race of diligence . . . secured an unlawful preference” and violated “the principle that equality is equity”). Other courts have adopted and applied the Supreme Court’s reasoning. *See S.E.C. v. George*, 426 F.3d 786, 799 (6th Cir. 2005) (“The mere coincidence that the [perpetrators] . . . chose the . . . defendant[-investors] (instead of others) to receive funds contributed by other investors in order to delay the discovery of this scheme does not entitle the . . . defendant[-investors] to preferential treatment.”); *Elliott*, 953 F.2d at 1570 (“As all of the former securities owners occupied the same legal position, it would not be equitable to give some of them preferential treatment in equity. In fact, the equities weigh against allowing some to benefit from the fortuity that [the scheme’s perpetrator] had not sold all of the securities.”). Further, the Claimant received “funds contributed by other investors in order to delay the discovery of [Nadel’s] scheme,” and this “mere coincidence” and fortuitous timing should not elevate it above similarly situated investors. *George*, 426 F.3d at 799.

Because the preference payment transferred to the Claimant 50% of its principal investment, it should not be allowed to participate in any further distributions *unless and until* all Investor Claims recover 50% of their Allowed Amounts. As set forth in **Exhibit D**, to allow the Claimant to receive additional Receivership distributions without such a restriction would give it a greater recovery than other investors and would be inequitable because the Claimant received a preference payment and, in fact, the payment occurred after it learned of red flags. *See id.* (“Hundreds of other investors were victimized by this scheme,

yet they will recover only 42 percent of the money they invested, not the 100 percent to which the defendant[-investors] claim to be entitled.”).

**2. Limitations On Allowed Amounts For Non-Investor Secured Claimants Who Were Not On Inquiry Or Actual Notice Of Fraud**

The only two Non-Investor Secured Claimants who were not on inquiry or actual notice of fraud are BB&T and Bank of Coweta. (Claim Nos. 481 and 482.) As noted in Section I. C. above, each of them loaned money to a Receivership Entity for the purchase of real property and each submitted a claim in connection with the loan asserting a security interest in the real property. The Receiver has no information indicating that either bank had any involvement in or notice of fraud. As such, those claims should be allowed in the amount of the lesser of the principal amount of the loan outstanding (i) at the time of the Receiver’s appointment or (ii) at the time of sale of the underlying collateral, although as detailed below the Claimants only should be paid from the proceeds which may ultimately be recovered from the sale of the collateral less fees and costs incurred by the Receivership to maintain and sell the properties.

**a. Non-Investor Secured Creditors Can Only Recover From The Proceeds Of Sale Of Collateral**

Courts regularly require that claims of secured creditors, like BB&T’s and Bank of Coweta’s, be satisfied only from the proceeds of the secured collateral. *See Petters*, 2011 WL 281031 at \*3 (establishing separate group of creditors, which included banks holding secured loans, each of which received the specific assets assigned to it). If the value of the collateral is insufficient to satisfy the secured creditor’s claim, that creditor may not recover the deficiency from the receivership’s other assets. *See Clark on Receivers* § 660(a) at 1155;

*Byers*, 637 F. Supp. 2d at 183 (adopting distribution plan which “only permit[ted] secured creditors to recover out of their collateral” and “prohibit[ed] them from recovering under the [p]lan for their deficiency claims”). This rule exists because secured creditors typically enjoy a greater recovery, on a percentage basis, than defrauded investors and general creditors. *Id.* at 183 (quoting *Official Comm. of Unsecured Creditors of WorldCom, Inc.*, 467 F.3d 73 (“[I]t is fair and reasonable that the limited funds available for distribution not be directed to those who have already recovered more than the approximately thirty-six cents on the dollar recovered by general creditors, and rather be used to increase the still-considerably smaller recovery of those covered by the proposed Distribution Plan.”)). Indeed, secured creditors have an advantage as they have an identifiable asset over which they enjoy priority in relation to other creditors, including defrauded investors. Accordingly, BB&T’s and Bank of Coweta’s claims should be paid only out of the proceeds of the sale of their collateral.

**b. Non-Investor Secured Creditors’ Claims Should Be Subordinated To The Receiver’s Recovery Of Fees And Costs Incurred By The Receivership For Maintaining And Selling The Collateral**

The Receiver is entitled to compensation for fees and expenses related to managing the properties underlying the secured creditors’ claims. In that regard, “an equity receiver does not merely inherit an owner’s rights; the receiver is an officer of the court entrusted with administration of the property.” *Gaskill v. Gordon*, 27 F.3d 248, 251 (7th Cir. 1994). As a result, “[t]he district court appointing the receiver has discretion over who will pay the costs of the receiver.” *Elliott*, 953 F.2d at 1576; *Gaskill*, 27 F.3d at 251 (noting “the district court may, in its discretion, determine who shall be charged with the costs of the receivership”). “The court in equity may award the receiver fees from property securing a claim if the

receiver's acts have benefitted that property." *Elliott*, 953 F.2d at 1576; *Gaskill*, 27 F.3d at 251 ("As a general rule, the expenses and fees of a receivership are a charge upon the property administered."). To have "benefitted" a property, the Receiver's acts need not have increased the property's monetary value. *See Elliott*, 953 F.2d at 1577. "Even though a receiver may not have increased, or prevented a decrease in, the value of the collateral, if a receiver reasonably and diligently discharges his duties, he is entitled to compensation." *Id.* (citing *Donovan v. Robbins*, 588 F. Supp. 1268, 1273 (N.D. Ill. 1984) (district court awarded receiver a fee simply for determining how much money to release to creditor)).

Here, the Receiver has reasonably and diligently discharged his duties with respect to the properties underlying the secured creditors' claims. In that regard, the Receiver has paid all applicable taxes on the properties. *See Elliott*, 953 F.2d at 1576-77 ("In most cases, the benefit is easy to determine, such as when the receiver pays taxes on the property. . . ."). Further, the Receiver has maintained both the cottage securing BB&T's interest and the airport facilities securing Bank of Coweta's interest to prevent them from falling into disrepair. With respect to leased properties, the Receiver has also collected rents from the tenants. As such, the Receiver has conferred a benefit on the properties underlying the claims submitted by the secured creditors, and the Receiver is entitled to satisfy his fees and expenses from the proceeds of the sale of the underlying properties before any proceeds are paid to BB&T or Bank of Coweta. *See Elliott*, 953 F.2d at 1576 ("The district court found that it would be inequitable for the burden of the receivership to fall solely on the unsecured investors since the secured investors had substantially benefitted from the Receiver's work."); *Gaskill*, 27 F.3d at 251 ("Courts in equity have allowed liens for receivership

expenses to take priority over secured creditors' interests in the property when the receiver's acts have benefited the property.'").

**c. Non-Investor Secured Creditors' Claim Amounts Should Be Decreased By Interest Purportedly Accrued Since The Receivership's Inception**

Like investors who may not recover False Paper Profits, interest, or, more broadly, lost opportunity costs on their "investment", it is not fair or equitable to allow BB&T or Bank of Coweta to recover post-receivership interest on their loans. *Cf. Warfield*, 2007 WL 1112591 at \*13 (defendants "could have no reasonable expectation of profiting from an illegal Ponzi scheme"); *S.E.C. v. Forte*, 2010 WL 939042, \*5 (E.D. Pa. 2010) ("A receiver's legal entitlement to recover a winning investor's false profits is thus well-settled"). In other words, they should not be entitled to any interest accrued on their loans since inception of this Receivership. Payment of interest would unfairly diminish funds available to pay the claims of innocent defrauded investors.

As discussed above in Section I. C., BB&T loaned \$394,000 to a Receivership Entity and has already received payments totaling \$79,103.30, representing a recovery to date of 20% of the principal loan amount. Bank of Coweta loaned \$1,000,000 and has already received \$399,078.75, representing a recovery to date of nearly 40% of the principal loan amount. Considering (i) the amounts these secured creditors have already received – all of which consisted of scheme proceeds; (ii) their ability to absorb losses as compared to a typical investor in this Receivership; and (iii) that the scheme was not directed at them, Claim Numbers 481 and 482 should be allowed only in part and subjected to the limitations set forth in this and the two previous subsections and also reflected in **Exhibit E**. *See Mutual*



*Benefits Corp.*, Case No. 0:04-cv-60573, **Ex. K** at 3 (holding that defrauded investors receive priority because they were the target of fraud and are “less able to bear the financial costs” of such conduct).

**D. Claims Which Should Be Denied Because Claimants Were On Inquiry Or Actual Notice Of Fraud**

Five Investor Claims and three Non-Investor Claims should be denied because the Claimants were either on inquiry or actual notice of fraud. These claims were submitted by the following: (1) Citco, on behalf of KBC; (2) Think Strategy, as investment manager of the TS Multi-Strat Fund LP; (3) Wachovia Bank; (4) LandMark Bank; and (5) a former Scoop Management employee and Moody family member. (*See* Claim Nos. 446, 447, 448, 473, 476, 500, 501, and 502; **Exs. G and H.**)

As previously noted, District Courts sit as courts of equity over federal receiverships. *See, e.g., Elliot*, 953 F.2d at 1566. As such, the Court has “broad powers and wide discretion” to fashion appropriate relief, including in devising a plan for distribution of receivership assets. *See, e.g., id.* In resolving claims submitted in a claims process, courts consider a wide variety of factors with the ultimate goal of fashioning an equitable system that treats similarly situated claimants equally. *See, e.g., Homeland Commc’ns. Corp.*, 2010 WL 2035326 at \*2 (“[I]n deciding what claims should be recognized and in what amounts, the fundamental principle which emerges from case law is that any distribution should be done equitably and fairly, with similarly situated investors or customers treated alike. . . .”) (quotation omitted); *Cunningham*, 265 U.S. at 13 (as among “equally innocent victims, equality is equity”); *Elliot*, 953 F.2d at 1570 (same). One consideration is whether the claimant acted in “good faith” or, put differently, whether the claimant knew or should have

known of fraud. *See, e.g., Megafund Corp.*, 2007 WL 1099640 at \*2 (claims disallowed because claimants did not show they acted in good faith).

In pertinent part, the concept of good faith derives from fraudulent conveyance statutes, including the Florida Uniform Fraudulent Transfer Act, Fla. Stats. §§ 726.101 *et seq.* (“FUFTA”). Under FUFTA, the Receiver may recover transfers for the benefit of the Receivership estate that were made with “actual intent to hinder, delay, or defraud” creditors (Fla. Stats. § 726.105(1)(a)), which intent is established as a matter of law when a transfer is made during a Ponzi scheme. *See, e.g., In re Christou*, 2010 WL 4008191, \*3 (Bankr. N.D. Ga. 2010) (“Any transfers made during the course of a Ponzi scheme are presumptively made with intent to defraud.”); *Wing v. Horn*, 2009 WL 2843342 at \*4-5 (D. Utah 2009) (“[I]nference of fraudulent intent applies to all transfers from a Ponzi scheme”; categorizing transactions “is inconsistent with fraudulent transfer law’s focus on the transferor”); *Quilling v. Schonsky*, 247 Fed. App’x 583, 586 (5th Cir. 2007) (“[T]ransfers made from a Ponzi scheme are presumptively made with intent to defraud . . . .”); *Warfield v. Byron*, 436 F.3d 551, 558 (5th Cir. 2006) (same). FUFTA provides an affirmative defense, however, under which the Receiver may not recover a transfer if the transferee can demonstrate: (1) that it received the transfer in “good faith” and (2) that it provided reasonably equivalent value for the transfer. *See Fla. Stats. §§ 726.109(1), (2)(b)*.

Consistent with this equitable principal that claimants who cannot satisfy the good faith standard should have their claims denied, in his “clawback” lawsuits against sophisticated investors who knew or should have known of fraud, the Receiver has tailored his FUFTA claims to require those defendants to show they satisfied the good faith standard.

*See, e.g., Wiand, as Receiver v. Buhl*, Case No. 8:10-cv-00075-T-17MAP (M.D. Fla.); *Wiand, as Receiver v. EFG Bank et al.*, 8:10-cv-00241-T-17MAP (M.D. Fla.). Specifically, rather than presuming those defendants acted in good faith, the Receiver has sought to recover all transfers received by them from Nadel's scheme, thus requiring them to prove, *inter alia*, their respective good faith before being allowed to keep an amount of distributions equivalent to their principal investment. *See, e.g., Forte*, 2010 WL 939042 at \*6 ("If a winning investor should have known [his] or her investment was 'too good to be true,' the court will void the return of principal to that investor. That principal will then be redistributed *pro rata* to all defrauded investors.").

Just as "winning" investors (*i.e.*, investors who received False Profits) who cannot satisfy the good faith standard are not entitled to retain any distributions they received under FUFTA, it would be inequitable to allow Claimants who cannot satisfy the good faith standard to receive distributions of Receivership assets. *See PrivateFX Global One*, 2011 WL 888051 at \*9-10 ("Sitting in equity, the district court is a court of conscience.") (quotations omitted); *S.E.C. v. Sunwest Mgmt., Inc.*, 2009 WL 3245879, \*9 (D. Or. 2009) ("In approving a plan of distribution in an SEC receivership case, the court must determine the most equitable distribution result for all claimants, including investors."); *Megafund Corp.*, 2007 WL 1099640 at \*2 (overruling objection to magistrate's recommendation that claim be denied due to claimant's lack of good faith).

Good faith is an objective standard. *See Terry v. June*, 432 F. Supp. 2d 635, 641 (W.D. Va. 2006). "The relevant inquiry is what the transferee objectively knew or should have known instead of examining the transferee's actual knowledge from a subjective

standpoint.” See *Quilling v. Stark*, 2007 WL 415351, \*3 (N.D. Tex. 2007). “[I]f the circumstances would place a reasonable person on inquiry notice of a debtor’s fraudulent purpose, and *diligent* inquiry would have discovered the fraudulent purpose, then the transfer is fraudulent.” *In re World Vision Entertainment, Inc.*, 275 B.R. 641, 659 (Bankr. M.D. Fla. 2002). “Importantly, a transferee may not remain willfully ignorant of facts which would cause it to be on notice of a debtor’s fraudulent purpose, and then put on ‘blindness’ prior to entering into transactions with the debtor and claim the benefit of [the good faith defense].” *Id.* (internal citations and quotations omitted). In turn, a diligent inquiry “must ameliorate the issues that placed the transferee on inquiry notice in the first place” and cannot consist of merely inquiring with the transferor about the suspicious circumstances. *In re Bayou Group*, 396 B.R. 810, 846 (Bankr. S.D.N.Y. 2008). In short, if a Claimant’s reasonable conduct would have revealed any questions or concerns about any Receivership Entity or Nadel or anyone else associated with a Receivership Entity, that Claimant could not have acted in good faith unless it subsequently conducted a diligent and reasonable inquiry which ameliorated those questions or concerns. Without satisfying these obligations, the Claimant was on inquiry notice of fraud.

All but one of the claims submitted by Claimants on inquiry notice of fraud were submitted by sophisticated financial institutions that, had they acted in a reasonable manner, would have recognized at least some red flags and subsequently would have had to investigate Nadel and Receivership Entities. Had they done so, the institutions would have readily discovered fraudulent conduct. The final claim discussed in this Section was submitted by an employee of a Receivership Entity (who was a member of the Moody

family) who also was on inquiry notice of fraud. Given the numerous and easily discoverable red flags, these Claimants did not act in good faith. *See, e.g., In re Pearlman*, 440 B.R. 569, 577 (Bankr. M.D. Fla. 2010) (lenders to Ponzi scheme that ignored red flags did not act in good faith); *S.E.C. v. Basic Energy & Affiliated Res.*, 273 F.3d 657, 660 (6th Cir. 2001) (affirming distribution plan that prohibited defendants from recovering at all, and reduced recovery of employees based on level of involvement in fraudulent scheme).

**1. Investor Claimants That Are Sophisticated Financial Companies And Were On Inquiry Notice Of Fraud**

As noted above in Section I. E. 5. a., KBC and Think Strategy are sophisticated financial firms which invested in Hedge Funds. KBC has offices around the globe and invested through Citco, another sophisticated global firm. KBC invested in the Hedge Funds in connection with a complex derivative transaction with Think Strategy. KBC advertises that it operates under “the highest professional standards,” is provided “support and resources [from its owner, a] leading European banking and insurance group,” and its employees are “highly talented.” KBC Financial Products, Home, <http://www.kbcfp.com/home.html> (last visited Oct. 20, 2011). Citco claims it is a global industry leader with more than 5,000 staff in over 44 countries and that it excels in providing hedge fund administration, custody and fund trading, and financial products and corporate planning solutions. Citco, Corporate Overview, <http://www.citco.com/#/corporate-overview> (last visited Oct. 20, 2011). Think Strategy claims that it “is an asset management firm with a global focus that specializes in alternative investments [and] is the investment manager for several market neutral and multi-strategy hedge funds.” Further, it states that its “research department is involved in a continual process of evaluations and due diligence” and it “has over 50 years of combined

investment experience.” Think Strategy Capital, <http://thinkstrategycapital.net/pages/home.php> (last visited Oct. 20, 2011).

Clearly, these Investor Claimants were highly sophisticated, experienced, and knowledgeable about investing, reasonable investment practices, and realistic investment performance. Had they acted in a manner that was reasonable and diligent for their sophistication, experience, and knowledge, they would have easily discovered red flags, which in turn would have required them to investigate further, which instead of ameliorating the situation would have uncovered fraudulent conduct. The red flags were numerous and easily discoverable. For example, before perpetrating the scheme, Nadel had been disbarred from the practice of law in New York State for engaging in “dishonesty, fraud, deceit and misrepresentation” by misusing money that had been deposited in his escrow account. That determination was made in a published opinion.

Further, the following relevant information was in the public records of Sarasota County – the same county in which Nadel, the Hedge Funds, and almost all other Receivership Entities were based:

- Nadel had at least eight money judgments entered against him in Sarasota County courts for failure to pay amounts owed; and
- Nadel had gone through a divorce in which in publicly filed documents he: was alleged to have defrauded “numerous individuals and/or businesses;” swore he was a “self employed” “musician” and later unemployed, had monthly gross income of \$889.00 and later none, had monthly expenses of \$2,894.00, had total assets of \$1,650.00 and later of only \$1,000.00, and had total liabilities of \$129,075.00; and he otherwise represented to the court that he was “financially impoverished” and had “no assets, no liquidity, no money in the bank, and no resources of any kind.”

There were also many red flags directly connected to the Hedge Funds and disclosed to investors and potential investors, including the following:

- marketing materials showed the Hedge Funds never reported a single quarter with a negative return;
- the same marketing materials showed the Hedge Funds reported unusually high investment returns - for example, they reported yields between 11.43% and 55.12% per year, and in most years between 20% and 50%;
- for the 79 months during which Victory Fund (one of the Hedge Funds in which Think Strategy invested) was in existence before Think Strategy's investment, that fund only reported one month with a negative return (and at -0.27%, it was barely negative) – in contrast, the S&P index had 31 months of negative returns during the same period;
- for the 110 months during which Valhalla Investment Partners (another Hedge Fund in which Think Strategy invested) was in existence before Think Strategy's investment, that fund only reported four months with negative returns (and at -1.30%, -0.6%, -0.38%, and -0.04%, they were barely negative) – in contrast, the S&P index had 49 months of negative returns during the same period;
- for the 46 months during which Victory Fund (one of the Hedge Funds in which KBC invested) was in existence before KBC's investment, that fund reported no months with a negative return – in contrast, the S&P index had 20 months of negative returns during the same period;
- for the 65 months during which Valhalla Investment Partners (another Hedge Fund in which KBC invested) was in existence before KBC's investment, that fund reported only three months with negative returns (and at -1.30%, -0.6%, and -0.04%, they were barely negative) – in contrast, the S&P index had 32 months of negative returns during the same period;
- the Hedge Funds were not audited; and
- the Hedge Funds' purported accountant had been misidentified as a "CPA" (in reality, his license had been "null and void" since 1989)

and had been the subject of an investigation and a cease and desist notice from state regulators for improperly identifying himself as a CPA, all of which information was publicly available.

Because these Claimants would have discovered red flags had they acted in a reasonable and diligent manner, they were on inquiry notice of fraud. *In re Old Naples Securities, Inc.*, 311 B.R. at 612-13; *In re Manhattan Inv. Fund Ltd.*, 397 B.R. 1, 23 (S.D.N.Y. 2007) (sophisticated claimant cannot claim ignorance to support its argument that it acted in good faith); *In re M & L Business Machine Co.*, 84 F.3d at 1330, 1339 (10th Cir. 1996) (experienced investor should have realized excessive annual returns as a red flag, and acted in accordance with such information). Accordingly, as also reflected on **Exhibit D**, KBC's and Think Strategy's claims (Claim Nos. 446, 447, 448, 473, and 476) should be denied as it would be inequitable to share Receivership assets with them in light of their failure to act in good faith.

## **2. Non-Investor Secured Claimant Wachovia Bank Had Inquiry Notice Of Fraud**

Wachovia Bank loaned Scoop Real Estate \$2,655,000 to purchase a building at 841 South Main Street, Graham, North Carolina which is currently being leased to a Rite-Aid Pharmacy (the "**Rite-Aid Building**"). Wachovia Bank has received payments of interest or principal of \$681,050.22 on this loan, representing a 25.65% recovery to date. All of those payments were made with proceeds of the scheme. Wachovia Bank was a well-known bank and part of a financial services company based in Charlotte, North Carolina. In December 2008, Wachovia Bank was acquired by Wells Fargo & Company.

Wachovia Bank was, at a minimum, on inquiry notice of fraud for two independent reasons: (1) because Nadel used a set of "shadow" bank accounts at Wachovia Bank to



perpetrate his scheme and to ostensibly conceal it from the staff of the Fund Managers, and those accounts involved a number of improprieties that should have raised numerous red flags at Wachovia Bank; and (2) because Wachovia Bank was an investor in one of the Hedge Funds.

Nadel had been a customer of Wachovia Bank for some time when he opened a set of shadow accounts at Wachovia Bank to commingle money invested in the Hedge Funds and to move it in and out of the Hedge Funds' "official" trading accounts to satisfy redemptions after the close of each calendar quarter. Indeed, because regulatory and contractual considerations prohibited money from being directly transferred between trading accounts, and also for other reasons, Nadel could not have perpetrated the scheme without the Wachovia Bank shadow accounts. Those accounts included not only (1) accounts opened in the name of Scoop Real Estate and Victory Fund which Nadel had authority to do, but also (2) accounts opened in a "doing business as" capacity to mimic the name of the three Hedge Funds for which the Moodys were the principals: Valhalla Investment Partners, Viking Fund, and Viking IRA Fund. Specifically, Nadel was not an officer, director, or principal of these three Hedge Funds and otherwise did not have authority to open accounts on their behalf. As a result, he opened shadow accounts for those funds in the name of "Arthur Nadel dba Valhalla Investments" and "Arthur Nadel dba Viking Fund," as applicable. This alone should have raised red flags because Wachovia Bank knew of the Hedge Funds and Nadel's role, and he had no legitimate reason whatsoever to open two "dba" accounts to mimic names of Hedge Funds. In fact, Nadel was a significant customer for Wachovia Bank and thus had a personal banker who reviewed and managed his relationship with the bank. Further, as

discussed below, Wachovia Bank was an investor in Viking Fund and thus was fully aware the Moodys were the principals of that fund and that Nadel was only the purported investment adviser and thus was without authority to open bank accounts on behalf of that fund.

Many other red flags were raised in connection with the shadow accounts. For example, on a quarterly basis Nadel transferred large sums of money between shadow accounts to then funnel money into the Hedge Funds' trading accounts to satisfy redemptions. This was a way to recycle investors' money to pay purported gains and principal redemptions and this repetitive and periodic movement of money through accounts controlled by the same person – Nadel – but held in different names should have raised red flags. As another example, Nadel initiated numerous wires from trading accounts which were accepted into Wachovia Bank shadow accounts that bore an account name that was different from the deposit account name attached to the wires. In other words, Wachovia Bank repeatedly allowed Nadel to deposit money into his shadow accounts even though those deposit wires were made in favor of entities whose names did not match those on the shadow account in which the wire was deposited. This too should have raised red flags. To satisfy its good faith obligations, at a minimum Wachovia Bank should have conducted a reasonable investigation of these matters, which in turn would have uncovered fraudulent conduct. Wachovia Bank, however, did not comply with its obligations and thus did not act in good faith. Indeed, by honoring and executing all of these transactions Wachovia Bank actively helped Nadel perpetrate the scheme and convert and misappropriate scheme proceeds.

Further still, Wachovia Bank was an investor in two Hedge Funds, and thus should have been aware of red flags from that interaction with Nadel and Hedge Funds. Specifically, a related Wachovia Bank entity which acted as a broker/dealer held investments in two Hedge Funds for the benefit of Wachovia Bank in connection with a financial transaction involving Wachovia Bank tied to the returns paid by those Hedge Funds. Those investments were littered with the same red flags discussed above in Section II. D. 1.

Additional red flags raised by these investments included:

- for the 63 months during which Viking Fund was in existence before Wachovia Bank's investment, that fund only reported one month with a negative return (and at -0.31%, it was barely negative) – in contrast, the S&P index had 22 months of negative returns during the same period;
- for the 35 months during which Scoop Real Estate was in existence before Wachovia Bank's investment, that fund only reported one month with a negative return (and at -0.25%, it was barely negative) – in contrast, the S&P index had 11 months of negative returns during the same period;
- for the approximately 21 months during which the pertinent investment in Viking Fund was in place, the fund did not report a single month with a negative return – in contrast, the S&P index had 11 months of negative returns during the same period; and
- for the approximately 18 months during which the pertinent investment in Scoop Real Estate was in place, the fund did not report a single month with a negative return – in contrast, the S&P index had 8 months of negative returns during the same period.

Because Wachovia Bank would have discovered red flags had it acted in a reasonable and diligent manner, it was on inquiry of notice of fraud. Accordingly, as also reflected on

**Exhibit H**, Wachovia Bank’s claim (Claim No. 502) should be denied as it would be inequitable to share Receivership assets with it.<sup>20</sup>

### 3. Non-Investor Secured Claimant LandMark Bank Had Actual Notice Of Fraud

After filing its claims, Claimant LandMark Bank failed and was closed by government regulators on July 22, 2011. Before failing, LandMark Bank provided personal and business banking services in Florida’s Sarasota and Manatee Counties, and it had actual notice of fraud at the time it entered into a transaction which underlies one of its claims. Indeed, it knowingly violated orders of this Court in trying to take control of interests in Receivership property. Specifically, on January 3, 2007, LandMark Bank loaned \$1,000,000 to Christopher Moody for a personal line of credit (the “**LOC**”). On November 2, 2007, the

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<sup>20</sup> At a minimum, if Wachovia Bank’s claim is not denied, it should be equitably subordinated to the allowed and allowed in part claims of all other Claimants. “Equitable subordination does not deal with the existence or non-existence of the debt, but rather involves the question of order of payment.” *In re Lockwood*, 14 B.R. 374, 380–81 (Bankr. E.D.N.Y. 1981). “The fundamental aim of equitable subordination is ‘to undo or offset any inequality in the claim position of a creditor that will produce injustice or unfairness to other creditors. . . .’” *Id.* (quoting *In re Westgate Cal. Corp.*, 642 F.2d 1174, 1177 (9th Cir. 1981)). “Subordination is an equitable power and is therefore governed by equitable principles.” *Westgate Cal. Corp.*, 642 F.2d at 1177. “Courts equitably subordinate claims when the claimant has engaged in some type of inequitable conduct and the misconduct must have resulted in injury to the creditors of the bankrupt or conferred an unfair advantage on the claimant.” *Picard v. Katz*, 2011 WL 4448638, \*6 (S.D.N.Y. 2011) (internal quotations omitted). “Inequitable conduct encompasses conduct that may be lawful but is nevertheless contrary to equity and good conscience.” *Id.* (internal quotation omitted). Courts have applied equitable subordination to instances like this case where claimants seek recovery following the collapse of a Ponzi scheme. *See In re Bernard L. Madoff Inv. Secs. LLC*, 2011 WL 4434632, \*19-20 (Bankr. S.D.N.Y. 2011) (holding that in SIPA liquidation, claims of Madoff family members should be subordinated); *Picard*, 2011 WL 4448638 at \*6 (holding that “while the Trustee cannot disallow the defendants’ claims against the Madoff Securities’ estate, he can potentially subordinate them by proving that the defendants invested with Madoff Securities with knowledge, or in reckless disregard, of its fraud”).

LOC was increased to \$2,000,000. Christopher Moody executed a promissory note for the loan and pledged his interest in his Viking Fund Investor Account, which he held in the name of his revocable trust, the Christopher D. Moody Revocable Trust. The LOC was due on November 1, 2009. Nadel fled on January 14, 2009, and on January 21, 2009, the Commission filed this case and the Receiver was appointed. Christopher Moody notified LandMark Bank's president that Nadel had fled and that the Hedge Funds, including Viking Fund, were worthless. In turn, LandMark Bank's president told Christopher Moody the bank wanted additional security for the LOC. Notably, the bank's chairman of the board and Executive Officer was Christopher Moody's accountant and thus knew that virtually all of Christopher Moody's income came from the Hedge Funds. To satisfy LandMark Bank's request for additional security for the LOC, on or about January 30, 2009, Christopher Moody, as Trustee of the Christopher D. Moody Revocable Trust, purported to pledge to Landmark Bank Bonds.com stock and notes from Bonds.com. Those shares, however, had been purchased with proceeds of the scheme. And Christopher Moody's Bonds.com notes similarly involved loans of funds which were proceeds of the scheme.

LandMark Bank has filed two claims related to the LOC (Claim Nos. 500 and 501). One claim seeks \$2,090,488.34 (as of August 19, 2010) purportedly due on the LOC and secured by Christopher Moody's trust's pledged Investor Account with Viking Fund. The other claim asks that the Receiver turnover to LandMark Bank the purportedly pledged Bonds.com interests. Both of those claims should be denied.<sup>21</sup>

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<sup>21</sup> At a minimum, if those claims are not denied, they should be equitably subordinated to the allowed and allowed in part claims of all other Claimants. *See supra* n. 20.

**a. The Claim Relating To A Loan Secured By Christopher Moody's Trust's Investment In Viking Fund Should Be Denied**

As stated above, one of LandMark Bank's claims (Claim No. 500) seeks recovery based on the original security for the LOC, which consisted of Christopher Moody's trust's interest as an investor in Viking Fund. Specifically, the UCC-1 filed by LandMark Bank covers the following collateral: "[a]ll of Debtor's [Christopher D. Moody, as Trustee of the Christopher D. Moody Revocable Trust] right, title and interest in Viking Fund, LLC . . . and also together with all of Debtor's right, title and interest to all dividends or distributions arising there from . . . ." That claim should be denied for two independent reasons: (1) because Christopher Moody's conduct severed his trust's interest in Viking Fund as a matter of equity; and (2) because that interest is worthless as a matter of law.

On January 11, 2010, the Commission instituted an enforcement action against Christopher Moody alleging that he violated antifraud provisions of the federal securities laws in connection with the scheme. *See generally S.E.C. v. Neil V. Moody et al.*, Case No. 8:10-cv-00053-T-33TBM (M.D. Fla.) (the "**Moody SEC Action**"), Compl. (attached as Exhibit A to Doc. 325). On that same day, Christopher Moody, without admitting or denying the allegations in the complaint, consented to entry of a permanent injunction and agreed to disgorge all ill-gotten gains. (Moody SEC Action, Consent of Def. Christopher D. Moody ¶ 3 (Doc. 2, Ex. 1).) On April 7, 2010, a Judgment of Permanent Injunction and Other Relief was entered against Christopher Moody permanently enjoining him from further violations of the antifraud provisions of the federal securities laws. (Moody SEC Action (Doc. 9-1).) In other words, Christopher Moody consented to entry of a judgment that he engaged in

securities fraud in connection with the scheme and to disgorge all gains obtained from that scheme.

For purposes of the claims process, as a matter of equity this conduct severed Christopher Moody's (and his trust's) interest in his trust's Investor Account. *See, e.g., Byers*, 637 F. Supp. 2d at 184 ("The Receiver's proposal to treat differently those involved in the fraudulent scheme when distributions are being made is eminently reasonable and is supported by caselaw."); *Basic Energy & Affiliated Res.*, 273 F.3d at 660 (affirming distribution plan that prohibited defendants from recovering at all, and reduced recovery of employees based on level of involvement in fraudulent scheme); *S.E.C. v. Enterprise Trust Co.*, 2008 WL 4534154, \*3 (N.D. Ill. 2008) ("Disqualifying those who took the business over the edge is the most common feature, and the least contested aspect, of distribution plans."); *S.E.C. v. Merrill Scott & Assocs.*, 2006 WL 3813320, \*6-7 (D. Utah 2006) (excluding from distribution party who referred clients to defendant). Because Christopher Moody and his trust have no interest in his Investor Account, LandMark Bank similarly has no interest in it as its security interest is defined as Christopher Moody's trust's "right, title and interest" in that account and its "dividends and distributions" from that account.

But even setting aside Christopher Moody's culpability, his status as an "insider," and his receipt of tens of millions of dollars of scheme proceeds as "compensation," the claim still should be denied because his Investor Account is not entitled to any distributions in the claims process. As previously noted, during the relevant time all of Christopher Moody's income consisted of scheme proceeds he received as "fees" or from "income" derived from those "fees." As such, all of the money he invested in the pertinent Investor Account

consisted of scheme proceeds. In other words, Christopher Moody did not fund his trust's Investor Account with legitimate money; it was funded with scheme proceeds. That is to say, it was funded with fraudulent transfers which the Receiver is entitled to recover for the benefit of defrauded investors. Because the Investor Account was not funded with money to which Christopher Moody was entitled, his (or his trust's) interest in that account is worthless as it is not entitled to any money in this claims process. These circumstances are identical to those faced by the non-profit Claimant discussed below in Section II. F., which received scheme proceeds through the Moody Foundation. Accordingly, as reflected in **Exhibit H**, Claim Number 500 should be denied.

**b. The Claim Relating To A Loan Secured By A Purported Pledge Of Bonds.com Interests As Collateral Also Should Be Denied**

LandMark Bank's second claim (Claim No. 501) seeks to perfect its claimed interest in Christopher Moody's prior interest in Bonds.com. That claim should be denied for three independent reasons: (1) LandMark Bank had actual notice of fraud at the time it entered into the transaction purportedly giving rise to that claim; (2) that transaction violated the temporary injunction and Order Appointing Receiver in this case; and (3) that transaction involved an avoidable fraudulent transfer. First, the claim should be denied because LandMark Bank had actual notice of fraud before it entered into the transaction underlying this claim. Indeed, LandMark Bank sought the additional security underlying this claim precisely because it learned the then-existing security for the LOC – Christopher Moody's trust's Viking Fund Investor Account – was worthless, Nadel had used Viking Fund and the rest of the Hedge Funds as a scam, Nadel had fled, the Commission had filed an enforcement



action to stop a fraudulent scheme involving Viking Fund and the rest of the Hedge Funds, and a receiver had been appointed. Further, LandMark Bank's chairman of the board and Executive Officer was also Christopher Moody's accountant and thus knew that virtually all of the latter's income had come from the Hedge Funds at the center of the Commission's enforcement action. In other words, not only did LandMark Bank request additional security precisely because it was on actual notice of fraud, but its chairman and Executive Officer knew that any other collateral pledged by Christopher Moody – including his interests in Bonds.com – would have been purchased or funded with money Christopher Moody received from the scheme.

Second, the claim also should be denied because the transaction underlying the claim violated both the temporary restraining order (“**TRO**”) (Doc. 9) and the Order Appointing Receiver (Doc. 8), both of which were entered on January 21, 2009. Specifically, Christopher Moody's purported pledge of his Bonds.com interests, and LandMark Bank's acceptance of them, violated the TRO because it enjoined Nadel and “any person acting in active concert or participation” with him (like Christopher Moody) “from, directly or indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of, or withdrawing any asset or property,” including securities, or “drawing from any lines of credit.” TRO at 4. It also violated the Order Appointing Receiver because that Order explicitly granted title to “all property, real or personal” of the Hedge Funds and their principals, which included Christopher Moody, to the Receiver. Doc. 8 ¶ 17. Indeed, that grant of title to the Receiver left Christopher Moody with no interest in Bonds.com to pledge to LandMark Bank. The purported pledge

nevertheless violated the Order Appointing Receiver because it represented an attempt to directly interfere with the Receiver's "custody, possession, management, and control" of receivership assets. Doc. 8 ¶ 13.

Third, the claim also should be denied because the transaction that forms the basis of the claim was a fraudulent transfer. Nadel caused the Hedge Funds and the Fund Managers to transfer money from the Hedge Funds to Christopher Moody (either directly or through the Fund Managers), including tens of millions of dollars as purported compensation, by grossly misrepresenting trading results and net asset values. Christopher Moody then used that money – which was scheme proceeds – to purchase and fund the equity and debt interests in Bonds.com which underlie this claim. The transfers from the Hedge Funds to Christopher Moody were fraudulent under, *inter alia*, Florida Statutes Section 726.105(1)(a) because they were made from a Ponzi scheme with "actual intent to hinder, delay, or defraud" creditors.<sup>22</sup>

*See In re Christou*, 2010 WL 4008191 at \*3 ("Any transfers made during the course of a

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<sup>22</sup> Because Christopher Moody acquired the Bonds.com collateral using scheme proceeds, the collateral is subject to a constructive trust in favor of defrauded investors. "The doctrine of constructive trusts is a recognized tool of equity designed in certain situations to right a wrong committed and to prevent unjust enrichment of one person at the expense of another either as a result of fraud, undue influence, abuse of confidence or mistake in the transaction." *In re Fin. Fed. Title & Trust, Inc.*, 347 F.3d 880, 891 (11th Cir. 2003) (affirming imposition of constructive trust over homestead property purchased with Ponzi scheme proceeds); *see also Harris Trust & Sav. Bank v. Salomon Smith Barney, Inc.*, 530 U.S. 238, 250-51 (2000) ("Whenever the legal title to property is obtained through means or under circumstances which render it unconscientious for the holder of the legal title to retain and enjoy the beneficial interest, equity impresses a constructive trust on the property thus acquired . . . and a court of equity has jurisdiction to reach the property either in the hands of the original wrongdoer, or in the hands of any subsequent holder . . .") (internal quotations omitted); *F.T.C. v. Network Servs. Depot, Inc.*, 617 F.3d 1127, 1142 (9th Cir. 2010) ("Importantly, that a transferee was not 'the original wrongdoer' does not insulate him from liability for restitution.").

Ponzi scheme are presumptively made with intent to defraud.”) (emphasis added); *Schonsky*, 247 Fed. App’x at 586 (“[T]ransfers made from a Ponzi scheme are presumptively made with intent to defraud . . . .”) (emphasis added); *Byron*, 436 F.3d at 558 (same); *S.E.C. v. Harris*, 2010 WL 3719318, \*1 (N.D. Tex. 2010) (same). The fact that LandMark Bank received its purported interest in the Bonds.com collateral from Christopher Moody rather than directly from the Hedge Funds does not change the analysis, especially since it provided no value for its receipt of that interest and its receipt of that interest could not have been in good faith as it had actual notice of fraud. *See* Fla. Stats. § 726.109(1)(2)(b) (addressing subsequent transferees and affirmative defenses).

In short, as also reflected in **Exhibit H**, to the extent LandMark Bank received any interests in Bonds.com from Christopher Moody, it would be inequitable to allow LandMark Bank to benefit from those interests at the expense of investors. That is particularly so because LandMark Bank, with the assistance of counsel, knowingly and deliberately tried to take Receivership assets funded with scheme proceeds away from the Receiver’s and, ultimately, this Court’s control. Accordingly, the Court should deny Claim Number 501.

**E. Investor Claims Which Should Be Denied Because Claimant Was An Employee Of A Receivership Entity**

The Receiver also received claims from a former employee of a Receivership Entity. (*See* Claim Nos. 474 and 475.) The Claimant was Neil-Moody’s step-child, was employed by Scoop Management as a bookkeeper, and was involved in handling certain aspects of the financial affairs of Viking Fund, Viking IRA Fund, Valhalla Investment Partners, Valhalla Management, and Viking Management. The Claimant is also identified as handling the

Investor Account for Receivership Entity Viking Oil & Gas, LLC and Neil Moody's personal account.

During the approximately four years of employment, the Claimant received total compensation of \$385,811.32; the Claimant received wages of \$118,326.76 in 2008 alone. Receivership Records also indicated the Claimant drove a car paid for by Receivership Entities and had a Receivership Entity credit card. The benefits derived from the car and credit card are not included in the above calculation of compensation. According to Salary.com, the median salary for a bookkeeper in Sarasota, Florida is \$45,692. The Claimant's average salary for the approximately four years the Claimant was employed was \$96,452.83, which was more than double the median salary. In other words, the Claimant received \$385,811.32 (without considering the value of the Receivership Entity car and credit card or that some of the work performed by the Claimant involved Neil Moody's personal affairs) when the typical bookkeeper would have received less than \$183,000 for the same time.

These claims should be denied for two independent reasons. First, they should be denied because given the Claimant's disproportionate salary and close relations with investor assets, movement of funds, and Neil Moody's accounting, the Claimant, at a minimum, should have known that something was afool. A reasonable person under these circumstances would have conducted a diligent inquiry and discovered fraud. As such, the Claimant did not act in good faith. *In re Manhattan Inv. Fund Ltd.*, 359 B.R. at 523-24; *see also In re M & L Business Machine Co.*, 84 F.3d at 1339; *Enterprise Trust Co.*, 2008 WL 4534164 at \*3 ("Disqualifying those who took the business over the edge is the most

common feature, and the least contested aspect, of distribution plans.”); *Basic Energy & Affiliated Res.*, 273 F.3d at 660 (affirming distribution plan that prohibited defendants from recovering at all, and reduced recovery of employees based on level of involvement in fraudulent scheme). As such, these claims should be denied.

Second, these claims should be denied even assuming the Claimant acted in good faith because the excess salary received is far more than the \$91,987.50 loss claimed by the Claimant. All \$385,811.32 the Claimant received as salary from Scoop Management were proceeds of the scheme. Using the median salary from Salary.com, the Claimant only should have earned approximately \$183,000 for four years of employment. As such, the Claimant received excess wages of \$202,811.32 (of course, this calculation favors the Claimant because it does not take into account the additional benefits provided by the car and credit card or that some of the work performed involved Neil Moody’s personal affairs and not Scoop Management “business”). Because no value was provided for the excess wages, the Claimant is not entitled to benefit from them. Indeed, the Receiver is entitled to recover that sum as, at a minimum, a fraudulent transfer. *See In re Churchill Mortgage Inv. Corp.*, 256 B.R. 664, 682 (Bankr. S.D.N.Y. 2000) (“Fraudulent conveyance law is grounded in equity and is designed to enable a trustee or creditors to avoid a transfer in a transaction where the transferee received more from the debtor than the debtor received from the transferee. The remedy of avoidance seeks to rectify the disparity between that which the transferee gave and that which the transferee got in the transaction. It is this disparity that makes it equitable to require the transferee to repay the excess in value of what he received over what he gave up in the transaction.”); *cf. In re Bernard L. Madoff Inv. Sec. LLC*, 2011 WL 4434632, \*12

(Bankr. S.D.N.Y. 2011) (“The Defendants unsuccessfully argue that their services constituted reasonably equivalent value and fair consideration given to BLMIS in exchange for their salaries.”). As such, it would be inequitable to allow the Claimant to retain the gross overpayment of wages and also assert a claim for investment losses. As reflected in **Exhibit G**, Claim Numbers 474 and 475 should be denied for these reasons.

**F. Investor Claim Which Should Be Denied Because Principal Investment Was Made With Proceeds Of The Scheme**

A charitable organization submitted a claim based on losses it purportedly sustained when it invested scheme proceeds it received from the Moody Foundation as donations in a Hedge Fund. That claim should be denied because the Claimant had no right to those funds in the first place. Specifically, between April 26, 2004, and November 21, 2008, Neil Moody, through his Moody Foundation, transferred \$1,219,222.00 to the Claimant in numerous installments as donations. The donations consisted of scheme proceeds that Nadel caused Hedge Funds and Fund Managers to transfer from the Hedge Funds to Neil Moody, including tens of millions of dollars transferred as purported compensation, by grossly misrepresenting trading results and net asset values. In turn, Neil Moody transferred some of that money to the Moody Foundation. Neil Moody conditioned the donations on the Claimant’s investment of that money in one of the Hedge Funds, and the Claimant “invested” \$1,111,111.40 of those donations in Valhalla Investment Partners and received \$30,315.90 in distributions from that “investment.” The Claimant filed a claim for \$1,080,795.50, its Net Investment Amount. (*See* Claim No. 478.)

The Claimant, however, did not invest its own money in the scheme. Rather, it reinvested scheme proceeds which it received as donations. The initial transfers from the

Hedge Funds to the Moody Foundation through Fund Managers and Neil Moody were fraudulent transfers under, *inter alia*, Florida Statutes Section 726.105(1)(a) because they were made from a Ponzi scheme and thus with “actual intent to hinder, delay, or defraud” creditors. *See In re Christou*, 2010 WL 4008191 at \*3 (“Any transfers made during the course of a Ponzi scheme are presumptively made with intent to defraud.”); *Schonsky*, 247 Fed. App’x at 586 (“[T]ransfers made from a Ponzi scheme are presumptively made with intent to defraud . . . .”); *Byron*, 436 F.3d at 558 (same); *Harris*, 2010 WL 3719318 at \*1 (same); *see also In re Bayou Group, LLC*, 439 B.R. 284, 306 n.19 (S.D.N.Y. 2010) (“[W]here a Ponzi scheme exists, there is a presumption that transfers were made with the intent to hinder, delay and defraud creditors . . . .”); *Terry*, 432 F. Supp. 2d at 639-40 (same); *In re Fin. Resources Mortg., Inc.*, 2011 WL 2680878, \*11 (Bankr. D.N.H. 2011) (same); *Quilling v. Stark*, 2006 WL 1683442, \*6 (N.D. Tex. 2006) (same); *In re Madoff*, 440 B.R. at 255 (same).

That the Claimant was a subsequent transferee – *i.e.*, that it did not receive the transferred money directly from the Hedge Funds but rather through the Moody Foundation – does not change the analysis. *See Fla. Stats. § 726.109*. If the Claimant had not reinvested the majority of the funds that it received, the Receiver would have instituted a “clawback” action against it, as the Receiver has done against other organizations that received fraudulent transfers as charitable contributions. *See, e.g., Wiand, as Receiver v. Bishop Frank J. Dewane*, Case No. 8:10-cv-246-T-17MAP (M.D. Fla.); *Wiand, as Receiver v. Sarasota Opera Assoc., Inc.*, Case No.: 8:10-cv-248-T-17MAP (M.D. Fla.). Indeed, the Receiver has a claim against the Claimant to recover approximately \$138,426.50, which represents money

- (1) the Claimant received from the Moody Foundation and did not reinvest in the scheme and
- (2) the Claimant took as distributions from its “investment.”

The Claimant cannot satisfy the affirmative defense to a fraudulent transfer claim provided by Florida Statutes Section 726.109, which requires it to demonstrate that (1) it received the transfers in “good faith” and (2) that it provided equivalent value for the transfers. *See Fla. Stats. §§ 726.109(1), (2)(b)*. Specifically, the Claimant did not provide anything of value to the Hedge Funds in exchange for the donations – hence, their characterization as “charitable donations” – so they are avoidable fraudulent transfers regardless that the Claimant is a charitable organization. *See Scholes v. Lehman*, 56 F.3d 750, 761 (7th Cir. 1995) (“The statute makes no distinction among different kinds of recipient of fraudulent conveyances. Every kind is potentially liable.”); *Hecht v. Malvern Preparatory Sch.*, 716 F. Supp. 2d 395, 402 (E.D. Pa. 2010) (holding that receiver was entitled to recover donation made with funds of innocent investors in Ponzi scheme); *In re C.F. Foods, L.P.*, 280 B.R. 103, 111 (Bankr. E.D. Penn. 2002) (“In perpetrating the Ponzi scheme, [the perpetrator] had to know that the monies from investors would eventually run out and that the payments to charities would contribute to the eventual collapse of the stratagem. Knowledge that future investors will not be paid is sufficient to establish actual intent to defraud them.”). Because the Claimant did not invest money that it had a right to receive or keep, its Claim Number 478 should be denied as reflected on **Exhibit G**.



**III. ALL ASSETS AND LIABILITIES OF THE RECEIVERSHIP ENTITIES SHOULD BE POOLED TO FORM A SINGLE RECEIVERSHIP ESTATE**

**A. Factual Basis For Pooling Assets And Liabilities**

From 1999 through 2008, approximately \$330 million was raised from approximately 687 investors on behalf of one or more of the Hedge Funds by Nadel and his entities, Scoop Management and Scoop Capital; by the rest of the Fund Managers; and by the Moodys through the offer and sale of securities in the form of interests in Hedge Funds as part of a single, continuous Ponzi scheme. The Receiver discovered that, although the Receivership Entities referred to separate Investor Accounts in communications with investors, in reality physically separate accounts did not exist. All investor funds were commingled in Nadel's and the Receivership Entities' financial accounts, regardless of with which Receivership Entity the money had been invested.

Nadel grossly overstated the trading results of the Hedge Funds. Despite only trading a very small portion of the money purportedly under management and achieving significantly lower, and typically negative yields (*i.e.*, trading losses) on those trades, Nadel, the Moodys, and the Fund Managers falsely communicated to investors and potential investors, through monthly "statements," Hedge Funds' "Executive Summaries," and other communications, that investments were generating positive returns and yielding between 10.97% and 55.12% per year. For most years, they falsely represented the investments were generating returns between 20% and 30%. In reality, overall the Hedge Funds experienced trading losses.

To perpetrate and perpetuate this scheme, Nadel caused the Hedge Funds to pay investors "trading gains" as reflected on their false monthly statements. The funds used to pay these purported trading gains were not generated from trading activities; rather they were

generated from new or existing investors. Nadel further caused the Hedge Funds to pay more than \$95 million in “fees.” Those fees were based on grossly inflated returns and thus were improperly and wrongfully paid. The negative cash flow of the Hedge Funds made the eventual collapse of the scheme inevitable.

Here, pooling all Receivership Entities’ assets is appropriate because Nadel operated the Hedge Funds as part of a single, continuous Ponzi scheme, and all of the other Receivership Entities were acquired or funded with money that Nadel improperly diverted from the Hedge Funds. Further, Nadel treated the Hedge Funds as a single source of money, and the investors’ money was commingled in the Hedge Funds’ accounts and other accounts controlled by Nadel, especially in and through accounts he controlled at Wachovia Bank, including the shadow accounts discussed above in Section II. D. 2. Specifically, Nadel moved money raised from investors in the different Hedge Funds in, out, and between those accounts and also between those accounts and the Hedge Funds’ trading accounts as necessary to satisfy redemptions and quarterly transfers of purported “profits” to investors. To the extent Nadel traded money, he did so in a pooled and commingled fashion through a single master trading account. Specifically, when trading, Nadel would pool all available money raised from investors and money in personal or other non-Hedge Fund accounts that he controlled into a single account, which he used to purchase securities. Then, after the close of the trading session, Nadel allocated the completed trades as he wished among the pooled accounts.

Consistent with legal authority discussed in the next Section, Nadel’s treatment of the Receivership Entities and of investors’ money in the manner described in the previous

paragraphs warrants pooling all assets of the Receivership Entities. Specifically, all money and other assets that constitute Receivership assets, regardless of how they were previously allocated, should be held to constitute one fund and used in a collective manner to pay the collective liabilities of the Receivership Entities, in accordance with the plan discussed in this Motion.

In the absence of an order pooling the assets and liabilities into one Receivership estate, the Receiver would have to separately administer claims to assets held by each of the Receivership Entities. In addition to being inconsistent with Nadel's treatment of those entities, this would be a time-consuming, costly, and to a large extent, arbitrary task. Separate administration of each Receivership Entity's claims would require the Receiver to (1) apportion administrative costs among the Receivership Entities, (2) apportion third-party recoveries among the Receivership Entities, and (3) separately distribute the remaining assets from each entity. Essentially, trying to separately administer each entity would require the Receiver to force an order upon each Receivership Entity when none existed. The end result could be that some Claimants would receive a greater recovery simply because it was falsely represented to them that they were investing with a particular Receivership Entity instead of another one. Pooling the assets and liabilities of the Receivership Entities is the most cost-effective and equitable approach, and is warranted by the facts.

**B. Legal Basis For Pooling Assets And Liabilities**

Treating all Receivership assets as a single fund to pay all collective liabilities of the Receivership Entities benefits all Claimants and, as noted in the previous Section, is consistent with the manner in which Nadel operated those entities. Further, this requested

relief is well within the Court's broad power to administer this Receivership. *See Elliott*, 953 F.2d at 1566 ("The district court has broad powers and wide discretion to determine relief in an equity receivership. . . . This discretion derives from the inherent powers of an equity court to fashion relief . . ."); *HKW Trading LLC*, 2009 WL 2499146 at \*2; *see also S.E.C. v. Hardy*, 803 F.2d 1034, 1040 (9th Cir. 1986); *Basic Energy & Affiliated Resources, Inc.*, 273 F.3d at 668. The primary purpose of an equity receivership is to promote the orderly and efficient administration of the estate for the benefit of the creditors. *See Hardy*, 803 F.2d at 1038. Consolidating all of the assets and liabilities of the Receivership Entities best serves this purpose.

Courts routinely permit equity receivers to pool assets. *See, e.g., HKW Trading*, 2009 WL 2499146 at \*6 ("The Court directs that all assets and liabilities of the Receivership Entities be consolidated for all purposes."); *S.E.C. v. Credit Bancorp, Ltd.*, 290 F.3d 80, 91 (2d Cir. 2002) (affirming district court's equitable authority to treat all fraud victims alike and order *pro rata* distribution of assets); *Basic Energy*, 273 F.3d at 663 (adopting receiver's plan to create single pool of assets for all investors); *Elliott*, 953 F.2d at 1584 (approving district court's decision to reject tracing and treat three companies as single entity); *S.E.C. v. Forex Asset Mgmt. LLC*, 242 F.3d 325, 332 (5th Cir. 2001) (affirming district court's order approving receiver's plan to distribute funds to all Claimants on *pro rata* basis even though funds invested by two claimants were segregated by fraudster and traced to separate account); *CFTC v. Topworth Int'l, Ltd.*, 205 F.3d 1107, 1115-16 (9th Cir. 1999) (affirming district court's adoption of receiver's plan to treat three companies involved in scheme as one for purposes of paying claims because each entity appeared to be alter ego of the other);

*Quilling v. Trade Partners, Inc.*, 2008 WL 4283359, \*4 (W.D. Mich. 2008) (“In [r]e receivership cases where the fraud has features that are similar or common to all victims, and at least some commingling of funds occurred, pro rata distribution of pooled assets has been the standard. . . .”); *S.E.C. v. Amerifirst Funding, Inc.*, 2008 WL 919546, \*5 (N.D. Tex. 2008) (concluding “the most equitable approach is to pool the assets” of three receivership entities and distribute funds on *pro rata* basis even in absence of specific instances of commingling because entities were used similarly to further fraudulent scheme); *U.S. v. Durham*, 86 F.3d 70, 72-73 (5th Cir. 1996) (approving receiver’s plan to distribute money to claimants on *pro rata* basis even though majority of money could be traced to one claimant); *see also U.S. v. Real Property Located at 13328 & 13324 State Hwy.*, 89 F.3d 551, 553 (9th Cir. 1996) (approving district court’s finding that “[i]nstead of engaging in a tracing fiction, the equities demand that all [defrauded] customers share equally in the fund of pooled assets in accordance with the SEC plan”).

Indeed, courts have held that “*any* comingling is enough to warrant treating all the funds as tainted.” *Byers*, 637 F. Supp. 2d at 177. Because “money is fungible” it is “impossible to differentiate between ‘tainted’ and ‘untainted’ dollars. . . .” *S.E.C. v. Lauer*, 2009 WL 812719, \*4-5 (S.D. Fla. 2009). “Once proceeds become tainted, they cannot become untainted.” *United States v. Ward*, 197 F.3d 1076, 1083 (11th Cir. 1999). In addition, “when tainted funds are used to pay costs associated with maintaining ownership of [a] property, the property itself and its proceeds are tainted by the fraud.” *Lauer*, 2009 WL 812719 at \*3 (citing *United States v. One Single Family Residence Located at 15603 85th Ave. North, Lake Park, Palm Beach County, Fla.*, 933 F.2d 976, 982 (11th Cir. 1991)).

In short, the most equitable and efficient approach is to pool all assets and liabilities of the Receivership Entities into one consolidated estate. *See S.E.C. v. Vescor Capital Corp.*, 599 F.3d 1189, 1194 (10th Cir. 2010) (“[I]n a case involving a Ponzi scheme, the interests of the [r]eceiver are very broad and include not only protection of the receivership *res*, but also protection of defrauded investors and considerations of judicial economy”).

#### **IV. THE RECEIVER’S PROPOSED PLAN OF DISTRIBUTION, INCLUDING AN INTERIM DISTRIBUTION**

##### **A. The Receiver’s Plan**

As of November 29, 2011, total cash and certificates of deposit in all Receivership accounts is approximately \$21,882,616.97. Including money the Receiver is owed by defendants in settled ancillary litigation, the total money on hand and due to the Receiver is \$23,775,811.62. The Receiver seeks leave to make distributions on a *pro rata* basis, and he expects to make a first interim distribution of \$18 million to holders of Allowed Claims in the near future. If approved by the Court, all distributions will be made in accordance with applicable parameters set forth in this Motion, including those relating to priorities and those governing the source of distributions to Non-Investor Secured Claimants.

The Receiver has proposed a procedure in Section V. below for Claimants to object to the claims determinations made by the Court based on this Motion. The procedure provides, in relevant part, that each Claimant will have 20 days from the date the Receiver mails notice to each Claimant of the Court’s order on this Motion to serve the Receiver with an objection to his, her, or its claim determination. After this twenty-day objection period expires and the Receiver completes an initial review of any objections, the Receiver intends to file a motion for approval of a first interim distribution in the amount of \$18 million less any reserves

necessitated by any timely served objections. The Receiver will make these reserves where necessary so that objections do not delay a first interim distribution.<sup>23</sup> In other words, the anticipated \$18 million distribution will be reduced by the amount reserved, if any. Any reserves will be in the amount of the *pro rata* share of the interim distribution allocated to the objected claim based on the full claim amount. The reserves will be held until the claim objection is resolved. If the objection is resolved for less than the full claim amount, the unpaid reserves will be distributed on a *pro rata* basis in a subsequent distribution.

The Receiver believes that an interim distribution of \$18 million, even less any possible reserves for objected claims, will provide a sufficient amount of money to Claimants to warrant the expense of the distribution. Further, the proposed interim distribution amount will leave enough funds in the Receivership to cover the expenses of (1) addressing any claims disputes, (2) administering the Receivership, and (3) paying the Receiver's professionals for services already and yet to be provided. To the extent possible and feasible, the Receiver will make additional interim distributions before making a final distribution at the close of the Receivership. Before making any distribution, the Receiver will seek leave from the Court, and at that time will provide further specifics about the distribution.

In this Motion, however, the Receiver seeks approval of a distribution plan which provides that, subject to applicable exceptions, priorities, and other parameters discussed in this Motion, Claimants receive a fixed percentage of their Allowed Amount from the

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<sup>23</sup> Although the Receiver will make every effort to make a prompt interim distribution, depending on the nature of any timely objection received by the Receiver, this proposed interim distribution may have to be modified or delayed until any objection warranting such delay is resolved.

aggregate amount distributed to Claimants in any particular distribution based upon the following formula: each claim's Allowed Amount divided by the total Allowed Amount of all Allowed Claims multiplied by the aggregate distribution amount.

**B. The Receiver's Plan Is Consistent With Applicable Legal And Equitable Principles**

As previously noted, the evidence in the Receiver's possession demonstrates that all investor funds were commingled and transferred among various accounts for the Receivership Entities, Nadel's personal accounts, and other accounts controlled by Nadel; the Receivership Entities did not maintain separate investor accounts; and investors were defrauded in the same manner. Accordingly, all Claimants with allowed claims should share equally (on a *pro rata* basis) in the pooled assets recovered by the Receiver, subject to the claim priorities and other applicable limitations discussed in this Motion and ultimately established by the Court. The Receiver recommends the Court approve the distribution of funds on a *pro rata* basis according to the formula set forth in the previous Section.

The Court has wide latitude in exercising inherent equitable power in approving a plan of distribution of receivership funds. *Forex*, 242 F.3d at 331 (affirming district court's approval of plan of distribution because court used its discretion in "a logical way to divide the money"); *Quilling v. Trade Partners, Inc.*, 2007 WL 107669, \*1 (W.D. Mich. 2007) ("In ruling on a plan of distribution, the standard is simply that the district court must use its discretion in a logical way to divide the money" (internal quotations omitted)). In approving a plan of distribution in a receivership, "the district court, acting as a court of equity, is afforded the discretion to determine the most equitable remedy." *Forex*, 242 F.3d at 332. The Court may adopt any plan of distribution that is logical, fair, and reasonable. *Wang*, 944



F.2d at 83-84; *Basic Energy*, 273 F.3d at 671; *Trade Partners*, 2007 WL 107669 at \*1. “Therefore, ‘[a]ny action by a trial court in supervising an equity receivership is committed to his sound discretion and will not be disturbed unless there is a clear showing of abuse.’ ” *S.E.C. v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 373 (5th Cir.1982) (quoting *S.E.C. v. Ark. Loan & Thrift Corp.*, 427 F.2d 1171, 1172 (8th Cir.1970)).

Consistent with the features of the scheme, “courts have favored *pro rata* distribution of assets where, as here, the funds of defrauded victims were commingled and where victims were similarly situated with respect to their relationship to the defrauders.” *Credit Bancorp*, 290 F.3d at 88; see *Trade Partners*, 2007 WL 107669 at \*2 (“The use of a *pro rata* distribution plan is especially appropriate for fraud victims of a Ponzi scheme, in which earlier investors’ returns are generated by the influx of fresh capital from unwitting newcomers rather than through legitimate investment activity.”). A logical, fair, and reasonable distribution plan may provide for reimbursement to certain claimants while excluding others. See *Wang*, 944 F.2d at 84; *Basic Energy*, 273 F.3d at 660-61. The proposed plan of distribution set forth in this Section is logical, fair, and reasonable.

**V. THE PROPOSED PROCEDURE FOR OBJECTIONS IS LOGICAL, FAIR, AND REASONABLE**

**A. The Proposed Objection Procedure**

For efficiency, the Court should adopt a formal procedure to handle instances where a Claimant does not agree with the Receiver’s recommended determination of the Claimant’s claim or objects to claim priority or the plan of distribution as approved by the Court. The procedure recommended below allows the Receiver to (1) address any disputed matters in a fair and efficient manner and (2) present any unresolved objections to the Court in an

organized and, if appropriate, consolidated manner which will be efficient and, to the extent possible, avoid the Court's receipt of objections on a piecemeal basis. The procedure also provides each Claimant with notice and an opportunity to be heard in accordance with applicable due process obligations.

The Receiver respectfully requests the Court adopt the following procedure (the "**Proposed Objection Procedure**"):

- a) Within three (3) business days of the date of the Order on this Motion, the Receiver will post the Order on his website, [www.nadelreceivership.com](http://www.nadelreceivership.com). A copy of this Motion will be posted soon after it is filed.
- b) Within ten (10) days after the date of the Order on this Motion, the Receiver will mail each Claimant by United States First Class Mail at the address provided on the Proof of Claim Form a letter setting forth the procedure for objecting to the Receiver's determination of a claim (the "**Receiver's Claim Determination**"), claim priority, or plan of distribution as approved by the Court. The letter will provide notice that the Court's Order on this Motion is available on the Receiver's website. The letter will further provide that a Claimant may contact the Receiver's office for a copy of the Motion and/or Order in the event a Claimant does not have access to the internet or cannot otherwise access the Motion and/or Order.
- c) Any Claimant that is dissatisfied with the Receiver's Claim Determination, claim priority, or plan of distribution must serve the Receiver in accordance with the service requirements of Rule 5 of the Federal Rules of Civil Procedure with a written objection no later than twenty (20) days after the date of mailing of the Receiver's letter advising the Claimant of the Order on this Motion. All objections must be served on the Receiver at Burton W. Wiand c/o Maya M. Lockwood, Esq., Wiand Guerra King P.L., 3000 Bayport Drive, Suite 600, Tampa, Florida 33607, and should not be filed with the Court. Such objections shall clearly state the nature and basis of the objection, and provide all supporting statements and documentation the Claimant wishes the Receiver and the Court to consider.

- d) Failure to properly and timely serve an objection to the Receiver's Claim Determination, claim priority, or plan of distribution shall permanently waive the Claimant's right to object to or contest the Receiver's Claim Determination, claim priority, and plan of distribution and the final claim amount shall be set as the Allowed Amount determined by the Receiver as set forth in the Exhibits attached to this Motion as approved by the Court.
- e) Although each objecting Claimant previously submitted to this Court's jurisdiction by filing a claim with the Receiver, by serving an objection the objecting Claimant shall be deemed to have confirmed submission to the jurisdiction of this Court. A person serving an objection to the Receiver's Claim Determination, claim priority, or plan of distribution, shall be entitled to notice, but only as it relates to adjudication of the particular objection and the claim to which the objection is directed.
- f) The Receiver may attempt to settle and compromise any claim or objection subject to the Court's final approval.
- g) At such times as the Receiver deems appropriate, he shall file with the Court: (1) the Receiver's further determination of a claim with any supporting documents or statements he considers are appropriate, if any; (2) any unresolved objections, with supporting statements and documentation, as served on the Receiver by the Claimant; and (3) any settlements or compromises that the Receiver wishes the Court to rule upon.
- h) The Court may make a final determination based on the submissions identified in the previous paragraph or may set the matter for hearing and, following the hearing, make a final determination. The Claimant shall have the burden of proof. The Receiver will provide notice of such hearing as provided in paragraph e) above.

This Proposed Objection Procedure promotes judicial efficiency, reduces litigation costs for the Receivership, is logical, fair, and reasonable, and is in the Receivership's best interest.

**B. The Proposed Objection Procedure Is Consistent With Applicable Legal And Equitable Principles**

The Proposed Objection Procedure satisfies due process. Due process essentially requires that the proceeding be fair and that affected parties be given notice and an opportunity to be heard. *See Cleveland Bd. of Educ. v. Loudermill*, 470 U.S. 532, 542 (1985); *Elliott*, 953 F.2d at 1566. The use of summary proceedings to implement claims procedures is customary in Commission receiverships and satisfies due process requirements when claimants receive an opportunity to be heard, to object to their claim determination, and to have their claims considered by a court. *See Elliott*, 953 F.2d at 1566; *Basic Energy*, 273 F.3d at 668-671. The Proposed Objection Procedure achieves each of these requirements.

*FDIC v. Bernstein* noted:

One common thread keeps emerging out of the cases involving equity receiverships – that is, a district court has extremely broad discretion in supervising an equity receivership and in determining the appropriate procedures to be used in its administration.

In keeping with this broad discretion, “the use of summary proceedings in equity receiverships as opposed to plenary proceedings under the Federal Rules of [Civil Procedure] is within the jurisdictional authority of a district court.” Such procedures “avoid formalities that would slow down the resolution of disputes. This promotes judicial efficiency and reduces litigation costs to the receivership,” thereby preserving receivership assets for the benefit of creditors.

786 F. Supp. 170, 177-78 (E.D.N.Y. 1992) (citations omitted). Under applicable law, this Court should approve the Proposed Objection Procedure because it satisfies due process and is logical, fair, and reasonable. *See Elliott*, 953 F.2d at 1567 (summary proceedings are appropriate where party has full and fair opportunity to present claims and defenses).

Specifically, the Proposed Objection Procedure provides for (1) notice to Claimants of the Receiver's determination of their claims, claim priority, and plan of distribution; (2) the opportunity for Claimants to object to these matters; and (3) the review of unresolved objections by the Court.

Importantly, the Proposed Objection Procedure eliminates the need for any objections to be filed with the Court in direct response to this Motion. In turn, that will preclude inefficient piecemeal presentation and adjudication of objections by the Court. Such a piecemeal process would result in an inefficient claims process for both the Court and the Receivership. As such, the Proposed Objection Procedure promotes judicial efficiency; reduces litigation costs for the Receivership; is logical, fair, and reasonable; and meets due process requirements.

### CONCLUSION

For these reasons, the Receiver respectfully requests the Court enter an order:<sup>24</sup>

1. Approving the Receiver's determination of claims as set forth in this Motion and in attached **Exhibits B** through **J**;
2. Authorizing the Receiver to consolidate all Receivership Entities' assets and liabilities for all purposes, including for payment of administrative costs, for receipt of third-party recoveries, and for making distributions to holders of allowed claims;
3. Approving the Net Investment Method as set forth above and in the attached Exhibits as the proper method for calculating allowed amounts for investors;

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<sup>24</sup> For the Court's convenience, a copy of a proposed order granting this Motion is attached as **Exhibit L**.

4. Approving the plan of distribution as set forth above in Section IV.;
5. Approving the Proposed Objection Procedure as set forth above in Section V. for objections to the plan of distribution and the Receiver's claim determinations and claim priorities as set forth in this Motion and attached **Exhibits B** through **J**; and
6. Precluding further claims against Receivership Entities, Receivership property, the Receivership estate, or the Receiver by any Claimant, taxing authority, or any other public or private person or entity and precluding any proceedings or other efforts to enforce or otherwise collect on any lien, debt, or other asserted interest in or against Receivership Entities, Receivership property, or the Receivership estate.

**LOCAL RULE 3.01(G) CERTIFICATION**

The undersigned counsel for the Receiver has conferred with counsel for the Commission and is authorized to represent to the Court that the Commission has no objection to the relief sought herein.

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on December 7, 2011, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

**I FURTHER CERTIFY** that on December 8, 2011, I will mail the foregoing document and the notice of electronic filing by first-class mail to the following non-CM/ECF participant(s):

Arthur Nadel  
Register No. 50690-018  
FCI BUTNER LOW  
Federal Correctional Institution  
P.O. Box 999  
Butner, NC 27509

**s/Gianluca Morello**

Gianluca Morello, FBN 034997

[gmorello@wiandlaw.com](mailto:gmorello@wiandlaw.com)

Michael S. Lamont, FBN 0527122

[mlamont@wiandlaw.com](mailto:mlamont@wiandlaw.com)

Maya M. Lockwood, FBN 0175481

[mlockwood@wiandlaw.com](mailto:mlockwood@wiandlaw.com)

WIAND GUERRA KING P.L.

3000 Bayport Drive, Suite 600

Tampa, Florida 33607

Tel.: (813) 347-5100

Fax: (813) 347-5198

*Attorneys for Burton W. Wiand, Receiver*

# EXHIBIT A



**PROOF OF CLAIM FORM**

SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff,

v.

ARTHUR NADEL, SCOOP CAPITAL, LLC, SCOOP  
MANAGEMENT, INC.,

Defendants,

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

Relief Defendants.

Name and address of Claimant  
(Please print or type):

Account Name:

Fund Name:

Case Number: 8:09-CV-00087-T-26TBM

U.S. District Court Middle District of  
Florida (Tampa Division)

**ATTENTION:**

The Honorable Richard A. Lazzara of the United States District Court, Middle District of Florida, entered Orders appointing Burton W. Wiand as Receiver of SCOOP CAPITAL, LLC; SCOOP MANAGEMENT, INC.; SCOOP REAL ESTATE, L.P.; VALHALLA INVESTMENT PARTNERS, L.P.; VALHALLA MANAGEMENT, INC.; VICTORY FUND, LTD.; VICTORY IRA FUND, LTD.; VIKING IRA FUND, LLC; VIKING FUND, LLC; VIKING MANAGEMENT, LLC; VENICE JET CENTER, LLC; TRADEWIND, LLC; LAUREL MOUNTAIN PRESERVE, LLC; LAUREL PRESERVE, LLC; THE MARGUERITE J. NADEL REVOCABLE TRUST UAD 8/2/07; THE LAUREL MOUNTAIN PRESERVE HOMEOWNERS ASSOCIATION, INC.; THE GUY-NADEL FOUNDATION, INC.; LIME AVENUE ENTERPRISES, LLC; A VICTORIAN GARDEN FLORIST, LLC; VIKING OIL & GAS, LLC; and HOME FRONT HOMES, LLC (individually, "Receivership Entity," and collectively, "Receivership Entities"). On April 21, 2010, the Court issued an Order establishing a Claim Bar Date for all claims and approving this Proof of Claim Form and the basic procedures to administer any claims. In order to be eligible to receive a distribution from the Receivership Entities' assets, you must complete and return this Proof of Claim Form and, if applicable, provide the requested documentation, so that it is received on or before **September 2, 2010, to Burton W. Wiand, Receiver, c/o Maya M. Lockwood, Esquire, Wiand Guerra King P.L., 3000 Bayport Drive, Suite 600, Tampa, Florida 33607.** *The proper filing of this completed claim form may entitle you to receive a distribution from the Receivership. Altered forms will not be accepted.*

The information provided in this Proof of Claim Form will be used to calculate your distribution, if any, from the Receivership. The Receiver has the right to dispute and/or verify any information you have provided in order to determine the proper distribution amount, if any, to which you may be entitled. The Receiver further has the right to amend any information he may have provided as to your Net Investment Amount. **By identifying and providing a Net Investment Amount for an account the Receiver does not waive any right to (1) deny, contest the validity of, or otherwise object to a claim or (2), if warranted, amend the provided Net Investment Amount.**

**IMPORTANT INFORMATION TO READ PRIOR TO SUBMITTING THIS FORM**

ANY PERSON OR ENTITY SUBMITTING THIS PROOF OF CLAIM FORM SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF FLORIDA FOR ALL PURPOSES, INCLUDING, WITHOUT LIMITATION, AS TO ANY CLAIMS, OBJECTIONS, DEFENSES, OR COUNTERCLAIMS THAT COULD BE OR HAVE BEEN ASSERTED BY THE RECEIVER AGAINST SUCH CLAIMANT OR THE HOLDER OF SUCH CLAIM IN CONNECTION WITH THIS RECEIVERSHIP, INCLUDING THOSE ARISING OUT OF (1) ANY DEALING OR BUSINESS TRANSACTED BY OR WITH ANY RECEIVERSHIP ENTITY OR (2) ANY DEALING OR BUSINESS TRANSACTED THAT RELATES IN ANY WAY TO ANY RECEIVERSHIP PROPERTY. FURTHER, CLAIMANTS WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO SUCH CLAIMS, OBJECTIONS, DEFENSES, AND COUNTERCLAIMS. IF THIS COMPLETED FORM, SIGNED UNDER PENALTY OF PERJURY, IS NOT RECEIVED BY THE RECEIVER AT THE ABOVE-REFERENCED ADDRESS BY **SEPTEMBER 2, 2010**, YOU WILL BE FOREVER BARRED FROM ASSERTING ANY CLAIM AGAINST THE RECEIVERSHIP ENTITIES' ASSETS AND YOU WILL NOT BE ELIGIBLE TO RECEIVE ANY DISTRIBUTIONS FROM THE RECEIVER.

**General Instructions.**

**You must answer each and every question. Please answer each question as fully as possible. If you need additional space to complete an answer, please attach a separate sheet of paper and indicate the number of the question for which you are providing the additional information. If the question does not apply to you, please write "not applicable." Do not write "NA," "N/A" or the like. If the answer to the question is "no" or "none," please answer as such.**

1. Full name of person completing this form. \_\_\_\_\_
2. If this form is being completed on behalf of a person or entity other than the person listed in question 1, please provide the name of the person or entity with an interest in the Receivership Entities' assets.

\_\_\_\_\_

3. If this form is being completed on behalf of an entity, please provide the full name of the entity and all of its trustees, officers, directors, managing agents, shareholders, partners, beneficiaries, and any other party with an interest in the entity.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Current address and telephone number of person completing this form.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Current address and telephone number of person or entity with an interest in the Receivership Entities' assets (if different from answer to question 4).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Provide **one** mailing address where you (or the person/entity on whose behalf you are acting) authorize the receipt of all future communications relating to this claim, including any possible distribution payment you may receive. It is your responsibility to advise the Receiver of any change to this address after the submission of this form.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Please refer to Exhibit A attached to this document. If sufficient information is available, this Exhibit provides the following information for the identified "account:" (1) the total amount invested; (2) the total amount received; and (3) the Net Investment Amount. If you received funds unrelated to your investment in an "account" (for example, incentive fees), those amounts will also appear in the attached Exhibit. Do the amounts listed in the Exhibit accurately represent the amount of your investment into and all amounts received from that account and any other funds you received from the Receivership Entities? Failure to respond to this question will mean that you agree with the amounts listed in the Exhibit.

\_\_\_\_\_ Yes \_\_\_\_\_ No.

**If you answered yes, you do not have to respond to questions 8 and 9.**

8. Please provide the following information regarding your investment in or with, or interest in, any Receivership Entity, and attach copies of all checks, bank or other financial account statements, invoices, wire transfer confirmations, and other documents relating to your answer:

1<sup>st</sup> investment in or with the Receivership Entities:

totaled \$ \_\_\_\_\_  
was made on \_\_\_\_\_ (date);  
through a check (or wire transfer) made payable to \_\_\_\_\_ and drawn on account number \_\_\_\_\_ with \_\_\_\_\_ (identify financial institution); for \_\_\_\_\_ (identify the purported fund or other entity through which your investment in or with the Receivership Entities was made).

If applicable, 2<sup>nd</sup> investment in or with the Receivership Entities:

totaled \$ \_\_\_\_\_  
was made on \_\_\_\_\_ (date);  
through a check (or wire transfer) made payable to \_\_\_\_\_ and drawn on account number \_\_\_\_\_ with \_\_\_\_\_ (identify financial institution); for \_\_\_\_\_ (identify the purported fund or other entity through which your investment in or with the Receivership Entities was made).

If additional investments were made, please attach a separate sheet identifying (1) those amounts, (2) the dates on which they were made, (3) the payee (or recipient) of the check (or wire transfer), (4) the account number and financial institution holding the account, and (5) the purported fund or other entity through which your investment in or with the Receivership Entities was made.

**Total amount you are claiming you invested in the Receivership Entities: \$ \_\_\_\_\_**

9. Have you ever received any amount from a Receivership Entity, either as a distribution on your investment or for any other reason? \_\_\_\_\_ Yes \_\_\_\_\_ No. If yes, please provide the following information for each amount received, and attach copies of all checks, bank or other financial account statements, wire transfer confirmations, and other documents relating to your answers.

|    | <u>Date</u> | <u>Amount</u> | <u>Payor/Payee of check/wire</u> |
|----|-------------|---------------|----------------------------------|
| A. | _____       | _____         | _____                            |
| B. | _____       | _____         | _____                            |
| C. | _____       | _____         | _____                            |

If any additional amounts were received from any Receivership Entity, please attach a separate sheet identifying those amounts, the dates on which they were received, and the payor and payee of the check(s) or wire transfers.

**Total amount you are claiming you received from the Receivership Entities: \$ \_\_\_\_\_**

10. Was any deposit into this account transferred from any other account with any Receivership Entity? \_\_\_\_\_ Yes \_\_\_\_\_ No. If yes, please identify the date of any such transfer(s), the account name(s) and Receivership Entity from which the funds were transferred, and the amount of the transfer(s).

\_\_\_\_\_  
\_\_\_\_\_

11. Was your investment funded in any part with an investment in or funds received or transferred from any "investment club" operated by Arthur Nadel, such as Harmony Investment Club, Indigo Investment Club, or Traders Investment Club? \_\_\_\_\_ Yes \_\_\_\_\_ No.

If you answered yes, please identify with specificity the funds received or transferred, the date of any such transfer, and the name of the investment club from which the funds originated.

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12. Have you filed or otherwise commenced any lawsuits, arbitrations, actions, or other proceedings; or made any demands against any person or entity, relating in any way to your investment in or with any Receivership Entity, including against (i) financial institutions; (ii) employees, officers, directors, representatives, other investors, or shareholders of any Receivership Entity; (iii) brokers or agents; or (iv) any other person or entity? \_\_\_\_\_ Yes \_\_\_\_\_ No.

If you answered yes, please identify with specificity the nature and status of any lawsuits, arbitrations, actions, other proceedings or demands that you have filed, made or otherwise commenced. Please include the name of the attorney and/or firm who commenced any such proceeding or made any such demand on your behalf.

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13. If you were not an investor in a Receivership Entity, state how you claim an interest in any distribution by the Receivership Entities (for example, if you are the beneficiary of a deceased investor, the investment was assigned or sold to you, or you provided services or goods to the Receivership Entities for which you have not been paid).

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14. Did you receive anything of value other than money from any Receivership Entity at any point in time (for example, fax machines, shares of stock)? \_\_\_\_\_ Yes \_\_\_\_\_ No. If yes, please identify what you received, from whom, and the date on which you received it.

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15. Identify your primary contact person(s) at the Receivership Entities.

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16. List any other employees or other representatives of any Receivership Entity or anyone else associated with a Receivership Entity, including any accountant (such as Michael Zucker), lawyer (such as lawyers associated with Holland & Knight LLP), or investment or trading representative (such as anyone associated with Shoreline Group, LLC) with whom you communicated or dealt.

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17. Please identify with specificity the way in which you came to learn about the Receivership Entities and thereafter invest in or with any of them, including the person who introduced you to the Receivership Entities, the statements made by that person, any documents provided by that person, meetings you had with the representative(s) of the Receivership Entities, information that you relied on, and any other information.

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Please submit this completed and signed, under penalty of perjury, Proof of Claim Form and legible copies of any documentation requested in this form to **Burton W. Wiand, Receiver, c/o Maya M. Lockwood., Esquire, Wiand Guerra King P.L., 3000 Bayport Drive, Suite 600, Tampa, Florida 33607 SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 2, 2010.**

IF YOU DO NOT AGREE WITH ANY AMOUNTS PROVIDED ON EXHIBIT A OR NO AMOUNTS WERE PROVIDED ON EXHIBIT A, YOU MUST PROVIDE ALL DOCUMENTS OR OTHER MATERIAL THAT IS RELATED IN ANY WAY TO YOUR INVESTMENT IN THE RECEIVERSHIP ENTITIES, OR, IF YOU ARE NOT AN INVESTOR, TO YOUR CLAIM AGAINST A RECEIVERSHIP ENTITY, INCLUDING COPIES OF YOUR CANCELLED CHECKS, BANK OR OTHER FINANCIAL ACCOUNT STATEMENTS SHOWING THE TRANSFER OF FUNDS INVESTED AND RECEIVED, STATEMENTS FROM THE RECEIVERSHIP ENTITIES, WIRE TRANSFER CONFIRMATIONS, AND ANY OTHER DOCUMENTS REGARDING YOUR CLAIM(S).

Sign, date, print your name and title, if any.

**By signing below, I certify under penalty of perjury pursuant to 28 U.S.C. § 1746 which forms part of the laws of the United States of America that the information provided in this form is true and correct.**

Sign: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**Account Name:**

**Fund Name:**

**Amount Invested:**

**Total Payments:**

**Net Investment Amount:**

*The Receiver has determined not to specify a Net Investment Amount for the above-named account, entity and/or individual. Please respond to questions 8 and 9 on the Proof of Claim Form and provide all documents and other material that supports and otherwise relates in any way to your claim, including copies of cancelled checks, bank or other financial account statements showing the transfer of funds invested and received, statements from the Receivership Entities, wire transfer confirmations, and any other documents regarding your claim.*

THE RECEIVER HAS PROVIDED THE ABOVE INFORMATION BASED UPON DOCUMENTS AVAILABLE TO HIM. THESE FIGURES ARE BELIEVED TO BE ACCURATE AND REASONABLE CONCLUSIONS. PLEASE CAREFULLY REVIEW THE ABOVE AMOUNTS. IF THE NUMBERS PROVIDED ARE NOT CONSISTENT WITH YOUR RECORDS, IT IS YOUR OBLIGATION TO PROVIDE TRUE AND CORRECT INFORMATION TO THE RECEIVER. IF YOU CONFIRM THAT THE ABOVE AMOUNTS ACCURATELY REPRESENT THE AMOUNT INVESTED INTO AND ALL AMOUNTS RECEIVED FROM THE ABOVE-NAMED ACCOUNT AND ANY OTHER FUNDS YOU RECEIVED FROM THE RECEIVERSHIP ENTITIES, YOU ARE DOING SO UNDER PENALTY OF PERJURY.

BY IDENTIFYING AND PROVIDING THE ABOVE FIGURES, THE RECEIVER DOES NOT WAIVE ANY RIGHT TO (1) DENY, CONTEST THE VALIDITY OF, OR OTHERWISE OBJECT TO A CLAIM OR, (2) IF WARRANTED, AMEND ANY OF THE PROVIDED FIGURES.

# EXHIBIT B

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**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 1            | VICR      | \$123,048.52              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$123,048.52   |
| 2            | VAL       | \$300,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$300,000.00   |
| 3            | VAL       | \$750,008.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$750,008.00   |
| 4            | VIK       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |
| 5            | VAL       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$250,000.00   |
| 6            | VAL       | \$300,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$300,000.00   |
| 7            | VIK       | \$250,000.00              | Receivership Records reflect that this Claimant had one account with a Net Investment Amount of \$750,000.00. However, the Receiver learned that this Claimant is a nominal owner, and the Claimant submitted two claims which equal this amount on behalf of two separate beneficial owners. The Receiver has recommended that one of these claims, Claim Number 444, in the amount of \$500,000.00 be denied. The Receiver recommends that this claim be allowed for the amount of \$250,000.00, which represents the portion of the Net Investment Amount attributable to one beneficial owner. | \$250,000.00   |
| 8            | VAL       | \$500,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$500,000.00   |
| 9            | VIC       | \$150,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 10 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. The Receiver's determination of this claim is reflected in Claim Number 10.   | N/A            |
| 10           | SCP       | \$200,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 9 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed in the combined Net Investment Amount of \$350,000.00, which matches the combined claim amount of Claim Numbers 9 and 10.  | \$350,000.00   |
| 11           | VIK       | \$350,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$350,000.00   |
| 12           | VAL       | \$1,000,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,000,000.00 |
| 13           | VIK       | \$1,000,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,000,000.00 |
| 14           | VIC       | \$159,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$159,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.



**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 15           | VAL       | \$250,000.00              | Receivership Records confirm the amount claimed by the Claimant. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$250,000.00 as claimed by the Claimant.  | \$250,000.00   |
| 16           | VIC       | \$85,539.36               | The Claimant indicated that 47.528% of the Net Investment Amount of a related account, Claim Number 177, was transferred to this account and the balance was transferred to Claim Number 17. The Receiver recommends that these transfers be recognized which will have no net effect on the total amount allowed for these three claims and that this claim be allowed for \$85,539.36.  | \$85,539.36    |
| 17           | VIC       | \$94,460.64               | The Claimant indicated that 52.4781% of the Net Investment Amount of a related account, Claim Number 177, was transferred to this account and the balance was transferred to Claim Number 16. The Receiver recommends that these transfers be recognized which will have no net effect on the total amount claimed for these three claims and that this claim be allowed for \$94,460.64.   | \$94,460.64    |
| 18           | VIKR      | \$253,786.84              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$253,786.84   |
| 19           | VICR      | \$230,000.00              | The Claimant indicated that the current custodian is Lincoln Trust Co. Accordingly, the Receiver recommends that this claim be allowed in the name of Lincoln Trust Co. FBO Claimant for the amount of \$230,000.00 which matches the claim amount.   | \$230,000.00   |
| 20           | VIKR      | \$101,169.24              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 21. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 20 and 21. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 20 and 21. The Receiver's determination of this claim is reflected in Claim Number 21.   | N/A            |
| 21           | VIKR      | \$5,000.00                | The Claimant submitted Proof of Claim Forms for this account and Claim Number 20. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 20 and 21. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 20 and 21. Accordingly, the Receiver recommends that this claim be allowed in the name of NTC & Co. FBO Claimant for the combined Net Investment Amount of \$106,169.24. | \$106,169.24   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 22           | SCP       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$200,000.00   |
| 23           | VIKR      | \$1,114,976.25            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$1,114,976.25 |
| 24           | SCP       | \$480,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 25 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. The Receiver's determination of this claim is reflected in Claim Number 25.   | N/A            |
| 25           | VAL       | \$480,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 24 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$960,000.00, which matches the combined claim amount of Claim Numbers 24 and 25.   | \$960,000.00   |
| 26           | VIK       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$200,000.00   |
| 27           | VAL       | \$629,950.00              | Receivership Records confirm the amount claimed by the Claimant. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$629,950.00 as claimed by the Claimant.  | \$629,950.00   |
| 28           | VIK       | \$100,000.00              | Upon further review and as confirmed by Claimant, the Receiver determined that this claim should be in the name of the Claimant's former spouse. The Receiver recommends that this claim be allowed for the Net Investment Amount of \$100,000 in the name of the Claimant's former spouse.   | \$100,000.00   |
| 29           | SCP       | \$125,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$125,000.00   |
| 30           | VIK       | \$732,722.35              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 31. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 30 and 31. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 30 and 31. The Receiver's determination of this claim is reflected in Claim Number 31. | N/A            |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 31           | SCP       | \$1,000,000.00            | The Claimant submitted Proof of Claim Forms for this account and Claim Number 30. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 30 and 31. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 30 and 31. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$1,732,722.35. | \$1,732,722.35 |
| 32           | VIK       | \$1,145,297.46            | The Claimant submitted Proof of Claim Forms for this account and Claim Number 33. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 32 and 33. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 32 and 33. The Receiver's determination of this claim is reflected in Claim Number 33.   | N/A            |
| 33           | SCP       | \$1,535,000.00            | The Claimant submitted Proof of Claim Forms for this account and Claim Number 32. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 32 and 33. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 32 and 33. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$2,680,297.46. | \$2,680,297.46 |
| 34           | VICR      | \$640,337.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$640,337.00   |
| 35           | VIC       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$100,000.00   |
| 36           | VIK       | \$1,175,737.99            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$1,175,737.99 |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 4 of 33

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 37           | VIC       | \$1,000,000.00            | The Claimant submitted Proof of Claim Forms for this account and Claim Number 38. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 37 and 38. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 37 and 38. The Receiver's determination of this claim is reflected in Claim Number 38.   | N/A            |
| 38           | VICR      | \$1,744,514.53            | The Claimant submitted Proof of Claim Forms for this account and Claim Number 37. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 37 and 38. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 37 and 38. The Claimant provided information that the new custodian for this account is Fidelity. Accordingly, the Receiver recommends that this claim be allowed in the name of Fidelity FBO Claimant for the combined Net Investment Amount of \$2,744,514.53. | \$2,744,514.53 |
| 39           | VIKR      | \$2,655,528.77            | The Claimant provided information that the new custodian for this account is Fidelity. Accordingly, the Receiver recommends that this claim be allowed in the name of Fidelity FBO Claimant for the Net Investment Amount which matches the claim amount.   | \$2,655,528.77 |
| 40           | VIC       | \$2,000,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$2,000,000.00 |
| 41           | VIKR      | \$150,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$150,000.00   |
| 42           | SCP       | \$35,012.21               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$35,012.21    |
| 43           | VIK       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$200,000.00   |
| 44           | VIKR      | \$213,895.23              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$213,895.23   |
| 45           | VIKR      | \$315,946.54              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$315,946.54   |
| 46           | VIC       | \$190,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$190,000.00   |
| 47           | VIC       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$250,000.00   |
| 48           | VIKR      | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$250,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 49           | VICR      | \$148,650.91              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$148,650.91   |
| 50           | SCP       | \$275,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$275,000.00   |
| 51           | VIK       | \$275,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$275,000.00   |
| 52           | VAL       | \$0.00                    | As the Claimant has not sought any amount for this claim, the Receiver recommends recognizing the claim with no amount allowed for the claim.  | None           |
| 53           | VIC       | \$330,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$330,000.00   |
| 54           | VIK       | \$180,342.05              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$180,342.05   |
| 55           | VIK       | \$44,086.66               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$44,086.66    |
| 56           | SCP       | \$68,519.13               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$68,519.13    |
| 57           | SCP       | \$194,000.00              | Upon further review, the Receiver discovered that the amount previously calculated for withdrawals was overstated by \$28,000.00. Accordingly, the Receiver recommends that this claim be allowed for \$222,000.00.  | \$222,000.00   |
| 58           | VICR      | \$0.00                    | As the Claimant has not sought any amount for this claim, the Receiver recommends recognizing the claim with no amount allowed for the claim.  | None           |
| 59           | VAL       | \$90,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$90,000.00    |
| 60           | VAL       | \$645,890.14              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$645,890.14   |
| 61           | VICR      | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |
| 62           | VICR      | \$1,661,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,661,000.00 |
| 63           | SCP       | \$577,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$577,000.00   |
| 64           | VIK       | \$1,190,547.63            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,190,547.63 |
| 65           | VIKR      | \$69,975.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$69,975.00    |
| 66           | SCP       | \$200,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 67 because these accounts are held by the same investors. Consolidating these claims does not change the total combined amount allowed for these two claims. The Receiver's determination of this claim is reflected in Claim Number 67. | N/A            |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 67           | VAL       | \$1,282,000.00            | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 66 because these accounts are held by the same investors. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$1,482,000.00, which matches the combined claim amount of Claim Numbers 66 and 67.   | \$1,482,000.00 |
| 68           | VAL       | \$213,915.04              | While Receivership Records indicated that the Claimant invested \$272,387.84, the Claimant stated that he only invested \$213,915.04. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$213,915.04 as claimed by the Claimant.  | \$213,915.04   |
| 69           | VIKR      | \$58,208.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$58,208.00    |
| 70           | VAL       | \$1,000,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,000,000.00 |
| 71           | VIC       | \$0.00                    | The Claimant did not specify any amount he is seeking for this claim or supply any supporting documentation. The Receiver sent the Claimant a deficiency letter noting these and other deficiencies. The Claimant submitted an amended Proof of Claim Form but again did not specify a claim amount or provide any supporting documents. As such, the Receiver believes that the Claimant is not seeking any amount for this claim and thus, the Receiver recommends recognizing the claim with no amount allowed for the claim. | None           |
| 72           | VICR      | \$199,475.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$199,475.00   |
| 73           | VICR      | \$241,504.81              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$241,504.81   |
| 74           | VIK       | \$182,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$182,000.00   |
| 75           | VIC       | \$265,734.25              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$265,734.25   |
| 76           | VIK       | \$80,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$80,000.00    |
| 77           | VIK       | \$165,825.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$165,825.00   |
| 78           | VIK       | \$70,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$70,000.00    |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 79           | VIKR      | \$409,695.57              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 80. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 79 and 80. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 79 and 80. The Receiver's determination of this claim is reflected in Claim Number 80.   | N/A            |
| 80           | VIKR      | \$0.00                    | The Claimant submitted Proof of Claim Forms for this account and Claim Number 79. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 79 and 80. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 79 and 80. Accordingly, the Receiver recommends that this claim be allowed in the name of NTC & Co. FBO Claimant for the combined Net Investment Amount of \$409,695.57. | \$409,695.57   |
| 81           | VIK       | \$550,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$550,000.00   |
| 82           | VIK       | \$75,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$75,000.00    |
| 83           | VIKR      | \$15,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$15,000.00    |
| 84           | VIC       | \$350,000.00              | Receivership Records confirm the amount claimed by the Claimant. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$350,000.00 as claimed by the Claimant.  | \$350,000.00   |
| 85           | VIKR      | \$519,205.00              | The amount claimed by the Claimant sufficiently comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$519,205.00 as claimed by the Claimant.   | \$519,205.00   |
| 86           | VICR      | \$88,220.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$88,220.00    |
| 87           | VAL       | \$80,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$80,000.00    |
| 88           | VIK       | \$1,388,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$1,388,000.00 |
| 89           | VIK       | \$603,537.45              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$603,537.45   |
| 90           | VIKR      | \$128,877.67              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$128,877.67   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 91           | VIC       | \$74,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$74,000.00    |
| 92           | VIC       | \$135,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$135,000.00   |
| 93           | VIK       | \$300,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$300,000.00   |
| 94           | VIK       | \$150,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$150,000.00   |
| 95           | VIK       | \$439,491.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$439,491.00   |
| 96           | VIK       | \$365,493.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$365,493.00   |
| 97           | VIKR      | \$87,710.81               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$87,710.81    |
| 98           | VIKR      | \$375,000.00              | Upon further review, \$1,500,000.00 was transferred from Claim Number 102 and split equally between this account and Claim Number 105. This was orally confirmed with the Claimants. The Receiver recommends that these transfers be recognized, which will have no net effect on the total combined amount allowed for these three claims and that this claim be allowed for \$375,000.00.   | \$375,000.00   |
| 99           | VIK       | \$369,495.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$369,495.00   |
| 100          | SCP       | \$1,260,004.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$1,260,004.00 |
| 101          | VIKR      | \$147,764.71              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$147,764.71   |
| 102          | VIK       | \$228,211.00              | Upon further review, \$1,500,000.00 was transferred from this account and split equally between Claim Numbers 98 and 105. This was orally confirmed with the Claimants. The Receiver recommends that these transfers be recognized, which will have no net effect on the total combined amount allowed for these three claims and that this claim be allowed for \$228,211.00.  | \$228,211.00   |
| 103          | SCP       | \$136,011.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 104 because these accounts are held by the same investors. Consolidating these claims does not change the total combined amount allowed for these two claims. The Receiver's determination of this claim is reflected in Claim Number 104.  | N/A            |
| 104          | VIK       | \$300,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 103 because these accounts are held by the same investors. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$436,011.00, which matches the combined claim amount of Claim Numbers 103 and 104. | \$436,011.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.



## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 105          | VIKR      | \$375,000.00              | Upon further review, \$1,500,000.00 was transferred from Claim Number 102 and split equally between this account and Claim Number 98. This was orally confirmed with the Claimants. The Receiver recommends that these transfers be recognized, which will have no net effect on the total combined amount allowed for these three claims and that this claim be allowed for \$375,000.00.   | \$375,000.00   |
| 106          | VIC       | \$48,811.00               | The amount claimed by the Claimants comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$48,811.00 as claimed by the Claimants.  | \$48,811.00    |
| 107          | VIK       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$250,000.00   |
| 108          | SCP       | \$270,510.60              | The Receiver initially calculated the Net Investment Amount for this account as \$190,000.00. Upon further review, the Receiver recommends that a transfer of \$80,510.60 from an account in the same name be recognized bringing the Net Investment Amount to \$270,510.60. This was orally confirmed with Claimant. No claim was filed for the related account. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$270,510.60. | \$270,510.60   |
| 109          | SCP       | \$380,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$380,000.00   |
| 110          | VIKR      | \$86,503.45               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$86,503.45    |
| 111          | VIKR      | \$124,649.71              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$124,649.71   |
| 112          | SCP       | \$500,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$500,000.00   |
| 113          | VIKR      | \$102,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$102,000.00   |
| 114          | VIK       | \$500,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$500,000.00   |
| 115          | VIC       | \$262,438.44              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$262,438.44   |
| 116          | SCP       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$200,000.00   |
| 117          | VIC       | \$11,371.80               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$11,371.80    |
| 118          | VIC       | \$4,170,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$4,170,000.00 |
| 119          | VIC       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 120          | VAL       | \$315,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 121 and 122. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 120, 121, and 122. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 120, 121, and 122. The Receiver's determination of this claim is reflected in Claim Number 122.   | N/A            |
| 121          | VICR      | \$145,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 120 and 122. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 120, 121, and 122. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 120, 121, and 122. The Receiver's determination of this claim is reflected in Claim Number 122.   | N/A            |
| 122          | VAL       | \$32,000.00               | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 120 and 121. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 120, 121, and 122. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 120, 121, and 122. Accordingly, the Receiver recommends that this claim be allowed in the name of Millennium Trust FBO Claimant for the combined Net Investment Amount of \$492,000.00. | \$492,000.00   |
| 123          | VIKR      | \$181,325.94              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$181,325.94   |
| 124          | VIC       | \$170,000.00              | The Claimant indicated that the balance of Claim Number 461, which had a Net Investment Amount of \$170,000.00, was transferred to this account. The Receiver recommends that this transfer be recognized and that this claim be allowed for \$170,000.00. The Receiver, in turn, recommends that Claim Number 461 be denied.  | \$170,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 11 of 33

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 125          | VIC       | \$250,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 126. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 125 and 126. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 125 and 126. The Receiver's determination of this claim is reflected in Claim Number 126.  | N/A            |
| 126          | SCP       | -\$150,000.00             | The Claimant submitted Proof of Claim Forms for this account and Claim Number 125. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 125 and 126. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 125 and 126. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$100,000.00. | \$100,000.00   |
| 127          | VIC       | \$168,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$168,000.00   |
| 128          | VIKR      | \$314,032.35              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$314,032.35   |
| 129          | SCP       | -\$10,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 130. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 129 and 130. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 129 and 130. The Receiver's determination of this claim is reflected in Claim Number 130.  | N/A            |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 12 of 33

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 130          | VIK       | \$320,400.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 129. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 129 and 130. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 129 and 130. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$310,400.00.   | \$310,400.00   |
| 131          | VICR      | \$168,868.31              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 132. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 131 and 132. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 131 and 132. The Receiver's determination of this claim is reflected in Claim Number 132.  | N/A            |
| 132          | VICR      | -\$91,441.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 131. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 131 and 132. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 131 and 132. Accordingly, the Receiver recommends that this claim be allowed in the name of Millennium Trust FBO Claimant for the combined Net Investment Amount of \$77,427.31. | \$77,427.31    |
| 133          | VIC       | \$178,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$178,000.00   |
| 134          | VICR      | \$156,122.46              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$156,122.46   |
| 135          | VICR      | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$200,000.00   |
| 136          | VIC       | \$166,500.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$166,500.00   |
| 137          | VIK       | \$275,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$275,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 138          | SCP       | \$313,300.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$313,300.00   |
| 139          | VICR      | \$800,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$800,000.00   |
| 140          | VIKR      | \$398,363.41              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$398,363.41 as claimed by the Claimant.   | \$398,363.41   |
| 141          | VIC       | \$273,500.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$273,500.00   |
| 142          | VIC       | \$450,022.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 143. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 142 and 143. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 142 and 143. The Receiver's determination of this claim is reflected in Claim Number 143.  | N/A            |
| 143          | SCP       | \$175,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 142. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 142 and 143. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 142 and 143. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$625,022.00. | \$625,022.00   |
| 144          | VIC       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$250,000.00   |
| 145          | VIC       | \$2,278,842.98            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$2,278,842.98 |
| 146          | VIC       | \$525,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$525,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 147          | VIK       | \$300,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 148 and 149. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 147, 148, and 149. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 147, 148, and 149. The Receiver's determination of this claim is reflected in Claim Number 149.   | N/A            |
| 148          | VIKR      | -\$250,000.00             | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 147 and 149. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 147, 148, and 149. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 147, 148, and 149. The Receiver's determination of this claim is reflected in Claim Number 149.   | N/A            |
| 149          | VIKR      | \$0.00                    | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 147 and 148. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 147, 148, and 149. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 147, 148, and 149. Accordingly, the Receiver recommends that this claim be allowed in the name of NTC & Co. FBO Claimant for the combined Net Investment Amount of \$50,000.00. | \$50,000.00    |
| 150          | VAL       | \$4,000,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$4,000,000.00 |
| 151          | SCP       | \$1,000,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,000,000.00 |
| 152          | VAL       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$250,000.00   |
| 153          | VICR      | \$370,023.02              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$370,023.02   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 154          | SCP       | \$200,000.00              | The Claimants indicated that all funds in this account were transferred to Claim Number 155. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 155.   | N/A            |
| 155          | SCP       | -\$20,000.00              | The Claimants indicated that \$200,000.00 was transferred from Claim Number 154 to this account. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these claims. Accordingly, the Receiver recommends that this claim be allowed for the Net Investment Amount of \$180,000.00, which matches the combined claim amount of Claim Numbers 154 and 155. | \$180,000.00   |
| 156          | VIKR      | \$110,972.33              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$110,972.33   |
| 157          | VAL       | \$210,001.61              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$210,001.61   |
| 158          | VIK       | \$500,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$500,000.00   |
| 159          | VICR      | \$300,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$300,000.00   |
| 160          | SCP       | \$50,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$50,000.00    |
| 161          | VIKR      | \$160,355.63              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$160,355.63   |
| 162          | VICR      | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$200,000.00   |
| 163          | VICR      | \$100,000.00              | The Receiver has information that the most recent custodian for this IRA account is TD Ameritrade. Accordingly, the Receiver recommends that this claim be allowed in the name of TD Ameritrade FBO Claimant for the Net Investment Amount, which matches the claim amount.   | \$100,000.00   |
| 164          | VAL       | \$287,062.60              | The Claimant indicated that the funds in Claim Numbers 165 and 166 were transferred to this account. The Receiver recommends that these transfers be recognized. Recognizing these transfers will not change the total combined amount allowed for these three claims. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$287,062.60 as claimed by the Claimant.  | \$287,062.60   |
| 165          | VAL       | \$0.00                    | The Claimant indicated that the funds in this account were transferred to Claim Number 164. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 164.  | N/A            |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 16 of 33

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 166          | VAL       | \$0.00                    | The Claimant indicated that the funds in this account were transferred to Claim Number 164. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 164.                              | N/A            |
| 167          | SCP       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$250,000.00   |
| 168          | VIK       | \$203,000.00              | Upon further review, the Receiver discovered that the Net Investment Amount previously calculated was understated by \$6,000.00. Accordingly, the Receiver recommends that this claim be allowed for \$209,000.00.  | \$209,000.00   |
| 169          | VIKR      | \$303,883.19              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$303,883.19 as claimed by the Claimant.  | \$303,883.19   |
| 170          | SCP       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$200,000.00   |
| 171          | VIC       | \$495,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$495,000.00   |
| 172          | VIKR      | \$664,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$664,000.00   |
| 173          | VAL       | \$50,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$50,000.00    |
| 174          | VICR      | \$98,425.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$98,425.00    |
| 175          | VIK       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$250,000.00   |
| 176          | VIKR      | \$111,153.67              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$111,153.67   |
| 177          | VIC       | \$0.00                    | The Claimants indicated all funds invested in this account were transferred to Claim Numbers 16 and 17. The Receiver recommends that these transfers be recognized. Recognizing these transfers will not change the total combined amount allowed for these three claims. The Receiver's determination of this claim is reflected in Claim Numbers 16 and 17. | N/A            |
| 178          | VIK       | \$525,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$525,000.00   |
| 179          | VICR      | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$100,000.00   |
| 180          | VIKR      | \$507,170.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$507,170.00   |
| 181          | VICR      | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$100,000.00   |
| 182          | VIK       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$200,000.00   |
| 183          | VAL       | \$350,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$350,000.00   |
| 184          | VIK       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$200,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.



## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 185          | VIK       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$250,000.00   |
| 186          | VIKR      | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$200,000.00   |
| 187          | VIKR      | \$150,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$150,000.00   |
| 188          | VICR      | \$188,750.00              | The Receiver has information which shows that the custodian for this account is NTC & Co. Accordingly, the Receiver recommends that this claim be allowed for the Net Investment Amount in the name of NTC & Co. FBO Claimant, which matches the claim amount.  | \$188,750.00   |
| 189          | VAL       | -\$52,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 190 and 191. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 189, 190, and 191. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 189, 190, and 191. The Receiver's determination of this claim is reflected in Claim Number 191.  | N/A            |
| 190          | VAL       | \$193,500.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 189 and 191. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 189, 190, and 191. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 189, 190, and 191. The Receiver's determination of this claim is reflected in Claim Number 191.  | N/A            |
| 191          | VAL       | -\$14,860.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 189 and 190. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 189, 190, and 191. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 189, 190, and 191. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$126,640.00. | \$126,640.00   |
| 192          | VIC       | \$400,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$400,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 193          | VIKR      | \$199,492.65              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$199,492.65   |
| 194          | VICR      | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$100,000.00   |
| 195          | VAL       | \$500,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$500,000.00   |
| 196          | VIC       | \$48,056.60               | The Claimant submitted Proof of Claim Forms for this account and Claim Number 197. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 196 and 197. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 196 and 197. The Receiver's determination of this claim is reflected in Claim Number 197.   | N/A            |
| 197          | VICR      | -\$29,294.32              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 196. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 196 and 197. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 196 and 197. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$18,762.28. | \$18,762.28    |
| 198          | VIC       | \$21,000.00               | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Further, for efficiency, the Receiver recommends that this claim be consolidated with Claim Number 199 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. The Receiver's determination of this claim is reflected in Claim Number 199.   | N/A            |
| 199          | SCP       | \$155,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 198 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$176,000.00, which matches the combined claim amount of Claim Numbers 198 and 199.   | \$176,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 19 of 33

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 200          | VIC       | \$35,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$35,000.00    |
| 201          | VICR      | \$203,772.28              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$203,772.28   |
| 202          | SCP       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$200,000.00   |
| 203          | VICR      | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |
| 204          | VICR      | \$100,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$100,000.00 as claimed by the Claimant.   | \$100,000.00   |
| 205          | SCP       | \$400,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$400,000.00   |
| 206          | VIKR      | \$350,851.22              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$350,851.22   |
| 207          | VIC       | \$518,250.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$518,250.00   |
| 208          | VAL       | \$300,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$300,000.00   |
| 209          | VICR      | \$54,552.25               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$54,552.25    |
| 210          | VIK       | \$350,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$350,000.00   |
| 211          | VIKR      | \$490,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Further, the Claimant indicated the most recent custodian for this account is Wachovia Bank. Accordingly, the Receiver recommends that this claim be allowed in the name of Wachovia Bank FBO Claimant for the amount of \$490,000.00 as claimed by the Claimant. | \$490,000.00   |
| 212          | VIKR      | \$35,208.33               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$35,208.33    |
| 213          | VICR      | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |
| 214          | VICR      | \$150,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$150,000.00   |
| 215          | VIKR      | \$240,511.20              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$240,511.20   |
| 216          | SCP       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |
| 217          | VIKR      | \$60,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$60,000.00    |
| 218          | VIKR      | \$88,200.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$88,200.00    |
| 219          | VICR      | \$62,987.21               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$62,987.21    |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 220          | VAL       | \$100,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 221. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 220 and 221. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 220 and 221. The Receiver's determination of this claim is reflected in Claim Number 221.   | N/A            |
| 221          | VAL       | \$0.00                    | The Claimant submitted Proof of Claim Forms for this account and Claim Number 220. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 220 and 221. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 220 and 221. Accordingly, the Receiver recommends that this claim be allowed in the name of Charles Schwab FBO Claimant for the combined Net Investment Amount of \$100,000.00. | \$100,000.00   |
| 222          | SCP       | \$370,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$370,000.00 as claimed by the Claimant.  | \$370,000.00   |
| 223          | VIK       | \$345,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$345,000.00   |
| 224          | SCP       | \$215,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$215,000.00   |
| 225          | VIKR      | \$84,223.76               | The Claimant submitted Proof of Claim Forms for this account and Claim Number 226. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim   | N/A            |
|              |           |                           | Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 225 and 226. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 225 and 226. The Receiver's determination of this claim is reflected in Claim Number 226.   |                |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 226          | VIKR      | -\$600.00                 | The Claimant submitted Proof of Claim Forms for this account and Claim Number 225. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 225 and 226. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 225 and 226. Accordingly, the Receiver recommends that this claim be allowed in the name of Millennium Trust FBO Claimant for the combined Net Investment Amount of \$83,623.76.  | \$83,623.76    |
| 227          | VIKR      | \$259,236.33              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 228. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 227 and 228. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 227 and 228. The Receiver's determination of this claim is reflected in Claim Number 228.   | N/A            |
| 228          | VIKR      | -\$400.00                 | The Claimant submitted Proof of Claim Forms for this account and Claim Number 227. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 227 and 228. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 227 and 228. Accordingly, the Receiver recommends that this claim be allowed in the name of Millennium Trust FBO Claimant for the combined Net Investment Amount of \$258,836.33. | \$258,836.33   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 229          | VIKR      | \$666,177.82              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 230. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 229 and 230. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 229 and 230. The Receiver's determination of this claim is reflected in Claim Number 230.  | N/A            |
| 230          | VIKR      | \$0.00                    | The Claimant submitted Proof of Claim Forms for this account and Claim Number 229. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 229 and 230. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 229 and 230. Accordingly, the Receiver recommends that this claim be allowed in the name of Millennium Trust FBO Claimant for the combined Net | \$666,177.82   |
| 231          | VIKR      | \$52,792.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$52,792.00    |
| 232          | VIC       | \$40,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$40,000.00    |
| 233          | VIC       | \$1,430,000.00            | The Receiver initially calculated the Net Investment Amount for this account as \$1,430,000.00. Upon further review, \$1,050,000.00 was transferred from this account to Claim Number 234. This was orally confirmed with the Claimant. The Receiver recommends that this transfer be recognized bringing the Net Investment Amount of this account to \$400,000.00 and the Net Investment Amount for Claim Number 234 to \$1,480,000.00. Recognizing this transfer will not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the Net Investment Amount of \$400,000.00.   | \$400,000.00   |
|              |           |                           |  |                |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 23 of 33

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 234          | VIC       | \$450,000.00              | The Receiver initially calculated the Net Investment Amount for this account as \$450,000.00. Upon further review, \$1,050,000.00 was transferred to this account from Claim Number 233. This was orally confirmed with the Claimant. The Receiver recommends that this transfer be recognized bringing the Net Investment Amount of this account to \$1,480,000.00 and the Net Investment Amount for Claim Number 233 to \$400,000.00. Recognizing this transfer will not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the Net Investment Amount of \$1,480,000.00. | \$1,480,000.00 |
| 235          | VIKR      | \$220,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$220,000.00   |
| 236          | VIK       | \$510,512.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$510,512.00   |
| 237          | VIK       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |
| 238          | VAL       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |
| 239          | VAL       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$250,000.00   |
| 240          | VIC       | \$110,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$110,000.00   |
| 241          | VIKR      | \$124,473.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$124,473.00   |
| 242          | SCP       | \$400,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$400,000.00   |
| 243          | VAL       | \$2,125,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$2,125,000.00 |
| 244          | VIC       | \$500,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 245 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 245.  | N/A            |
| 245          | SCP       | \$1,800,000.00            | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 244 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$2,300,000.00 which matches the combined claim amount of Claim Numbers 244 and 245.  | \$2,300,000.00 |
| 246          | VICR      | \$99,400.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$99,400.00    |
| 247          | VIKR      | \$98,918.49               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$98,918.49    |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 24 of 33

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 248          | VIK       | \$30,000.00               | The Receiver initially calculated the Net Investment Amount for this account as \$30,000.00. Upon further review, \$30,000.00 was transferred from this account to Claim Number 249. This was orally confirmed with the Claimant. The Receiver recommends that this transfer be recognized bringing the Net Investment Amount of this account to \$0.00 and the Net Investment Amount for Claim Number 249 to \$30,000.00. Recognizing this transfer will not change the total combined amount allowed for these two claims. The Receiver's determination of this claim is reflected in Claim Number 249.   | N/A            |
| 249          | VIK       | \$0.00                    | The Receiver initially calculated the Net Investment Amount for this account as \$0.00. Upon further review, \$30,000.00 was transferred to this account from Claim Number 248. This was orally confirmed with the Claimant. The Receiver recommends that this transfer be recognized bringing the Net Investment Amount of this account to \$30,000.00 and the Net Investment Amount for Claim Number 248 to \$0.00. Recognizing this transfer will not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the Net Investment Amount of \$30,000.00, which matches the combined claim amount of Claim Numbers 248 and 249. | \$30,000.00    |
| 250          | VAL       | \$100,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 251 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 251.   | N/A            |
| 251          | SCP       | \$200,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 250 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$300,000.00, which matches the combined claim amount of Claim Numbers 250 and 251.  | \$300,000.00   |
| 252          | VIC       | \$0.00                    | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. As the Claimant has not sought any amount for this claim, the Receiver recommends recognizing the claim with no amount allowed for the claim.  | None           |
| 253          | VIK       | \$280,924.29              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$280,924.29   |
| 254          | VIC       | \$175,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$175,000.00   |
| 255          | VIC       | \$70,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$70,000.00    |
| 256          | VIKR      | \$69,222.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$69,222.00    |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 25 of 33



**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 257          | VIKR      | \$100,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 258. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 257 and 258. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 257 and 258. The Receiver's determination of this claim is reflected in Claim Number 258.  | N/A            |
| 258          | VIKR      | \$0.00                    | The Claimant submitted Proof of Claim Forms for this account and Claim Number 257. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 257 and 258. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 257 and 258. Accordingly, the Receiver recommends that this claim be allowed in the name of NTC & Co. FBO Claimant for the combined Net Investment Amount of \$100,000.00. | \$100,000.00   |
| 259          | VICR      | \$400,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$400,000.00   |
| 260          | VIC       | \$440,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 261. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 260 and 261. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 260 and 261. The Receiver's determination of this claim is reflected in Claim Number 261.  | N/A            |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 26 of 33

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 261          | SCP       | \$500,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 260. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 260 and 261. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 260 and 261. Further, \$250,000.00 was transferred to this account from Claim Number 301. The Receiver recommends that this transfer also be recognized. Recognizing this transfer will not change the total combined amount allowed for these claims. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$1,190,000.00. | \$1,190,000.00 |
| 262          | VICR      | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$250,000.00   |
| 263          | VIKR      | \$66,340.83               | The Claimant indicated that the current custodian for this IRA is Lincoln Trust Co. Accordingly, the Receiver recommends that this claim be allowed in the name of Lincoln Trust Co. FBO Claimant for the Net Investment Amount, which matches the claim amount.  | \$66,340.83    |
| 264          | VIC       | \$140,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$140,000.00 as claimed by the Claimant.  | \$140,000.00   |
| 265          | VICR      | \$48,135.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$48,135.00    |
| 266          | VIKR      | \$175,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$175,000.00   |
| 267          | VIKR      | \$309,109.41              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$309,109.41   |
| 268          | VIK       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$250,000.00   |
| 269          | VICR      | \$100,926.30              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$100,926.30   |
| 270          | VIKR      | \$500,000.00              | Upon further review, the Receiver discovered that the Net Investment Amount for this account was understated by \$5,638.00. Further, the Receiver has information that Millennium Trust is the more current custodian. Accordingly, the Receiver recommends that this claim be allowed for \$505,638.00 in the name of Millennium Trust FBO Claimant.   | \$505,638.00   |
| 271          | VIC       | \$150,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$150,000.00   |
| 272          | VICR      | \$600,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$600,000.00   |
| 273          | VIK       | \$52,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$52,000.00    |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 27 of 33

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 274          | VIK       | \$130,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$130,000.00   |
| 275          | VAL       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$100,000.00   |
| 276          | VIK       | \$1,000,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$1,000,000.00 |
| 277          | VIK       | \$1,000,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$1,000,000.00 |
| 278          | VAL       | \$0.00                    | As the Claimants have not sought any amount for this claim, the Receiver recommends recognizing the claim with no amount allowed for the claim.   | None           |
| 279          | VIKR      | \$220,985.06              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$220,985.06   |
| 280          | VIC       | \$250,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$250,000.00   |
| 281          | VICR      | \$125,000.00              | The Receivership Records reflect that the most recent custodian for this IRA is NTC & Co. Accordingly, the Receiver recommends that this claim be allowed in the name of NTC & Co. FBO Claimant in the amount of \$125,000.00, which matches the claim amount.  | \$125,000.00   |
| 282          | SCP       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$100,000.00   |
| 283          | VIKR      | \$99,925.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$99,925.00    |
| 284          | VIKR      | \$130,750.00              | The Claimant indicated on his Proof of Claim Form that the custodian of this IRA is the Bank of Tennessee. The Receiver recommends that this claim be allowed in the name of Bank of Tennessee FBO Claimant for the Net Investment Amount, which matches the claim amount.  | \$130,750.00   |
| 285          | VIC       | \$250,000.00              | The Receiver initially calculated the Net Investment Amount for this account as \$250,000.00. Upon further review, the Receiver determined that \$126,189.00 was transferred to this account from Claim Number 286. This was orally confirmed with the Claimant. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these claims. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$376,189.00. | \$376,189.00   |
| 286          | VIC       | \$360,000.00              | The Receiver initially calculated the Net Investment Amount for this account as \$360,000.00. Upon further review, the Receiver determined that \$126,189.00 was transferred from this account to Claim Number 285. This was orally confirmed with the Claimant. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these claims. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$233,811.00. | \$233,811.00   |
| 287          | VIK       | \$487,819.58              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.  | \$487,819.58   |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 28 of 33

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 288          | VAL       | \$150,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$150,000.00   |
| 289          | VIK       | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$200,000.00   |
| 290          | VIK       | \$750,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$750,000.00   |
| 291          | VIK       | \$398,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$398,000.00   |
| 292          | VICR      | \$100,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$100,000.00 as claimed by the Claimant.   | \$100,000.00   |
| 293          | VIK       | \$600,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$600,000.00   |
| 294          | VIKR      | \$66,333.98               | The Claimant provided information that Charles Schwab is the current custodian for this IRA. As such, the Receiver recommends that this claim be allowed in the name of Charles Schwab FBO Claimant for the Net Investment Amount, which matches the claim amount.   | \$66,333.98    |
| 295          | VAL       | \$100,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 296. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 295 and 296. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 295 and 296. The Receiver's determination of this claim is reflected in Claim Number 296.  | N/A            |
| 296          | VAL       | -\$1,945.83               | The Claimant submitted Proof of Claim Forms for this account and Claim Number 295. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 295 and 296. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 295 and 296. Accordingly, the Receiver recommends that this claim be allowed in the name of Millennium Trust FBO Claimant for the combined Net Investment Amount of \$98,054.17. | \$98,054.17    |
| 297          | VICR      | \$200,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$200,000.00   |
| 298          | VIK       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 299          | VICR      | \$1,849,387.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,849,387.00 |
| 300          | SCP       | \$500,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$500,000.00   |
| 301          | VIC       | \$250,000.00              | Upon further review, the Receiver determined that the funds in this account were transferred to Claim Number 261. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 261. | N/A            |
| 302          | VIK       | \$165,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$165,000.00   |
| 303          | VIC       | \$100,000.00              | The Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$100,000.00 as claimed by the Claimant.   | \$100,000.00   |
| 304          | VIKR      | \$144,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$144,000.00   |
| 305          | VIK       | \$100,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$100,000.00   |
| 306          | VAL       | \$1,233,427.92            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,233,427.92 |
| 307          | VIC       | \$600,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$600,000.00   |
| 308          | SCP       | \$810,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$810,000.00   |
| 309          | VAL       | \$300,000.00              | The Receiver has information that the most recent custodian for this account is NTC & Co. Accordingly, the Receiver recommends that this claim be allowed in the name of NTC & Co. FBO Claimant for the Net Investment Amount, which matches the claim amount.   | \$300,000.00   |
| 310          | VIC       | \$193,406.86              | The Receivership Records reflect an additional payment of \$25,000.00 to the Claimant that she did not include in her Proof of Claim Form. The Claimant subsequently confirmed that this amount was received. Accordingly, the Receiver recommends that this claim be allowed for the Net Investment Amount of \$193,406.86.                           | \$193,406.86   |
| 311          | VICR      | \$443,092.23              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$443,092.23   |
| 312          | VIC       | \$1,650,000.00            | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$1,650,000.00 |
| 313          | VIC       | \$0.00                    | As the Claimants have not sought any amount for this claim, the Receiver recommends recognizing the claim with no amount allowed for the claim.  | None           |
| 314          | VAL       | \$0.00                    | As the Claimants have not sought any amount for this claim, the Receiver recommends recognizing the claim with no amount allowed for the claim.  | None           |
| 315          | VICR      | \$61,806.00               | Based on Receivership Records, the Receiver recommends that this claim be allowed in the amount of \$61,806.00 as claimed by the Claimant.   | \$61,806.00    |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 30 of 33

EXHIBIT B

Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 316          | SCP       | \$500,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 317 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 317.  | N/A            |
| 317          | VIK       | \$360,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 316 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$860,000.00, which matches the combined claim amount of Claim Numbers 316 and 317. | \$860,000.00   |
| 318          | VIKR      | \$198,405.42              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$198,405.42   |
| 319          | VIKR      | \$211,884.98              | While Receivership Records indicated that the Net Investment Amount for this account was \$217,400.52, the Claimant claimed a Net Investment Amount of \$211,884.98. The Receiver recommends that this claim be allowed in the amount of \$211,884.98 as claimed by the Claimant.  | \$211,884.98   |
| 320          | VAL       | \$156,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$156,000.00   |
| 321          | VIC       | \$141,167.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$141,167.00   |
| 322          |           | \$0.00                    | This claim was filed by the Claimant to provide additional information regarding Claim Number 321. The claim does not seek any amount of money from the Receivership. Please refer to Claim Number 321 for a determination of that claim.  | N/A            |
| 323          | VAL       | \$65,000.00               | The Claimants indicated that \$65,000.00 was transferred from this account to Claim Number 324. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these two claims. The Receiver's determination of this claim is reflected in Claim Number 324.   | N/A            |
| 324          | VAL       | \$0.00                    | The Claimants indicated \$65,000.00 was transferred from Claim Number 323 to this account. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$65,000.00.   | \$65,000.00    |
| 325          | VICR      | \$150,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$150,000.00   |
| 326          | VIC       | \$894,200.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$894,200.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 31 of 33

## EXHIBIT B

## Investor Claims - Allowed

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 327          | VICR      | \$44,804.28               | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 328 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 328.  | N/A            |
| 328          | VICR      | \$45,142.96               | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 327 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$89,947.24, which matches the combined claim amount of Claim Numbers 327 and 328.  | \$89,947.24    |
| 329          | VAL       | \$89,473.84               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$89,473.84    |
| 330          | VICR      | \$332,159.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$332,159.00   |
| 331          | VIK       | \$12,000.00               | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 332 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 332.  | N/A            |
| 332          | VIC       | \$102,000.00              | For efficiency, the Receiver recommends that this claim be consolidated with Claim Number 331 because these accounts are held by the same investor. Consolidating these claims does not change the total combined amount allowed for these two claims. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$114,000.00, which matches the combined claim amount of Claim Numbers 331 and 332. | \$114,000.00   |
| 333          | VAL       | \$411,800.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$411,800.00   |
| 334          | VAL       | \$448,200.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$448,200.00   |
| 335          | VICR      | \$600,900.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$600,900.00   |
| 336          | VIC       | \$14,357.83               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$14,357.83    |
| 337          | VIC       | \$0.00                    | As the Claimant has not sought any amount for this claim, the Receiver recommends recognizing the claim with no amount allowed for the claim.  | None           |
| 338          | VIK       | \$259,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$259,000.00   |
| 339          | VICR      | \$256,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$256,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 32 of 33

**EXHIBIT B**

**Investor Claims - Allowed**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount          |
|--------------|-----------|---------------------------|--|-------------------------|
| 340          | VAL       | \$2,470,000.00            | The Claimant submitted Proof of Claim Forms for this account and Claim Number 341. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 340 and 341. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 340 and 341. The Receiver's determination of this claim is reflected in Claim Number 341.  | N/A                     |
| 341          | VIC       | \$1,150,000.00            | The Claimant submitted Proof of Claim Forms for this account and Claim Number 340. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 340 and 341. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 340 and 341. Accordingly, the Receiver recommends that this claim be allowed for the combined Net Investment Amount of \$3,620,000.00. | \$3,620,000.00          |
| 342          | VAL       | \$45,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$45,000.00             |
| 343          | VIKR      | \$88,000.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$88,000.00             |
| 344          | VAL       | \$170,000.00              | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$170,000.00            |
| 345          | VIC       | \$92,250.00               | The Receiver recommends that this claim be allowed for the Net Investment Amount which matches the claim amount.   | \$92,250.00             |
| <b>Total</b> |           | <b>\$117,840,591.02</b>   |  | <b>\$117,880,229.02</b> |

<sup>1</sup> Negative amounts in this column reflect False Profits. Page 33 of 33



# EXHIBIT C

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**EXHIBIT C****Tax Lien Claims - Allowed****Class 1**

| <b>Claim Number</b> | <b>Claim Amount</b> | <b>Claim Determination</b>  | <b>Allowed Amount</b> |
|---------------------|---------------------|---|-----------------------|
| 479                 | \$3,400.00          | The IRS filed this claim for penalties owed in connection with Receivership Entities returns for the year ending 2007. Given the low dollar amount of this tax claim, this claim should be allowed in the amount of \$3,400.00.   | \$3,400.00            |
| 480                 | \$1,081.99          | The Sarasota County Tax Collector submitted this claim for tangible personal property taxes incurred in 2009 on tangible property then owned by Receivership Entity Home Front Homes, LLC. Given the low dollar amount of this tax claim, this claim should be allowed in the amount of \$1,081.99. | \$1,081.99            |
| <b>Total</b>        | <b>\$4,481.99</b>   |   | <b>\$4,481.99</b>     |

# EXHIBIT D

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**Investor Claims - Allowed In Part**  
**Class 1**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 346          |           | -\$129,627.43             | This Claimant is a sole proprietorship owned by the Claimant for Claim Number 351. The Claimant agreed that losses in Claim Number 351 would be set-off with the money received here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.  | None           |
| 347          | VIC       | \$66,000.00               | This account has a Net Investment Amount of \$66,000.00. The Claimant also held the related account associated with Claim Number 348 which experienced False Profits of \$59,553.82. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 348. Accordingly, this claim should be allowed in the amount of \$6,446.18.  | \$6,446.18     |
| 348          | VAL       | -\$59,553.82              | The Claimants experienced False Profits of \$59,553.82 in this account. They also had the related account for Claim Number 347 which had losses. It is fair and equitable to set-off the losses in Claim Number 347 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimants' ease of review.   | None           |
| 349          | VAL       | \$95,000.00               | The funds in this account, \$95,000.00, were transferred to Claim Number 350. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the total combined amount allowed for these two claims. The Receiver's determination of this claim is reflected in Claim Number 350.   | N/A            |
| 350          | SCP       | \$401,570.27              | The amount claimed by the Claimant includes a transfer of \$201,570.27 from a related account, Claim Number 349. The actual funds deposited into that account were \$95,000.00. The difference of \$106,570.27 are False Paper Profits on the \$95,000.00 deposit. The Receiver recommends that this transfer be recognized in the amount of actual funds deposited. Recognizing this transfer does not change the total combined amount allowed for these two claims. Accordingly, this claim should be allowed for the combined Net Investment | \$295,000.00   |
|              |           |                           | Amount of \$295,000.00 which does not include the claimed False Paper Profits.   |                |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 351          | VIK       | \$1,000,000.00            | The Receiver previously calculated the Net Investment Amount for this account as \$1,000,000.00. The Claimant agreed to reduce the amount of this claim by \$129,627.43, which is money received in connection with Claim Number 346. The Claimant further indicated that \$999,980.00 was transferred to this account from the related account at Claim Number 395. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the total combined amount allowed for these claims. Accordingly, this claim should be allowed in the amount of \$1,870,352.57. | \$1,870,352.57 |
| 352          | VIKR      | \$118,431.60              | This account has a Net Investment Amount of \$118,431.60. The Claimant also had the related account at Claim Number 353, which had False Profits of \$112,026.14. It is fair and equitable to set-off the losses in this account with the False Profits in Claim Number 353. Accordingly, this claim should be allowed in the amount of \$6,405.46.   | \$6,405.46     |
| 353          | VIC       | -\$112,026.14             | This account had False Profits of \$112,026.14. The Claimant also had the related account at Claim Number 352 which experienced losses. It is fair and equitable to set-off the losses in Claim Number 352 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None           |
| 354          | VIKR      | \$301,000.00              | The Claimant claims \$1,107.00 more than Receivership Records reflect. The Claimant provided documents showing this additional money was withdrawn from his personal account but did not have proof showing that money was then deposited into his Investor Account. Receivership Records show that only \$299,893.00 was received in the Investor Account. Accordingly, this claim should be allowed for the Net Investment Amount of \$299,893.00 as calculated by the Receiver.  | \$299,893.00   |
| 355          | VAL       | \$250,000.00              | This account has a Net Investment Amount of \$250,000.00. The Claimant also maintained the related account at Claim Number 356, which had False Profits of \$13,612.51. It is fair and equitable to set-off the losses in this account with the False Profits in Claim Number 356. Accordingly, this claim should be allowed in the amount of \$236,387.49.   | \$236,387.49   |
| 356          | SCP       | -\$13,612.51              | This account had False Profits of \$13,612.51. The Claimant also had the related account at Claim Number 355 which experienced losses. It is fair and equitable to set-off the losses in Claim Number 355 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.  | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Allowed In Part  
 Class 1**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 357          | VIKR      | \$300,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 358. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 357 and 358. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 357 and 358. The Receiver's determination of this claim is reflected in Claim Number 358.  | N/A            |
| 358          | VIKR      | \$0.00                    | The Claimant submitted Proof of Claim Forms for this account and Claim Number 357. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 357 and 358, resulting in a combined Net Investment Amount of \$300,000.00. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 357 and 358. The Claimant also maintained another account at Claim Number 359 which had False Profits of \$70,000.00. It is fair and equitable to set-off the losses in this consolidated account with the False Profits in Claim Number 359. Accordingly, this claim should be allowed for \$230,000.00. | \$230,000.00   |
| 359          | VAL       | -\$70,000.00              | This account had False Profits of \$70,000.00. The Claimant also had the related account at Claim Number 358, which had losses. It is fair and equitable to set-off the losses in Claim Number 358 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.  | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Allowed In Part  
 Class 1**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 360          | VAL       | \$32,000.00               | The Receiver previously calculated the Net Investment Amount for this account as \$2,000.00. Upon further review, the Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, the Net Investment Amount for this account should be \$32,000.00. The Claimant also had the related account at Claim Number 361, which had consolidated False Profits of \$20,000.00 from Claim Numbers 361 and 362. It is fair and equitable to set-off the losses in this account with those False Profits. As such, this claim should be allowed for \$12,000.00.   | \$12,000.00    |
| 361          | VICR      | -\$80,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Number 362. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 361 and 362, resulting in combined False Profits of \$20,000.00. The Claimant also had the related account at Claim Number 360 which experienced losses. It is fair and equitable to set-off the losses in Claim Number 360 with the consolidated False Profits of \$20,000.00 from this claim and Claim Number 362. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review. | None           |
| 362          | VAL       | \$60,000.00               | The Claimant submitted Proof of Claim Forms for this account and Claim Number 361. The Claimant had requested internal "transfers" between these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 361 and 362, resulting in combined False Profits of \$20,000.00. The Receiver's determination of this claim is reflected in Claim Number 361.  | N/A            |
| 363          | VIC       | \$360,000.00              | This account has a Net Investment Amount of \$360,000.00. In connection with a settlement with the Receiver, the Claimant agreed that any distributions for this claim and another related claim, Claim Number 377, up to \$362,366.96 combined will revert to the Receivership. (See Doc. 611.) Accordingly, the Receiver recommends that this claim be allowed in its full Net Investment Amount but that any distributions for this claim up to the agreed amount revert to the Receiver. Should distributions related to this claim and Claim Number 377 exceed \$362,366.96, any excess sums shall be distributed to the Claimant.  | \$360,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Allowed In Part**  
**Class 1**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 364          | SCP       | \$950,000.00              | This account has a Net Investment Amount of \$950,000.00. The Receiver has information that the Claimant received a distribution of False Profits in the amount of \$328,600.52 from another account at Claim Number 455. It is fair and equitable to set-off the losses in this account with the improper distribution of False Profits the Claimant received in connection with Claim Number 455. Accordingly, this claim should be allowed for \$621,399.48.   | \$621,399.48   |
| 365          | VICR      | \$240,426.50              | This account has a Net Investment Amount of \$240,426.50. The Claimant also had the related account at Claim Number 366, which had False Profits of \$18,755.00. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 366. Accordingly, this claim should be allowed for \$221,671.50.  | \$221,671.50   |
| 366          | VAL       | -\$18,755.00              | This account had False Profits of \$18,755.00. The Claimant also had the related account at Claim Number 365, which had losses. It is fair and equitable to set-off the losses in Claim Number 365 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None           |
| 367          | SCP       | -\$115,000.00             | The Receiver previously calculated that this account had False Profits of \$115,000.00. Upon further review, the Receiver determined that \$280,000.00 was transferred from a related account at Claim Number 368 to this account. The Receiver recommends recognizing this transfer. Recognizing this transfer does not change the total combined amount allowed for these claims. With this transfer, the Net Investment Amount for this account is \$165,000.00 and Claim Number 368 has False Profits of \$60,000.00. It is fair and equitable to set-off the losses in this account with the False Profits in Claim Number 368. Accordingly, this claim should be allowed for the Net Investment Amount of \$105,000.00. | \$105,000.00   |
| 368          | VIK       | \$220,000.00              | The Receiver previously calculated the Net Investment Amount for this account as \$220,000.00. Upon further review, the Receiver discovered that \$280,000.00 was transferred from this account to a related account at Claim Number 367. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the total combined amount allowed for these claims. With this transfer, this account had False Profits of \$60,000.00. It is fair and equitable to set-off the losses in Claim Number 367 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.                                      | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.



## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 369          | VAL       | \$124,092.54              | This account was transferred to the Claimant from her father. The father also submitted a claim for the transferring account at Claim Number 468. The Claimant included a statement with her claim that they did not intend to submit two claims for the same investment but wanted to be sure to properly assert the claim. The Receiver recommends that this transfer be recognized and that Claim Number 468 be denied. Further, the Claimant purports to seek the amount of the initial contribution as shown by a statement she received. However, the actual investment into this account was only \$100,000.00. The difference of \$24,092.54 represents False Paper Profits. The Claimant is not entitled to recover False Paper Profits. Accordingly, this claim should be allowed for the Net Investment Amount of \$100,000.00. | \$100,000.00   |
| 370          | VIK       | \$430,876.83              | The Receiver previously calculated the Net Investment Amount for this account as \$430,876.83. Upon further review, the Receiver determined that the balance of this account was transferred to Claim Number 371. The Receiver recommends recognizing this transfer. Recognizing this transfer will not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 371.  | N/A            |
| 371          | VIK       | -\$615,717.61             | The Receiver previously calculated that this account had False Profits of \$615,717.61. Upon further review, the Receiver determined that this account received a transfer of \$430,876.83 from Claim Number 370. The Receiver recommends that this transfer be recognized. As such, this account had False Profits of \$184,840.78. The Claimant also had the related account at Claim Number 372 which had losses of \$389,204.00. It is fair and equitable to set off the losses in Claim Number 372 with the consolidated False Profits of \$184,840.78 from this claim and Claim Number 370. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.  | None           |
| 372          | VIKR      | \$389,204.00              | This account has a Net Investment Amount of \$389,204.00. The Claimant also had the related account at Claim Number 371, which had consolidated False Profits of \$184,840.78 from Claim Numbers 370 and 371. It is fair and equitable to set-off the losses here with those False Profits. Accordingly, this claim should be allowed for \$204,363.22.  | \$204,363.22   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Allowed In Part  
 Class 1**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 373          | VIKR      | \$157,066.06              | This account has a Net Investment Amount of \$155,261.41. The Claimant appears to have calculated his claim amount from the amounts he received from the company acting as custodian for his IRA, which appears to have been deducting its fees. The Receiver's calculation is based on the exact amount of each distribution to the Claimant's IRA custodian from the Claimant's account as reflected in Receivership Records. Accordingly, this claim should be allowed in the Net Investment Amount of \$155,261.41 as set forth by the Receiver.  | \$155,261.41   |
| 374          | VIKR      | \$180,057.00              | The Receiver previously calculated the Net Investment Amount for this account as \$424,546.00. Upon further review, the Receiver confirmed that the amount claimed by the Claimant almost comports with Receivership Records. The Claimant seeks \$180,057.00 while the Receiver has determined that the Net Investment Amount is \$180,056.06. The Receiver believes that the difference is likely due to rounding, and \$180,056.06 is correct according to Receivership Records. Accordingly, this claim should be allowed in the Net Investment Amount of \$180,056.06.   | \$180,056.06   |
| 375          | VICR      | \$447,320.00              | This account has a Net Investment Amount of \$447,320.00. The Claimant had the related account at Claim Number 376, which had False Profits of \$5,000.00. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 376. Accordingly, this claim should be allowed for \$442,320.00.  | \$442,320.00   |
| 376          | VIC       | -\$5,000.00               | This account had False Profits of \$5,000.00. The Claimant also had the related account at Claim Number 375 which had losses. It is fair and equitable to set-off the losses in Claim Number 375 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None           |
| 377          | VIC       | \$1,350,000.00            | This account has a Net Investment Amount of \$1,350,000.00. In connection with a settlement with the Receiver, the Claimant agreed that any distributions for this claim and another related claim, Claim Number 363, up to \$362,366.96 combined will revert to the Receivership. (See Doc. 611.) Accordingly, the Receiver recommends that this claim be allowed in its full Net Investment Amount but that any distributions for this claim up to the agreed amount revert to the Receiver. Should distributions related to this claim and Claim Number 363 exceed \$362,366.96, any excess sums shall be distributed to the Claimant. | \$1,350,000.00 |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Allowed In Part  
 Class 1**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 378          | VIKR      | \$500,000.00              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived any and all claims except for a claim to \$5,312.65. (See Doc. 586.) Accordingly, this claim should be allowed in the amount of \$5,312.65.   | \$5,312.65     |
| 379          | VAL       | \$125,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 380 and 381. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 379, 380, and 381. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 379, 380, and 381. The Receiver's determination of this claim is reflected in Claim Number 381. | N/A            |
| 380          | VAL       | -\$15,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 379 and 381. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 379, 380, and 381. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 379, 380, and 381. The Receiver's determination of this claim is reflected in Claim Number 381. | N/A            |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 381          | VAL       | -\$17,000.00              | The Claimant submitted Proof of Claim Forms for this account and Claim Numbers 379 and 380. The Claimant had requested internal "transfers" among these accounts, but the Proof of Claim Forms originally provided did not reflect such "transfers." The Receiver recommends recognizing these transfers and consolidating Claim Numbers 379, 380, and 381, resulting in a combined Net Investment Amount of \$93,000.00. Recognizing these transfers and consolidating these claims has no impact on the aggregate Allowed Amount for these claims because these accounts' collective Net Investment Amount remains unchanged. That amount matches the total amount claimed for Claim Numbers 379, 380, and 381. The Claimant also had a related account at Claim Number 382, which experienced False Profits of \$20,000.00. It is fair and equitable to set-off the losses in this consolidated account with the False Profits in Claim Number 382. Accordingly, this claim should be allowed for \$73,000.00. | \$73,000.00    |
| 382          | VIK       | -\$20,000.00              | This account had False Profits of \$20,000.00. One of the Claimants also had the related consolidated account at Claim Number 381 which had losses. It is fair and equitable to set-off the losses in Claim Number 381 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None           |
| 383          | VIKR      | \$97,256.42               | This account has a Net Investment Amount of \$97,256.42. The Claimant also had the related account at Claim Number 384 which had false profits of \$11,000. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 384. Accordingly, this claim should be allowed in the amount of \$86,256.42.   | \$86,256.42    |
| 384          | SCP       | -\$11,000.00              | This account had False Profits of \$11,000. The Claimant also had the related account at Claim Number 383 which had losses. It is fair and equitable to set-off the losses in Claim Number 383 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None           |
| 385          | SCP       | \$176,000.00              | Upon further review, the Net Investment Amount for this account should be \$309,000.00. This was orally confirmed with the Claimant. The Claimant also had the related account at Claim Number 386 which had False Profits of \$62,389.55. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 386. Accordingly, this claim should be allowed in the amount of \$246,610.45.   | \$246,610.45   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 386          | VIC       | -\$200,000.00             | Upon further review, this account had False Profits of \$62,389.55. This was orally confirmed with the Claimant. The Claimant also had the related account at Claim Number 385, which had losses of \$309,000.00. It is fair and equitable to set-off the losses in Claim Number 385 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None           |
| 387          | VAL       | \$835,230.18              | This account has a Net Investment Amount of \$669,546.18. The Claimant's claimed amount includes purported transfers from a related account. However, the Claimant entered into a settlement agreement with the Receiver to resolve litigation brought against him in relation to the transferring account. (See Doc. 452.) The settlement was based on the transfers not having occurred. Accordingly, those transfers cannot be recognized here and this claim should be allowed for the Net Investment Amount of \$669,546.18. | \$669,546.18   |
| 388          | VIKR      | -\$266,664.92             | Upon further review, the Receiver confirmed that the amount claimed by the Claimant comports with Receivership Records. Accordingly, this account had False Profits of \$266,664.92. The Claimant also had the related account at Claim Number 389 which had losses. It is fair and equitable to set-off the losses in Claim Number 389 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.  | None           |
| 389          | VIK       | \$300,000.00              | This account has a Net Investment Amount of \$300,000.00. The Claimant also had the related account at Claim Number 388 which had False Profits of \$266,664.92. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 388. Accordingly, this claim should be allowed for \$33,335.08.   | \$33,335.08    |
| 390          | VIK       | \$336,000.00              | This account has a Net Investment Amount of \$336,000.00. In connection with litigation, one of the Claimants, the husband, entered into a settlement agreement with the Receiver wherein he agreed that this claim would be reduced by 50% and that any distribution would be paid to the Claimant's wife. (See Doc. 377.) Accordingly, this claim should be allowed in the amount of \$168,000.00 in the name of the wife.  | \$168,000.00   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount   |
|--------------|-----------|---------------------------|--|--|
| 391          | VIC       | \$1,000,000.00            | This Claimant received an inequitable preference payment of \$1 million while it had actual notice of red flags, giving the Claimant a recovery of 50% of its principal investment. Accordingly, the Receiver recommends treating that transfer as a distribution that is part of this claims process and that this claim be allowed and the Claimant only be allowed to participate in any distribution of Receivership assets when and if all Investor Claimants with Allowed Claims receive 50% of their Allowed Amounts. | \$2,000,000.00, but the Claimant may only receive a <i>pro rata</i> distribution when all other Investor Claimants have received a distribution of at least 50% of their Allowed Amounts |
| 392          | VIK       | -\$57,968.24              | This account had False Profits of \$57,968.24. The Claimant also had the related account at Claim Number 393 which had losses. It is fair and equitable to set-off the losses in Claim Number 393 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None   |
| 393          | SCP       | \$280,000.00              | This account has a Net Investment Amount of \$280,000.00. The Claimant also had the related account at Claim Number 392 which had False Profits of \$57,968.24. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 392. Accordingly, this claim should be allowed for \$222,031.76.  | \$222,031.76   |
| 394          | VIK       | \$143,450.00              | Upon further review, a deposit was mistakenly counted as a withdrawal. The actual deposit amount was \$45,919.00 and no distributions were made from this account. The Net Investment Amount for this account is \$143,369.00. The Claimant's claimed amount includes this deposit as \$46,000.00 which accounts for the \$81.00 difference between the claimed amount and the amount calculated by the Receiver. This claim should be allowed for the Net Investment Amount of \$143,369.00.                                | \$143,369.00   |
| 395          | VIK       | \$999,980.00              | The Claimant indicated that the funds in this account, \$999,980.00, were transferred to a related account at Claim Number 351. The Receiver recommends that this transfer be recognized. Recognizing this transfer will not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 351.   | N/A  |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 396          | VIKR      | \$232,107.81              | This account has a Net Investment Amount of \$232,107.81. Pursuant to the settlement of litigation brought by the Receiver, the Claimant agreed to set-off the losses in this account with False Profits of \$30,621.73 in a related account, thereby reducing the claim amount to \$201,486.08. (See Doc. 644.) The Claimant also had another account which experienced False Profits of \$73,921.75. The Receiver believes that it is fair and equitable to set-off the remaining losses with the False Profits in the other related account. No claims were filed for the two related accounts with False Profits. Accordingly, this claim should be allowed in the amount of \$127,564.33. | \$127,564.33   |
| 397          | SCP       | \$392,394.20              | This account has a Net Investment Amount of \$275,000.00. The Claimant seeks the ending balance on the last statement he received which includes False Paper Profits. The Claimant is not entitled to recover these False Paper Profits. Accordingly, this claim should be allowed for the Net Investment Amount.  | \$275,000.00   |
| 398          | VAL       | \$213,162.70              | This account has a Net Investment Amount of \$125,000.00. The Claimant seeks the ending balance on the last statement he received which includes False Paper Profits. The Claimant is not entitled to recover these False Paper Profits. Accordingly, this claim should be allowed for the Net Investment Amount.  | \$125,000.00   |
| 399          | VIKR      | \$750,000.00              | This account has a Net Investment Amount of \$352,992.37. The Claimant indicated on his Proof of Claim Form that he was uncertain of the amounts withdrawn. Receivership Records reflect that the amounts provided by the Receiver are correct. Accordingly, this claim should be allowed for the Net Investment Amount.   | \$352,992.37   |
| 400          | VIC       | -\$153,637.04             | This account had False Profits of \$153,637.04. The Claimant also had the related account at Claim Number 401 which had losses. It is fair and equitable to set-off the losses in Claim Number 401 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.  | None           |
| 401          | SCP       | \$700,000.00              | This account has a Net Investment Amount of \$700,000.00. The Claimant also had the related account at Claim Number 400 which had False Profits of \$153,637.04. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 400. Accordingly, this claim should be allowed for \$546,362.96.   | \$546,362.96   |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 402          | VIK       | \$600,000.00              | This account has a Net Investment Amount of \$600,000.00. Upon further review, the Receiver determined that, according to Receivership Records, this claim should be in the name of the Claimant wife's revocable trust account rather than the husband and wife's joint revocable trust account. Also, the Claimant had a related account which had False Profits of \$48,223.11. No claim was filed for this account. It is fair and reasonable to set-off the losses in this account with the False Profits in the related account. Accordingly, this claim should be allowed for the amount of \$551,776.89 in the name of the Claimant wife's revocable trust account.                            | \$551,776.89   |
| 403          | VICR      | -\$41,937.17              | The amount claimed by the Claimant includes a transfer from an "investment account" with Receivership Entity Traders Investment Club in the amount of \$38,627.83. However, only \$23,720.16 was deposited into the transferring account. The difference of \$14,907.67 represents False Paper Profits to which the Claimant is not entitled. Thus, that account had False Profits of \$56,844.84. The Claimant also had the related account at Claim Number 404 which had losses. It is fair and equitable to set-off the losses in Claim Number 404 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review. | None           |
| 404          | VIC       | \$199,986.91              | This account has a Net Investment Amount of \$199,986.91. The Claimant also had the related account at Claim Number 403 which had False Profits of \$56,844.84. It is fair and equitable to set-off the losses in this account with the False Profits in Claim Number 403. Accordingly, this claim should be allowed for \$143,142.07.   | \$143,142.07   |
| 405          | VICR      | \$84,893.29               | This account has a Net Investment Amount of \$53,019.92. The amount claimed by the Claimant includes a transfer from an "investment account" with Receivership Entity Traders Investment Club in the amount of \$84,893.29. However, only \$53,019.92 was deposited into the transferring account. The difference of \$31,873.37 represents False Paper Profits to which the Claimant is not entitled. Accordingly, this claim should be allowed for the Net Investment Amount of \$53,019.92.   | \$53,019.92    |
| 406          | SCP       | \$50,000.00               | Upon further review, \$28,509.15 was transferred from Claim Number 477 to this account. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the total combined amount allowed for these claims. Thus, this account has a Net Investment Amount of \$78,509.15. Accordingly, this claim should be allowed for the Net Investment Amount.  | \$78,509.15    |

<sup>1</sup> Negative amounts in this column reflect False Profits.



## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 407          | VICR      | \$163,292.24              | This account has a Net Investment Amount of \$102,045.80. The amount claimed by the Claimant includes a transfer from an "investment account" in Receivership Entity Traders Investment Club in the amount of \$158,694.61. However, only \$97,448.20 was deposited into the transferring account. The difference of \$61,246.41 represents False Paper Profits to which the Claimant is not entitled. Further, the Claimant claims a deposit which is \$0.64 greater than reflected in Receivership Records. However, the investment amounts listed by the Claimant do not equal the total investment amount the investor is claiming, reducing the \$.64 difference to a \$.03 difference. Accordingly, this claim should be allowed for the Net Investment Amount of \$102,045.80. | \$102,045.80   |
| 408          | VICR      | \$63,399.72               | This account has a Net Investment Amount of \$38,255.23. The amount claimed by the Claimant includes a transfer from an "investment account" in Receivership Entity Traders Investment Club in the amount of \$63,399.72. However, only \$38,255.23 was deposited into the transferring account. The difference of \$25,144.49 represents False Paper Profits to which the Claimant is not entitled. Accordingly, this claim should be allowed for the Net Investment Amount of \$38,255.23.  | \$38,255.23    |
| 409          | VAL       | \$325,000.00              | This account has a Net Investment Amount of \$325,000.00. The Claimants had False Profits in two related accounts, Claim Numbers 410 and 411, in the amounts of \$20,160.78 and \$20,541.17, respectively. It is fair and equitable to set-off the losses in this account with the False Profits in Claim Numbers 410 and 411. Accordingly, this claim should be allowed for \$284,298.05.  | \$284,298.05   |
| 410          | VICR      | -\$20,160.78              | This account had False Profits of \$20,160.78. The Claimant had the related account at Claim Number 409 which had losses. It is fair and equitable to set-off the losses in Claim Number 409 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None           |
| 411          | VICR      | -\$20,541.17              | This account had False Profits of \$20,541.17. The Claimant had the related account at Claim Number 409 which had losses. It is fair and equitable to set-off the losses in Claim Number 409 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review.   | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Allowed In Part**  
**Class 1**

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 412          | SCP       | \$375,000.00              | This account has a Net Investment Amount of \$375,000.00. The Claimant also had a joint account with another investor which had False Profits of \$317,636.06. No claim was filed for that account. It is fair and equitable to apportion half of the False Profits in that account to this Claimant and set-off the losses here with that amount, \$158,818.03. Accordingly, this claim should be allowed for \$216,181.97.   | \$216,181.97   |
| 413          | VICR      | \$53,500.00               | This account has a Net Investment Amount of \$53,500.00. The Claimant also had the related account at Claim Number 414 which had False Profits of \$31,000.00. It is fair and equitable to set-off the losses here with the False Profits in Claim Number 414. Accordingly, this claim should be allowed for \$22,500.00.  | \$22,500.00    |
| 414          | VIC       | -\$28,500.00              | The Claimant asserts that she invested \$2,500.00 into this account through the deposit of wages from a Receivership Entity. Given that her purported wages were proceeds of the Ponzi scheme and not legitimate funds, the Receiver does not believe that this purported deposit of funds should be recognized as an investment for purposes of the claims process. Accordingly, this account had False Profits of \$31,000.00. The Claimant also had a related account at Claim Number 413 which had losses. It is fair and equitable to set-off the losses in Claim Number 413 with the False Profits here. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review. | None           |
| 415          | VAL       | \$60,000.00               | Upon further review, the balance of this account, \$60,000.00, was transferred to Claim Number 416. This was orally confirmed with the Claimant. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the total combined amount allowed for these claims. The Receiver's determination of this claim is reflected in Claim Number 416.  | N/A            |
| 416          | VIC       | \$257,500.00              | The Receiver previously calculated the Net Investment Amount for this account as \$257,500.00. Upon further review, this account received a transfer of \$60,000.00 from Claim Number 415 and transferred \$270,610.45 to Claim Number 385. This was orally confirmed with the Claimant. The Receiver recommends that these transfers be recognized. Recognizing these transfers does not change the total combined amount allowed for these claims. Accordingly, this claim should be allowed in the amount of \$46,889.55.   | \$46,889.55    |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT D

## Investor Claims - Allowed In Part

## Class 1

| Claim Number | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount         |
|--------------|-----------|---------------------------|---|------------------------|
| 417          | VIC       | \$278,703.48              | This account has a Net Investment Amount of \$103,172.00. The Claimant seeks the ending balance on the last statement he received which includes False Paper Profits. The Claimant is not entitled to recover these False Paper Profits. Accordingly, this claim should be allowed for the Net Investment Amount of \$103,172.00.   | \$103,172.00           |
| 418          | VIKR      | \$76,333.12               | This account has a Net Investment Amount of \$76,333.12. The Claimant also had a related account in the name of his and his wife's living trust at Claim Number 420 which had False Profits of \$10,470.80. It is fair and equitable to set-off the losses in this account with 50% of the False Profits in Claim Number 420 which is \$5,235.40. Accordingly, this claim should be allowed for \$71,097.72   | \$71,097.72            |
| 419          | VIKR      | \$86,915.67               | This account has a Net Investment Amount of \$86,915.67. The Claimant also had a related account in the name of her and her husband's living trust at Claim Number 420 which had False Profits of \$10,470.80. It is fair and equitable to set-off the losses in this account with 50% of the False Profits in Claim Number 420 which are \$5,235.40. Accordingly, this claim should be allowed for \$81,680.27.  | \$81,680.27            |
| 420          | VIC       | -\$10,470.80              | This account had false profits of \$10,470.80. The account is in the name of a living trust for a husband and wife with both husband and wife acting as trustees. Husband and wife each also hold individual accounts at Claim Numbers 418 and 419 which had losses. It is fair and equitable to evenly divide the False Profits here among husband and wife and to set-off the losses in Claim Numbers 418 and 419 with each spouse's share of these False Profits, as applicable. This claim is included in this Exhibit for purposes of set-off and for the Court and the Claimant's ease of review. | None                   |
| <b>Total</b> |           | <b>\$15,145,977.91</b>    |   | <b>\$13,563,506.19</b> |

<sup>1</sup> Negative amounts in this column reflect False Profits.

# EXHIBIT E

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## EXHIBIT E

## Non-Investor Secured Claims - Allowed In Part

## Class 2

| Claim Number | Claim Amount          | Claim Determination   | Allowed Amount   |
|--------------|-----------------------|---|--|
| 481          | \$931,367.08          | The Claimant loaned \$1,000,000.00 to Tradewind, LLC and that loan was secured by five aircraft T-hangars and one box hangar located in Coweta County, Georgia which are owned and operated by Tradewind, LLC (the "Hangars"). During the life of the loan, \$399,078.75 was paid towards the loan's principal or interest. The Receiver is continuing to make monthly payments on this loan. At the time of the Receiver's appointment, the principal balance of the loan was \$964,300.80. As of November 25, 2011, the principal balance of the loan was \$891,628.04. The Receiver recommends that this claim be allowed in the amount of the principal balance of the loan outstanding at the time the Hangars are sold, not to exceed \$891,628.04, but only be allowed to receive distributions from the proceeds of the sale of the Hangars up to the Allowed Amount less fees and costs incurred by the Receivership to maintain and sell the Hangars. | The principal amount outstanding on the loan at the time of sale of the Hangars not to exceed \$891,628.04 (but only allowed to receive distributions from the proceeds of the sale of the Hangars, less fees and expenses incurred by the Receivership for maintaining and selling the Hangars).                  |
| 482          | \$360,157.37          | The Claimant loaned \$394,000.00 to Laurel Preserve, LLC to refinance the cottage at 10 Laurel Cottage Lane, Black Mountain, North Carolina (the "Laurel Cottage"). This loan is secured by the Laurel Cottage. During the life of the loan, \$79,103.30 was paid towards the loan's principal or interest. At the time of the Receiver's appointment, the principal balance of the loan was \$360,157.37. The Receiver recommends that this claim be allowed in the amount of the principal balance of the loan at the time of the Receiver's appointment (\$360,157.37), but only be allowed to receive distributions from the proceeds of the sale of the Laurel Cottage up to the Allowed Amount less fees and expenses incurred by the Receivership to maintain and sell the Laurel Cottage.   | \$360,157.37, which is the principal amount outstanding on the loan at the time of the Receiver's appointment (but only allowed to receive distributions from the proceeds of the sale of the Laurel Cottage, less fees and expenses incurred by the Receivership for maintaining and selling the Laurel Cottage). |
| <b>Total</b> | <b>\$1,291,524.45</b> |   |  |

# EXHIBIT F

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## EXHIBIT F

## Non-Investor Unsecured Claims - Allowed And Allowed In Part

## Class 3

| Claim Number | Claim Amount | Claim Determination   | Allowed Amount Eligible for Distributions Only After Class 1 Claims Are Paid In Full |
|--------------|--------------|---|--|
| 483          | \$563,526.11 | This claim is submitted by a general unsecured creditor for the unpaid balance of a promissory note given by Home Front Homes, LLC to the Claimant. The Claimant seeks the amount of \$563,526.11, which includes (1) the unpaid principal balance on the note in the amount of \$353,665.49; (2) 25% interest in the amount of \$147,360.62 calculated from January 1, 2009 through August 31, 2010; (3) \$60,000.00 in deferred management fees; and (4) \$2,500.00 in legal fees. The Receiver does not believe that under the circumstances, it would be equitable to recognize any of the above purported fees and/or interest. The Receiver recommends that this claim be allowed in the amount of \$353,665.49, which is the principal balance of the promissory note. | \$353,665.49   |
| 484          | \$371.91     | This claim is submitted by a general unsecured creditor for an outstanding invoice for services rendered to Tradewind, LLC for an HVAC equipment inspection before the Receivership was instituted. The Receiver recommends that this claim be allowed in the amount of \$371.91.   | \$371.91   |
| 485          | \$3,100.00   | This claim is submitted by a general unsecured creditor for an outstanding invoice for steel beams and columns provided to Home Front Homes, LLC before the Receivership was instituted. The Receiver recommends that this claim be allowed in the amount of \$3,100.00.  | \$3,100.00   |
| 486          | \$1,205.89   | This claim is submitted by a general unsecured creditor for an outstanding invoice for printing services provided to Scoop Management, Inc. before the Receivership was instituted. The Receiver recommends that this claim be allowed in the amount of \$1,205.89.   | \$1,205.89   |
| 487          | \$20,645.82  | This claim is submitted by a general unsecured creditor for its sale of computer hardware, web hosting services, and network maintenance services provided to Receivership Entities before the Receivership was instituted. The claim includes \$539.10 for purported services provided after the appointment of the Receiver. The Receiver did not enter into any agreement with the Claimant for the services provided after his appointment. The Receiver recommends that the charges for these purported services be reduced from the total claim. Thus, the Receiver recommends that this claim be allowed in the amount of \$20,106.72.   | \$20,106.72  |
| 488          | \$31,408.85  | This claim is submitted by a general unsecured creditor for outstanding invoices for engineering services provided to Home Front Homes, LLC. The Receiver recommends that this claim be allowed in the amount of \$31,408.85.   | \$31,408.85  |

**Non-Investor Unsecured Claims - Allowed And Allowed In Part**

**Class 3**

| Claim Number | Claim Amount | Claim Determination   | Allowed Amount Eligible for Distributions Only After Class 1 Claims Are Paid In Full |
|--------------|--------------|---|--|
| 489          | \$929.04     | This claim is submitted by a general unsecured creditor. The claim includes invoices for goods and services involving tools and fasteners provided to Home Front Homes, LLC before the Receivership was instituted in the amount of \$793.66. The remaining \$135.38 appears to be late charges assessed for failure to pay outstanding invoices. The Receiver does not believe it would be equitable to recognize the late charges under the circumstances. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$793.66.   | \$793.66   |
| 490          | \$17,911.88  | This claim is submitted by a general unsecured creditor in connection with the purchase of construction materials from Home Front Homes, LLC before the Receivership was instituted which were never delivered. The Receiver recommends that this claim be allowed in the amount of \$17,911.88.  | \$17,911.88  |
| 491          | \$2,394.95   | This claim is submitted by a general unsecured creditor for outstanding fees charged for legal services provided to Scoop Real Estate, L.P. before the Receivership was instituted. The Receiver recommends that this claim be allowed in the amount of \$2,394.65.   | \$2,394.65   |
| 492          | \$14,582.41  | This claim is submitted by a general unsecured creditor for misdirected rent. Prior to Receivership, the Claimant purchased a building from Scoop Real Estate, L.P. and an after-purchase rent check from the building's tenant was mistakenly paid to Scoop Real Estate instead of to Claimant. The funds for the rent check were frozen in connection with the Receiver's appointment. The Receiver recommends that this claim be allowed in the amount of \$14,582.41.   | \$14,582.41  |
| 493          | \$779.72     | This claim is submitted by a general unsecured creditor for an unpaid invoice for the sale of a single handwheel kit to Home Front Homes, LLC before the Receivership was instituted. The Receiver recommends that this claim be allowed in the amount of \$779.72.   | \$779.72   |
| 494          | \$8,665.12   | This claim is submitted by a general unsecured creditor. The Claimant seeks payment for computer services provided to Home Front Homes, LLC from April 2009 through October 2009. Home Front Homes was added to the Receivership on August 10, 2009. Home Front Homes ceased operations on October 1, 2009. The claim includes managed service contract fees for October 2009 in the amount of \$1,230.95. The Receiver does not believe that the October fees should be paid because the Receiver did not enter into a service agreement with the Claimant and the business was no longer operating at the time these services were purportedly provided. Accordingly, the Receiver recommends that this claim be allowed in the amount of \$7,434.17. | \$7,434.17   |



**Non-Investor Unsecured Claims - Allowed And Allowed In Part**

**Class 3**

| Claim Number | Claim Amount        | Claim Determination   | Allowed Amount Eligible for Distributions Only After Class 1 Claims Are Paid In Full |
|--------------|---------------------|---|--|
| 495          | \$89,930.81         | This claim is submitted by a general unsecured creditor. The Claimant seeks \$89,930.81 for monthly rent owed on Scoop Management, Inc.'s office in Sarasota. The Claimant seeks the remainder of monthly payments due on a lease executed before the Receivership was instituted plus interest through the term of the lease which spanned until after the Receivership was instituted. The Claimant also seeks to impose a 3% rent increase beginning in April 2009 (after this Receivership's inception and after the property had been vacated). The Receiver does not believe that under the circumstances it would be equitable to recognize the purported rent increase or the interest. Further, the information available to the Receiver indicates that Receivership Entities prepaid a portion of the last month's rent in the amount of \$5,774.33 at the time the lease was commenced, which amount also should be deducted from the claimed amount. As such, the Receiver recommends that this claim be allowed in the amount of \$73,243.51. | \$73,243.51  |
| <b>Total</b> | <b>\$755,452.51</b> |   | <b>\$526,998.86</b>  |

# EXHIBIT G

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**EXHIBIT G**

**Investor Claims - Denied**

**Class 4**

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|----------|-----------|---------------------------|--|----------------|
| 444      | VIK       | \$500,000.00              | This claim was submitted by an offshore bank on behalf of an entity whose sole director is an individual with close affiliations with other entities that invested in Hedge Funds. This director has a financial interest in at least two other Investor Accounts funded from offshore which had combined False Profits of approximately \$1,084,293.47. The Receiver also has information that the director is a partner of a trust which invested in another Investor Account through a Swiss bank and received at least \$458,000 in False Profits. This director is a highly sophisticated investor who may have been on inquiry notice of fraud. Because the Receiver has not been provided sufficient information regarding this director and his control and involvement with the entity that is the beneficial owner of this claim and in light of that director's close affiliation with other investors that had False Profits, this claim should be denied.   | None           |
| 445      | VAL       | \$1,195,000.00            | This claim was submitted by a foreign bank on behalf of an unidentified customer. The Receiver sent this Claimant a deficiency letter indicating that he needed to know, among other things, the identity of the beneficial owners of the account and any other parties with an interest in the account. The director of an investment fund returned an Amended Proof of Claim Form identifying two investment funds as entities with an interest in this account, but stated that he would not provide the names of the trustees, officers, directors, managing agents, shareholders, partners, beneficiaries, or any other party with an interest in the entities. The Claimant's failure and refusal to provide the requested information has impeded the Receiver from assessing whether the Claimant has submitted an allowable claim. Because the Receiver cannot be sure that the beneficial owners of this account did not hold other Investor Accounts, receive False Profits in connection with such other accounts, otherwise receive additional money from Receivership Entities, or were not "insiders," this claim should be denied. | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Denied**  
**Class 4**

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|----------|-----------|---------------------------|---|----------------|
| 446      | VAL       | \$470,750.00              | This claim was submitted by a foreign bank on behalf of a sophisticated financial products firm with offices in London, Hong Kong, and New York. The financial products firm invested in this account in connection with derivative transactions sold to another investment fund. The Receiver sent a letter identifying a deficiency in the Proof of Claim Form and did not receive any response to the deficiency letter. As such, this claim should be denied. This claim also should be denied because in light of the Claimant's sophistication, at a minimum, the Claimant should have recognized at least some of the numerous and easily discernible red flags surrounding Nadel and Receivership Entities. In turn, it should have conducted a diligent and reasonable investigation, which would have uncovered fraud, or at a minimum, failed to ameliorate suspicions. As such, under principles of equity, the Claimant should not be allowed to recover any losses. | None           |
| 447      | VIC       | \$4,416,000.00            | This claim was submitted by a foreign bank on behalf of a sophisticated financial products firm with offices in London, Hong Kong, and New York. The financial products firm invested in this account in connection with derivative transactions sold to another investment fund. The Receiver sent a letter identifying a deficiency in the Proof of Claim Form and did not receive any response to the deficiency letter. As such, this claim should be denied. This claim also should be denied because in light of the Claimant's sophistication, at a minimum, the Claimant should have recognized at least some of the numerous and easily discernible red flags surrounding Nadel and Receivership Entities. In turn, it should have conducted a diligent and reasonable investigation, which would have uncovered fraud or, at a minimum, failed to ameliorate suspicions. As such, under principles of equity, the Claimant should not be allowed to recover any losses. | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT G

## Investor Claims - Denied

## Class 4

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|----------|-----------|---------------------------|---|----------------|
| 448      | VAL       | \$5,000,000.00            | This claim was submitted by a foreign bank on behalf of a sophisticated financial products firm with offices in London, Hong Kong, and New York. The financial products firm invested in this account in connection with derivative transactions sold to another investment fund. The Receiver sent a letter identifying a deficiency in the Proof of Claim Form and did not receive any response to the deficiency letter. As such, this claim should be denied. This claim also should be denied because in light of the Claimant's sophistication, at a minimum, the Claimant should have recognized at least some of the numerous and easily discernible red flags surrounding Nadel and Receivership Entities. In turn, it should have conducted a diligent and reasonable investigation, which would have uncovered fraud or, at a minimum, failed to ameliorate suspicions. As such, under principles of equity, the Claimant should not be allowed to recover any losses. | None           |
| 449      | VIC       | -\$2,757,370.62           | The Receiver previously provided on the Proof of Claim Form that this account had False Profits of \$2,757,370.62. Upon further review, \$2,500,000.00 was transferred from Claim Number 450 to this account. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the determination of this claim because this Claimant has overall False Profits when considering all of her related accounts. Even with the transfer, this account had False Profits of \$257,370.62. Accordingly, this claim should be denied because the account does not have any losses.  | None           |
| 450      | SCP       | \$1,993,830.79            | The Receiver previously provided on the Proof of Claim Form that this account had a Net Investment Amount of \$1,993,830.79. Upon further review, \$2,500,000.00 was transferred from this account to Claim Number 449. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the determination of this claim because this Claimant has overall False Profits when considering all of her related accounts. With this transfer, this account had False Profits of \$506,169.21. Accordingly, this claim should be denied because the account does not have any losses.  | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT G

## Investor Claims - Denied

## Class 4

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|----------|-----------|---------------------------|--|----------------|
| 451      | VIC       | \$1,132,000.00            | The Receiver previously provided on the Proof of Claim Form that this account had a Net Investment Amount of \$730,000.00. Upon further review, this \$730,000.00 was transferred to Claim Number 452. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the claim determination for these claims because this Claimant has overall False Profits when considering all of his related accounts. Accordingly, this claim should be denied because the account does not have any losses.   | None           |
| 452      | VIC       | -\$2,977,902.85           | The Receiver previously provided on the Proof of Claim Form that this account had False Profits of \$3,467,902.85. Upon further review, \$730,000.00 was transferred from Claim Number 451 to this account. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the claim determination for these claims. Even with this transfer, this account had False Profits of \$2,737,902.85. The Claimant also had the related account at Claim Number 453 which had losses of \$1,550,000.00. It is fair and equitable to set-off the losses in Claim Number 453 with the False Profits here. Accordingly, this claim should be denied because the account does not have any losses.      | None           |
| 453      | VIC       | no amount specified       | The Receiver previously provided on the Proof of Claim Form that this account had False Profits of \$200,000.00. Upon further review, this account received a transfer of \$1,750,000.00 from Claim Number 454, resulting in a Net Investment Amount of \$1,550,000.00. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the claim determination for these claims because this Claimant has overall False Profits when considering all of his related accounts. The Claimant also had the related account at Claim Number 452, which had False Profits of \$2,737,902.85. It is fair and equitable to set off the losses in this account with the False Profits in Claim Number | None           |
|          |           |                           | 452. Even with this set-off, the Claimant still has combined False Profits of \$1,187,902.85. Accordingly, this claim should be denied.  |                |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT G

## Investor Claims - Denied

## Class 4

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|----------|-----------|---------------------------|---|----------------|
| 454      | SCP       | \$1,468,830.80            | The Receiver previously provided on the Proof of Claim Form that the Net Investment Amount for this account was \$1,468,830.80. Upon further review, \$1,750,000.00 was transferred from this account to Claim Number 453. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the claim determination for these claims because this Claimant has overall False Profits when considering all of his related accounts. With this transfer, this account had False Profits of \$281,169.20. Accordingly, this claim should be denied because the account does not have any losses.  | None           |
| 455      | SCP       | -\$328,600.52             | This account had False Profits of \$328,600.52. Accordingly, this claim should be denied because there are no losses.   | None           |
| 456      | SCP       | -\$328,600.52             | The Proof of Claim Form indicates that no claim is being made. Further, this account had False Profits of \$328,600.52. Accordingly, this claim should be denied because there are no losses.   | None           |
| 457      | VIKR      | \$389,204.00              | This claim is a duplicate claim being submitted by Millennium Trust on behalf of an investor. It is a duplicate claim because that investor also submitted his own claim for this same account. The Proof of Claim Form was not signed by the accountholder nor was express written authority from the accountholder provided by the person submitting this claim. The Receiver provided notice of these deficiencies and allowed an opportunity for them to be remedied. The Receiver has not received any corrected or amended Proof of Claim Form for this claim or any other communication to correct these deficiencies. In light of the foregoing and the fact that the accountholder also submitted a claim for this account, this claim should be denied. | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Denied**  
**Class 4**

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|----------|-----------|---------------------------|---|----------------|
| 458      | SCP       | \$700,000.00              | This claim was received 27 days after the Claim Bar Date. The Receiver sent the Claimant a letter requesting a written explanation of any extenuating circumstances for the late filing. The Claimant did not submit any such written explanation or otherwise provide the Receiver with any extenuating circumstances. Further, the Receiver was informed the owners of this Claimant, along with other individuals, previously invested in Hedge Funds through another Limited Liability Company. That previous investment received False Profits. Because the Receiver has not been provided sufficient details about how much money persons and entities invested in and received from the Hedge Funds through both the Claimant and the other pertinent Limited Liability Company, the Receiver cannot determine each such person or entity's losses or False Profits. For these reasons, this claim should be denied.   | None           |
| 459      | VIC       | \$148,000.00              | This account has a Net Investment Amount of \$148,000.00. The Claimant also had an "investment account" with Receivership Entity Traders Investment Club which had False Profits of \$241,470.44. The Receiver believes that it is fair and equitable to set-off the losses in this account with the False Profits in the Traders account, resulting in overall False Profits of \$93,470.44. Accordingly, this claim should be denied because there are no losses.   | None           |
| 460      | VIC       | \$66,000.00               | The Claimant is Nadel's brother-in-law. The Receiver did not provide any amounts in the Exhibit A attached to the Proof of Claim Form for this Claimant. In light of the relationship between the Claimant and Nadel, the Receiver wanted the Claimant to provide proof that the investment was (1) made with money that was not proceeds of the scheme and (2) not simply credited on the books without actual receipt of funds. The Claimant did not provide any supporting documentation as required by the Proof of Claim Form. The Receiver sent the Claimant a letter identifying this deficiency and providing the Claimant 30 days to provide the requested documentation, but the Claimant did not respond. Receivership Records do not reflect any actual deposit of money to fund this investment, and because this Claimant failed to provide documentation, the Receiver has no record that this was a legitimate investment. Accordingly, the claim should be denied. | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.



## EXHIBIT G

## Investor Claims - Denied

## Class 4

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|----------|-----------|---------------------------|---|----------------|
| 461      | VIC       | \$170,000.00              | The Claimant indicated that this account was transferred to the Claimant's wife. The Receiver recommends recognizing this transfer and allowing the claim for the Claimant's wife for the Net Investment Amount of \$170,000.00 (see Claim Number 124). Accordingly, this claim should be denied.   | None           |
| 462      | VICR      | -\$58,756.53              | The Receiver previously provided on the Proof of Claim Form for this account that it had False Profits of \$530,000.00. Upon further review, \$343,262.10 was transferred from Claim Number 465 to this account. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the claim determinations for these claims. Even with this transfer, this account had False Profits of \$186,737.90. Accordingly, this claim should be denied because this account had no losses.   | None           |
| 463      | VIC       | \$49,902.56               | The Receiver previously provided on the Proof of Claim Form for this account that it had False Profits of \$670,000. Upon further review, Receivership Records show that this account had False Profits of \$250,000. The Claimant also had the related account at Claim Number 467, which had losses in the amount of \$200,000. It is fair and equitable to set off the losses in Claim Number 467 with the False Profits here, which leaves a remaining amount of \$50,000 in False Profits here. Accordingly, this claim should be denied because this account had no losses. | None           |
| 464      | VAL       | \$0.00                    | This account had False Profits of \$93,262.10. Accordingly, this claim should be denied because this account had no losses.   | None           |
| 465      | VIC       | unclear                   | The Receiver previously provided on the Proof of Claim Form for this account that it had a Net Investment Amount of \$343,262.10. Upon further review, this \$343,262.10 was transferred to Claim Number 462. The Receiver recommends that this transfer be recognized. Recognizing this transfer does not change the claim determinations for these claims because this Claimant has overall False Profits when considering all of his related accounts. Accordingly, this claim should be denied because this account had no losses.  | None           |
| 466      | VICR      | -\$47,937.92              | This account had False Profits of \$338,085.62. Accordingly, this claim should be denied because this account had no losses.  | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT G

## Investor Claims - Denied

## Class 4

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|----------|-----------|---------------------------|--|----------------|
| 467      | SCP       | \$212,303.16              | The Net Investment Amount for this account is \$200,000.00, which comports with Receivership Records. The Claimant also had the related account at Claim Number 463 which had False Profits of \$250,000.00. It is fair and equitable to set off the losses here with the False Profits in Claim Number 463. Even with this set-off, the Claimant still has combined False Profits of \$50,000. Accordingly, this claim should be denied because this account had no losses.   | None           |
| 468      | VAL       | \$100,000.00              | The Claimant transferred this account to his daughter. The Claimant's daughter filed a claim (Claim Number 369). The Receiver recommends that this transfer be recognized and that the daughter's claim, Claim Number 369, be allowed for the Net Investment Amount of \$100,000.00. Accordingly, this claim should be denied.   | None           |
| 469      | VAL       | \$305,000.00              | This claim was submitted by a foreign bank on behalf of an unidentified customer. The Receiver sent this bank a deficiency letter indicating that he needed to know, among other things, the identity of the beneficial owners of the account and any other parties with an interest in the account. The Receiver did not receive any response to this request or any other communication to remedy this deficiency. The bank's failure to provide the requested information has impeded the Receiver from assessing whether the Claimant has submitted an allowable claim. Because the Receiver cannot be sure that the beneficial owners of this account did not hold other Investor Accounts, receive False Profits in connection with such other accounts, otherwise receive additional money from Receivership Entities, or were not "insiders," this claim should be denied. | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

## EXHIBIT G

## Investor Claims - Denied

## Class 4

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|----------|-----------|---------------------------|--|----------------|
| 470      | VICR      | \$346,825.65              | This claim was submitted by Millennium Trust on behalf of Marguerite Nadel, Arthur Nadel's wife. The Proof of Claim Form was not executed by Mrs. Nadel nor was any express written authority from Mrs. Nadel provided by the person who submitted the claim. Further, the information provided on the Proof of Claim Form did not include all information within the possession of Mrs. Nadel. The Receiver provided notice of these deficiencies and allowed an opportunity for them to be remedied. The Receiver has not received any corrected or amended Proof of Claim Form for this claim or any other communication to correct these deficiencies. Further, Mrs. Nadel did not suffer any overall losses when one considers all of the proceeds of Nadel's scheme she received, including as "wages." Further still, Mrs. Nadel benefitted from the use of millions of dollars from the scheme. In addition, the money used to fund this account was scheme proceeds which Mrs. Nadel received as purported wages. In light of the foregoing, this claim should be denied. | None           |
| 471      | VIC       | \$286,000.00              | The Claimant claims that he received \$300,000.00 less than Receivership Records show he received. While the Claimant produced some documents to the Receiver to support this contention, these documents were insufficient to rebut Receivership Records which show that the Claimant received the additional \$300,000.00. Thus, Receivership Records show that this account had False Profits of \$14,000. Accordingly, this claim should be denied because there were no losses.   | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**EXHIBIT G**

**Investor Claims - Denied**

**Class 4**

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|----------|-----------|---------------------------|--|----------------|
| 472      | VICR      | \$376,604.51              | This claim was submitted by Millennium Trust on behalf of Geoffrey Quisenberry, Nadel's wife's son. The Claimant did not provide an original signature of Mr. Quisenberry on the Proof of Claim Form and the answers provided did not appear to be specific to Mr. Quisenberry. The Receiver provided notice of these deficiencies and allowed an opportunity for them to be remedied. The Receiver has not received any corrected or amended Proof of Claim Form for this claim or any other communication to correct these deficiencies. Further, Mr. Quisenberry did not suffer any overall losses when one considers all of the proceeds of Nadel's scheme he received, including as "wages." Further still, Mr. Quisenberry benefitted through the use of over a million dollars from the scheme. In addition, the money used to fund this account was scheme proceeds which Mr. Quisenberry received as purported wages. Finally, Mr. Quisenberry signed a copy of the Proof of Claim Form under penalty of perjury, yet it omitted material information, including that he received other money from Receivership Entities. In light of the foregoing, this claim should be denied. | None           |
| 473      | VAL       | \$545,000.00              | This claim is in the name of a foreign bank but was submitted by a capital management firm as investment manager of an investment fund. The Proof of Claim Form was not signed by an individual authorized to act on behalf of the account, but rather the name of the capital management firm was written on the signature line. The Receiver sent a deficiency letter to the company and a potentially interested foreign liquidator appointed in connection with a related entity. The Receiver did not receive a correction to the above noted deficiency. As such, this claim should be denied. This claim also should be denied because in light of the Claimant's sophistication, at a minimum, it should have recognized at least some of the numerous and easily discernible red flags surrounding Nadel and Receivership Entities. In turn, it should have conducted a diligent and reasonable investigation which would have uncovered fraud, or at a minimum, failed to ameliorate suspicions. As such, under principles of equity, the Claimant should not be allowed to recover any losses.  | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Denied**  
**Class 4**

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|----------|-----------|---------------------------|---|----------------|
| 474      | SCP       | \$38,600.00               | The Claimant was employed by Scoop Management, Inc. for approximately four years and was Neil Moody's step-child. The Claimant was employed as a bookkeeper and was involved in certain aspects of the financial affairs of certain Receivership Entities. She is also identified as handling the Hedge Fund investment account for Receivership Entity Viking Oil & Gas, LLC and Neil Moody's personal account. During her employment, she received total compensation of \$385,811.32. Receivership Records also indicate the Claimant drove a car paid for by Receivership Entities and had a Receivership Entity credit card. This claim should be denied for two independent reasons. First, it should be denied because the Claimant cannot satisfy the good faith obligations. The Claimant was on inquiry notice of problems with the Hedge Funds because (1) she had an intimate connection with investor assets, movement of funds, and Neil Moody's accounting and (2) she received more than twice the amount of compensation than was justified for the services she provided – which were clerical and often of a personal nature for Neil Moody. Second, even if the Claimant had satisfied good faith obligations, the claim still should be denied because the claimed loss – a combined \$91,987.50 – is more than offset by the excess salary the Claimant received, which consisted of proceeds of the scheme. It would be inequitable to allow the Claimant to retain the gross overpayment of wages and also assert a claim for investment losses. Further, the Claimant failed to provide proof of every investment deposit she claims she made. | None           |
| 475      | VICR      | \$53,387.50               | The Claimant also submitted Claim Number 474. The Receiver's Determination of Claim Number 474 applies equally here. Accordingly, for all of the reasons set forth in the Recommended Claim Determination of Claim Number 474, this claim should be denied.   | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Denied**  
**Class 4**

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|----------|-----------|---------------------------|--|----------------|
| 476      | VIC       | \$480,500.00              | This claim was submitted by a capital management firm as investment manager of an investment fund. The Proof of Claim Form was not signed by an individual authorized to act on behalf of the account, but rather the name of the capital management firm was written on the signature line. The Receiver sent a deficiency letter to the company and a potentially interested foreign liquidator appointed in connection with a related entity. The Receiver never received a correction to the above noted deficiency. As such, this claim should be denied. This claim also should be denied because in light of the Claimant's sophistication, at a minimum, the Claimant should have recognized at least some of the numerous and easily discernible red flags surrounding Nadel and Receivership Entities. In turn, it should have conducted a diligent and reasonable investigation, which would have uncovered fraud or, at a minimum, failed to ameliorate suspicions. As such, under principles of equity, the Claimant should not be allowed to recover any losses. | None           |
| 477      | VIC       | \$113,509.15              | The amount claimed by the Claimant includes a transfer from an "investment account" at Receivership Entity Traders Investment Club in the amount of \$150,000.00. However, only \$65,000.00 was deposited into the transferring Traders account and \$63,509.15 was deposited from an account with another Nadel "investment club," Indigo Investment Club, for a total amount invested of \$128,509.15. The Claimant withdrew \$100,000.00 from this account. Receivership Records show that the balance in this account of \$28,509.15 was transferred to Claim Number 406. The \$85,000.00 difference between this sum and the claimed amount represents False Paper Profits which the Claimant is not entitled to recover. Accordingly, this claim should be denied because there are no losses in this account.   | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**EXHIBIT G**

**Investor Claims - Denied**

**Class 4**

| Claim No     | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|--------------|-----------|---------------------------|---|----------------|
| 478          | VAL       | \$1,080,795.50            | The Claimant is a charitable organization which received contributions from the Moody Foundation. From April 26, 2004 through November 21, 2008, Neil Moody, through the Moody Foundation, gave the Claimant approximately \$1,219,222.00 on the condition that the Claimant invest the bulk of those funds in a Hedge Fund. The donations given to the Claimant consisted of proceeds of the scheme funneled to Neil Moody as Hedge Fund management "fees" based on grossly distorted Hedge Fund performance figures and asset values of Hedge Funds. As such, these donations were actually funds wrongfully taken from new and existing investors of the Hedge Funds. The Claimant did not provide any value in return for those donations. Because the Claimant had no right to receive or keep those funds in the first place, it now has no right to recover them from the Receivership Estate. Indeed, the Receiver has a right to recover from the Claimant the approximately \$138,426.50 the Claimant retained from the Moody Foundation's donations. Accordingly, this claim should be denied. | None           |
| <b>Total</b> |           | <b>\$15,138,874.66</b>    |   |                |

<sup>1</sup> Negative amounts in this column reflect False Profits.

# EXHIBIT H



EXHIBIT F  
Secured and Unsecured Non-Investor Claims - Denied

## Class 4

| Claim Number | Claim Amount | Claim Determination  | Allowed Amount |
|--------------|--------------|--|----------------|
| 497          | \$69,000.00  | The Claimant alleges that he was an investor and unpaid creditor. He also states that he provided and delivered "health care goods and services of a confidential nature." The Proof of Claim Form was not properly completed and did not provide any supporting documents. The Receiver did not send a Proof of Claim Form to the Claimant and has no record of the Claimant or any purported investment made or services provided. The Receiver sent a letter to the Claimant identifying the deficiencies and providing the Claimant 30 days to correct them. The Receiver did not receive any response. It appears that at the time of the submission of the claim, the Claimant was an inmate in a correctional facility. For the foregoing reasons, this claim should be denied. | None           |
| 498          | \$12,600.00  | This claim seeks the recovery of a security deposit paid in connection with a lease relating to Receivership real property. In connection with the sale of that property, the Claimant executed a lease termination agreement which waived all of its rights under the lease, which would include the right to receive the return of any deposit it may have paid. Accordingly, this claim should be denied.   | None           |
| 499          | \$58,114.50  | The Claimant entered into a contract with Receivership Entity Home Front Homes, LLC for the purchase of building materials. The Claimant asserts that payment was made for materials that were not delivered. The Claimant is a charitable organization which also received approximately \$682,500.00 in distributions of scheme proceeds from Receivership Entity Guy-Nadel Foundation, Inc. in the form of charitable donations. It is fair and equitable to set-off this claim with the distributions the Claimant received. Because the distributions exceed the amount claimed, the claim should be denied.  | None           |

## Secured and Unsecured Non-Investor Claims - Denied

## Class 4

| Claim Number | Claim Amount   | Claim Determination  | Allowed Amount |
|--------------|--|--|----------------|
| 500          | \$2,090,488.34   | The Claimant seeks recovery relating to a \$2 million line of credit extended to Christopher Moody. The line was secured by Christopher Moody's trust's Investor Account in Viking Fund. As detailed in Section II. D. 3. of the Claims Determination Motion, this claim should be denied for at least two independent reasons: (1) Christopher Moody's conduct in connection with the scheme, which resulted in his entry into a consent judgment for violations of the antifraud provisions of federal securities laws, severed Christopher Moody's trust's interest in Viking Fund; and (2) even if that interest was not severed, that interest should not receive any distributions as the money invested in Viking Fund to acquire that interest was proceeds of the scheme which Christopher Moody received as "compensation" from the Hedge Funds. Further, upon learning that the Hedge Funds were involved in a fraudulent scheme, the Claimant engaged in a scheme with Christopher Moody in an attempt to convert Receivership assets as security for the line of credit. Allowing this Claimant to share in Receivership assets with the defrauded investors would be inequitable. Accordingly, this claim should be denied. Please see Claims Determination Motion Section II. D. 3. for additional details. | None           |
| 501          | \$2,090,488.34 and seeks turnover of Christopher Moody's Bonds.com stock (3,116,171 shares) and promissory notes | The Claimant seeks recovery relating to the same \$2 million line of credit extended to Christopher Moody which underlies Claim Number 500. When the scheme collapsed and the Claimant was informed its collateral addressed in Claim Number 500 was worthless, the Claimant required Christopher Moody to provide additional collateral in the form of Christopher Moody's equity and debt interests in Bonds.com. In this claim, the Claimant seeks turnover of that interest, which the Receiver now controls. As detailed in Section II. D. 3. of the Claims Determination Motion, this claim should be denied because: (1) LandMark Bank had actual notice of fraud at the time it entered into the transaction purportedly giving rise to that claim and conspired with Christopher Moody to convert Receivership assets; (2)  | None           |
|              |  | that transaction violated the TRO and Order Appointing Receiver; and (3) that transaction involved an avoidable fraudulent transfer. Allowing this Claimant to share in Receivership assets with the defrauded investors would be inequitable. For the foregoing reasons and as further discussed in Claims Determination Motion Section II. D. 3., this claim should be denied.   |                |

## Secured and Unsecured Non-Investor Claims - Denied

## Class 4

| Claim Number | Claim Amount          | Claim Determination  | Allowed Amount |
|--------------|-----------------------|--|----------------|
| 502          | \$2,655,000.00        | The Claimant seeks recovery relating to a loan it made to Scoop Real Estate, L.P. to purchase a building in Graham, North Carolina. As detailed in Section II. D. 2. of the Claims Determination Motion, this claim should be denied because the Claimant was on inquiry notice of Nadel's fraud for two independent reasons: (1) because Nadel used a set of "shadow" bank accounts at Wachovia Bank to perpetrate his scheme and to ostensibly conceal it from the staff of the Fund Managers, and those accounts involved a number of improprieties that should have raised numerous red flags at Wachovia Bank; and (2) because Wachovia Bank was an investor in one of the Hedge Funds which also raised numerous "red flags." Allowing this Claimant to share in Receivership assets with the defrauded investors would be inequitable. Accordingly, this claim should be denied. Please see Claims Determination Motion Section II. D. 2. for additional details. | None           |
| 503          | \$5,000.00            | The Claimant seeks the recovery of a purported loan or investment given by the Claimant to an individual named J.C. Abercrombie. Neither J.C. Abercrombie nor the purported investment appears to have any relationship to this Receivership. Accordingly, this claim should be denied.  | None           |
| 504          | \$1,100,000.00        | The Claimant is a former wife of Arthur Nadel. She seeks damages in connection with purported mortgages taken out on her real property at the alleged request of Nadel while the two were married. These claims are personal claims against Nadel, who is not in receivership; arise from matters which predate Nadel's scheme; and are not otherwise within the purview of the Receivership. Accordingly, this claim should be denied.  | None           |
| <b>Total</b> | <b>\$5,990,202.84</b> |  |                |

# EXHIBIT I

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## EXHIBIT I

## Investor Claims - Waived

## Class 4

| Claim No | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination   | Allowed Amount |
|----------|-----------|---------------------------|---|----------------|
| 421      | VIK       | -\$339,201.26             | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 422      | VAL       | -\$122,000.00             | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 423      | VAL       | \$258,000.00              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 424      | VIK       | -\$50,000.00              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 425      | VIK       | \$200,000.00              | In connection with the settlement of litigation brought by the Receiver, the Claimants waived this claim. | None           |
| 426      | VIC       | \$500,000.00              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 427      | VIC       | \$167,500.00              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 428      | VIC       | \$12,388.79               | In connection with the settlement of litigation brought by the Receiver, the Claimants waived this claim. | None           |
| 429      | SCP       | \$135,042.16              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 430      | VIC       | -\$55,416.01              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 431      | VIK       | -\$241,559.35             | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 432      | VIKR      | -\$62,313.66              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 433      | VAL       | \$286,311.00              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 434      | VIK       | -\$72,627.49              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 435      | Traders   | -\$260,000.00             | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 436      | VAL       | \$270,672.50              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 437      | VIC       | -\$249,290.95             | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 438      | VIK       | \$357,500.00              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 439      | SCP       | unclear                   | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 440      | VIK       | unclear                   | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |
| 441      | VIK       | unclear                   | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim.  | None           |

<sup>1</sup> Negative amounts in this column reflect False Profits.

**Investor Claims - Waived  
 Class 4**

| Claim No     | Fund Name | Claim Amount <sup>1</sup> | Recommended Claim Determination  | Allowed Amount |
|--------------|-----------|---------------------------|--|----------------|
| 442          | SCP       | unclear                   | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim. | None           |
| 443          | VAL       | \$173,000.00              | In connection with the settlement of litigation brought by the Receiver, the Claimant waived this claim. | None           |
| <b>Total</b> |           | <b>\$908,005.73</b>       |  |                |

<sup>1</sup> Negative amounts in this column reflect False Profits.

# EXHIBIT J

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**Non-Investor Claims - Waived**  
**Class 4**

| <b>Claim Number</b> | <b>Claim Amount</b>   | <b>Claim Determination</b>   | <b>Allowed Amount</b> |
|---------------------|-----------------------|--|-----------------------|
| 496                 | \$1,163,919.35        | This claim was waived in connection with the Court-approved conveyance of real property and some other miscellaneous property to the Claimant. (See Doc. 633.) | None                  |
| <b>Total</b>        | <b>\$1,163,919.35</b> |  |                       |



# EXHIBIT K

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UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF FLORIDA  
Miami Division

**Case Number: 04-60573-CIV-MORENO**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

MUTUAL BENEFITS CORP., *et al.*,

Defendants,

VIATICAL BENEFACTORS, LLC, *et al.*,

Relief Defendants,

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**ORDER GRANTING RECEIVER'S MOTION FOR  
FINAL DETERMINATION OF ALLOWED CLAIMS**

THIS CAUSE came before the Court upon Receiver's Final Omnibus Report on Claims and Motion for Final Determination of Allowed Claims (D.E. No. 2172), filed on **October 14, 2008**.

THE COURT has considered the motion, the oral argument of the parties, and the pertinent portions of the record, and being otherwise fully advised in the premises, it is

**ADJUDGED** that the motion is **GRANTED** as follows.

**I. Applicable Basis for Investors' Claims**

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The Court adopts the Receiver's position regarding the applicable basis for the investors' claims. The Receiver shall use the initial dollar amount invested with MBC as the basis for the allowed amount of each investor's claim (the "dollars invested" approach) as it is the most equitable and practical basis for determining investors' claims in this Receivership. It is also the most common and most generally recognized approach to treatment of investor claims in an equitable receivership or bankruptcy proceeding involving a fraudulent investment scheme.

## **II. Disputed Claims and Miscellaneous Issues**

The Court adopts the Receiver's position regarding the disputed claims and miscellaneous issues as the Receiver's recommendations are in the best interest of the investors and will result in the equitable distribution of the receivership estate. Specifically, the Court finds as follows.

### **(1) Claims for Investment Return**

These are claims where the investors have sought the amount they expected to earn on their investment with MBC (in addition to the amount invested). These claims are disallowed as the promised returns were the product of fraud and claims for "profits" in Ponzi-scheme receiverships are generally rejected by the courts.

### **(2) Claims for Delay/Interest/Lost Time Value of Money**

These are claims where the investors have sought damages for the delay in their policies maturing "on time" in the form of interest or some other form of opportunity cost. These claims are disallowed as it would be inequitable and contrary to the case law to recognize claims based upon the fraudulent representations made in a Ponzi-scheme. Moreover, even if the business of MBC had been conducted lawfully, the investors had no guarantee that an investment in a policy would mature at the time projected in the life expectancy estimate.

### **(3) Claims for Premiums Paid and/or Administrative Fees Paid**

These are claims where the "Keeping Investors" have sought to recover the administrative fees and/or premiums paid to keep their policies in force since the disposition process for all of the policies was concluded. These claims are disallowed as the "Keeping Investors" specifically agreed to take on the administrative expense and shared premium burden for their policies when they opted to attempt to mitigate their losses by voting to keep their policies.

(4) Claims are Unstated or Unexplained or Non-Responsive

These are claims where the investors indicated that they did not agree with the recommended claim amount, but did not explain why or indicate the additional amount sought. These claims are disallowed as there is no practical way to give these investors an additional amount without a description of what additional amount is claimed.

(5) Claims for Consequential Damages

These are claims where the investors have sought some form of consequential damages as a result of their investment with MBC (e.g. payments to an attorney or other professional, pain and suffering). These claims are disallowed as recognizing them would be impractical (as the existence and amount of the claims are difficult to verify) and inequitable (as investors made different personal choices).

(6) Claims from Trade Creditors

Six of the trade creditors responded to the Receiver's notice by indicating that they wished to preserve their claims despite the Receiver's objections. The creditors' claims shall be subordinated to the individual investors' claims because, among other things, (1) this is an SEC enforcement action designed to protect the *investors*, not the creditors, (2) MBC's fraudulent conduct was directed towards its *investors*, not its creditors (which were paid substantial amounts already), (3) the investors as a whole are less able to bear the financial costs of MBC's conduct than are the creditors, and (4) four of these creditors provided lobbying or legal services to MBC, helping to keep it in business, thereby prolonging the fraud. The Court also disallows (1) Holland & Knight's Claim No. 3049061 to the extent it relates to work that was performed post-Receiver'ship, (2) Aaron Reed & Associates, LLC's Claim No. 3048058 to the extent it includes a retainer fee for the month of April 2004, and (3) Franklin Trade Graphics's Claim No. 3048110 to the extent it includes post-Receiver'ship finance charges.

(7) On-Going Maturities

Additional policies will inevitably mature between this ruling and actual receivership estate distribution. In order to prevent an investor from receiving the death benefits on their investment *and* their *pro rata* share of the receivership estate distribution, any claims on policies that mature before the distribution date shall be disallowed (as the investor will already receive the death benefits on the policy).

(8) Estate of Sally G. Richardson

This investor signed an irrevocable offer to sell her policy interest to another investor on her policy. By error, the death benefit proceeds were sent to Mrs. Richardson, instead of to the investor who bought her interest in the policy. The Receiver notified Mrs. Richardson of the error, but she has not responded. Instead, she has submitted claims on five other policies through the Claims Process. These claims are denied and any amount she would have received shall be transferred to the investor who should have received the death benefit proceeds on the sold policy. (Any amount that may be transferred to the investor shall not exceed the amount that the investor should have received from the sold policy.)

DONE AND ORDERED in Chambers at Miami, Florida, this 22nd day of October, 2008.

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FEDERICO A. MORENO  
UNITED STATES DISTRICT JUDGE

Copies provided to:  
Counsel of Record

# EXHIBIT L

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

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

Case No. 8:09-cv-87-T-26TBM

ARTHUR NADEL,  
SCOOP CAPITAL, LLC,  
SCOOP MANAGEMENT, INC.

Defendants,

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

Relief Defendants.

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**ORDER**

This cause comes before the Court for consideration of the Receiver's Unopposed Motion to (1) Approve Determination and Priority of Claims, (2) Pool Receivership Assets and Liabilities, (3) Approve Plan of Distribution, and (4) Establish Objection Procedure (the "Motion") (Doc. \_\_\_\_). The Securities and Exchange Commission does not oppose the granting of the relief sought.

Having considered the Motion, and being otherwise fully advised, it is **ORDERED AND ADJUDGED** that the Receiver's Motion is **GRANTED**. Accordingly,

1. The Receiver's determination of claims and claim priorities as set forth in the Motion and in Exhibits B through J attached to the Motion is fair and equitable and is approved;

2. For the reasons discussed in the Motion, the Receiver is authorized to consolidate all Receivership Entities' (as the term is defined in the Motion) assets and liabilities for all purposes, including for payment of administrative costs, for receipt of third-party recoveries, and for making distributions to holders of allowed claims;

3. For the reasons discussed in the Motion and under the circumstances of this Receivership, the Net Investment Method as set forth in the Motion and its Exhibits is the appropriate method for calculating allowed amounts for investors' claims;

4. The plan of distribution as set forth in Section IV of the Motion is logical, fair, and reasonable and is approved;

5. The Proposed Objection Procedure as set forth in Section V of the Motion for objections to the plan of distribution and the Receiver's claim determinations and claim priorities is logical, fair, and reasonable and is approved, and any and all objections to claim determinations, claim priorities, or the plan of distribution shall be presented to the Receiver in accordance with the Proposed Objection Procedure as set forth in Section V of the Motion.

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After any unresolved objections are filed with the Court by the Receiver, the Court shall determine whether a hearing is necessary and set the date and time of any such hearing; and

6. To bring finality to these matters and to allow the Receiver to proceed with distributions of Receivership assets, any and all further claims against Receivership Entities, Receivership property, the Receivership estate, or the Receiver by any Claimant, taxing



authority, or any other public or private person or entity and any and all proceedings or other efforts to enforce or otherwise collect on any lien, debt, or other asserted interest in or against Receivership Entities, Receivership property, or the Receivership estate are hereby barred and enjoined absent further order from this Court.

**DONE AND ORDERED** at Tampa, Florida, on December \_\_\_\_, 2011.

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

**COPIES FURNISHED TO:**  
Counsel of Record