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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

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

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

Relief Defendants.
_____/

**RECEIVER'S UNOPPOSED VERIFIED MOTION TO APPROVE PUBLIC SALE OF UNENCUMBERED REAL PROPERTY LOCATED IN RALEIGH, WAKE COUNTY, NORTH CAROLINA**

Pursuant to 28 U.S.C. §§ 754, 2001, and 2002, Fed. R. Civ. P. 66, and Rule 3.01 of the Local Rules of the Middle District of Florida, Burton W. Wiand, as Receiver (the "**Receiver**"), respectfully moves the Court for entry of an order in substantially the form

attached hereto as **Exhibit 1**, granting the Receiver authority to sell Receivership property located in Raleigh, Wake County, North Carolina (the "**Property**") by public sale to the highest bidder at auction. The Receiver is not aware of any liens or encumbrances on the Property, and no claims have been filed in the Receivership claims process with respect to it. Further, although this Court has now definitively held it has *in rem* jurisdiction over all Receivership property, which includes the Property (Doc. 776 ¶2), the Property is not listed in the Preliminary Order of Forfeiture/Final Order of Forfeiture as to Defendant's Interest in Specific Property entered in *United States v. Arthur Nadel*, Case No. 1:09-cr-00433-JGK (S.D.N.Y.) (the "**Forfeiture Order**"), and thus there is no question about this Court's jurisdiction and control over the Property (*see e.g.*, Docs. 733, 753, and 757). A public sale to the highest bidder at auction is in the best interest of the Receivership Estate because: (i) the Receiver has not been able to find a buyer for the Property despite having it listed for sale for over two years; (ii) the value of the Property has decreased substantially as a result of poor economic conditions and the absence of a tenant; (iii) the Property will likely continue to decline in value the longer that it remains unoccupied; and (iv) the Receivership Estate will continue to incur costs to maintain the Property if it is not sold.

## I. The Receivership

On January 21, 2009, the Securities and Exchange Commission ("**Commission**") initiated this action to prevent the defendants from further defrauding investors of hedge funds operated 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 RE**"); Valhalla Investment Partners, L.P.; Valhalla Management, Inc.; Victory Fund, Ltd.; Victory IRA Fund, Ltd.; Viking IRA Fund, LLC; Viking Fund, LLC; and Viking Management, LLC (the "**Order Appointing Receiver**"). (*See generally* Order Appointing Receiver (Doc. 8).) The Court subsequently granted several motions to expand the scope of the Receivership to include other entities owned or controlled by Arthur Nadel ("**Nadel**"). (*See generally* Docs. 17, 44, 68, 81, 153, 172, 454.). All of the entities in receivership are hereinafter collectively referred to as the "**Receivership Entities**."

Pursuant to the Order Appointing Receiver, the Receiver has the duty and authority to "administer and manage the business affairs, funds, assets, choses in action and any other property of the Defendants and Relief Defendants; marshal and safeguard all of the assets of the Defendants and Relief Defendants; and take whatever actions are necessary for the protection of the investors." (Order Appointing Receiver at 1-2.) In particular, the Receiver was directed to:

> [t]ake immediate possession of all property, assets and estates of every kind of the [Receivership Entities], whatsoever and wheresoever located belonging to or in the possession of the [Receivership Entities], including but not limited to all offices maintained by the [Receivership Entities], rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, and all real property of the [Receivership Entities] wherever situated, and to administer such assets as is required in order to comply with the directions contained in this Order, and to hold all other assets pending further order of this Court . . . .

(*Id.* at 2.) The Receiver took possession of the Property pursuant to the Order Appointing Receiver. The Receiver filed a copy of the complaint in this action and the Order Reappointing Receiver (Doc. 140) in the Eastern District of North Carolina on June 8, 2009,

and pursuant to 28 U.S.C. § 754 that established this Court's jurisdiction and control over the Property as it is located in that judicial district. As previously noted, the Property is not subject to any known liens or encumbrances or to the Forfeiture Order entered in Nadel's criminal proceedings. The Receiver now seeks to sell the Property by public auction pursuant to 28 U.S.C. §§ 2001 and 2002 and convey title to the Property to the highest bidder, subject to the limitations discussed below, by Receiver's Deed, free and clear of all claims, liens, and encumbrances (although no known liens or encumbrances exist, an order conveying the Property free and clear will facilitate the sale and comply with the requirements imposed by the auctioneers discussed in Section V below).

## II. The Property

The Property is a two-story commercial building located at 4905 Waters Edge Drive in the City of Raleigh, Wake County, North Carolina. The Property consists of approximately 1.82 acres of land and a 21,959 square-foot building. The Property was built in 1977 and remodeled in 1998. It was purchased by Scoop RE in April 2005 for approximately $1,900,000.00. The total purchase price and all closing costs were paid by Scoop RE using funds raised from Nadel's Ponzi scheme. The Receiver took possession of the Property after being appointed in January 2009. The Property has received no significant improvements since being purchased. It is not subject to any known liens or encumbrances and no claims have been filed in the Receivership with respect to the Property.

When the Receiver was appointed, the Property was occupied by Electronic Data Systems, Inc. ("**EDS**") pursuant to a triple net lease. However, EDS chose not to exercise its

right to renew that lease in January 2010.[1] Despite the Receiver's best efforts to secure a new tenant, the Property has remained vacant since EDS' departure.

The Property's value has decreased since it was purchased by Scoop RE in 2005. The factors contributing to this decrease in value include, among other things, poor current economic conditions, the depressed real estate market, and the absence of a tenant. A significant portion of the Property's value is directly attributable to rental income it actually generates, or its potential to generate rental income. The Property is not currently generating any rental income and its prospects for generating income in the near future are uncertain. As a result, the value of the Property has decreased, and may continue to do so. Analysis by Coldwell Banker Commercial NRT ("**Coldwell Banker**") of the local commercial real estate market indicated that, in general, commercial rents in the area had decreased and would continue to do so. Accordingly, the overall value of commercial properties has decreased. The factors which have generally depressed commercial rents in the area include high unemployment, low population and traffic density, and excess supply.

The taxable value of the Property, as appraised by the Wake County Tax Collector, was $1,897,557 in 2009, 2010, and 2011. The Receiver obtained a summary appraisal of the Property from an independent appraiser on June 8, 2010, which determined that the market value of the Property was $1,560,000.00.

Since the termination of EDS' triple net lease in January 2010, the Receivership Estate has incurred costs and expenses of approximately $91,000.00 to maintain the Property. These

[1] EDS sought to renew its lease at a rate of $9.00 per square foot, or almost 45% less than the rate paid under its previous lease. The Receiver determined that the rate requested by EDS was not reasonable, and EDS chose not to renew its lease of the Property.

costs and expenses include approximately $17,000.00 in property taxes for tax years 2010 and 2011, $6,700.00 in insurance, $7,600.00 in maintenance and repairs, and $43,000.00 in utilities. Given the decreased value of the Property, the substantial cost to the Receivership Estate to maintain it, and the inability to find a buyer, its sale at auction would not only generate substantial proceeds for the Receivership Estate but also relieve it of a significant amount of additional future expenses.

## III. The Receiver's Marketing Efforts

The Receiver first marketed the Property to potential purchasers through his website, www.nadelreceivership.com, in a specific "Assets for Sale" section. In the pursuit of more focused marketing efforts, the Receiver engaged the services of Coldwell Banker to attempt to sell the Property in September 2009. The Property was initially listed for $3,300,000.00 before EDS' lease had terminated. In February 2010, following the departure of EDS, the price was reduced to $2,400,000.00.

In April 2010, the Receiver received an offer of $1,000,000.00. However, the Receiver did not believe that the offer represented the fair value of the Property at that time and rejected it. Upon the expiration of Coldwell Banker's listing agreement, the Receiver engaged the services of Thomas Linderman Graham, Inc. ("**Thomas Linderman**"), a division of Grubb & Ellis, to locate a tenant. The Property was subsequently listed for $1,995,000.00 in October 2010. Thomas Linderman received no offers and its listing agreement expired in November 2011. Since the Receiver began marketing the Property in early 2009, he has received only the one offer discussed above.

The Receiver has made efforts to secure a tenant or a purchaser for the Property since early 2009. Despite the Receiver's best efforts, no viable tenants or purchasers have been secured. Given the difficulties in locating a tenant or purchaser to date, the Receiver has determined that a public sale at auction will provide the best opportunity to sell the Property for an amount which reasonably reflects its current value. Therefore, a public sale at auction is in the best interest of the Receivership Estate, and the Receiver seeks this Court's approval to sell the Property in the manner outlined below.

## IV. Auctioneers

Having received only one offer on the Property, in September 2011 the Receiver sought out representatives of several local and national auctioneers to determine whether a public sale at auction was a viable means of marketing and selling the Property. The national auctioneers with whom the Receiver communicated, including J.P. King Auction Company and United County Auctioneers, required sizeable engagement fees and charged substantial commissions and buyer's premiums. The Receiver determined that these fees, commissions, and buyer's premiums were excessive, and to incur them in the sale of the Property would not be in the best interest of the Receivership Estate.

Seeking auctioneers with lower engagement fees, commissions, and buyer's premiums, the Receiver contacted several local North Carolina auction companies, including Iron Horse Auction Company ("**Iron Horse**"). Iron Horse advised the Receiver that it does not charge an engagement fee and its commission and buyer's premium are significantly less than that of the national auctioneers. Iron Horse is a full service auction company and brokerage firm with over forty years of combined expertise and experience and is prominent

in North Carolina. Iron Horse works cooperatively with The Swicegood Group, Inc. ("**Swicegood**"), another reputable North Carolina auction firm and commercial property broker, and Iron Horse and Swicegood have offered to work together to advertise and sell the Property.

The Receiver believes that Iron Horse and Swicegood are well qualified to oversee a public auction of the Property as both have experience with court-appointed receivers and bankruptcy court proceedings. Representatives of both have evaluated the Property and proposed a marketing strategy to promote the public auction. They have also advised the Receiver regarding ensuring that the Property is sold for a price which reasonably reflects the value of the Property.

## V. Proposed Public Sale at Auction

Public and private sales of real property are governed by 28 U.S.C. § 2001 ("**Section 2001**"). This Court may order the public sale of the Property pursuant to subsection (a) of Section 2001, which states:

> (a) Any realty or interest therein sold under any order or decree of any court of the United States shall be sold as a whole or in separate parcels at public sale at the courthouse of the county, parish, or city in which the greater part of the property is located, or upon the premises or some parcel thereof located therein, as the court directs. Such sale shall be upon such terms and conditions as the court directs.
>
> Property in the possession of a receiver or receivers appointed by one or more district courts shall be sold at public sale in the district wherein any such receiver was first appointed, at the courthouse of the county, parish, or city situated therein in which the greater part of the property in such district is located, or on the premises or some parcel thereof located in such county, parish, or city, as such court directs, unless the court orders the sale of the property or one or more parcels thereof in one or more ancillary districts.

28 U.S.C. § 2001 (emphasis added).

When real property is sold at public sale by order of a court, 28 U.S.C. § 2002 ("**Section 2002**") requires that proper notice of the sale be provided. Section 2002 provides that notice shall be published once a week for at least four weeks prior to the sale in at least one newspaper regularly issued and of general circulation in the county, state, or judicial district of the United States where the real property is situated.

Consistent with the provisions of Section 2001, the Receiver proposes to offer the Property for sale at a public sale by auction conducted by Iron Horse and Swicegood within the district in which the Property is situated. Further, consistent with the provisions of Section 2002, the Receiver will publish notice of the public sale by auction once a week for at least four weeks prior to the sale in The Raleigh News & Observer. The Raleigh News & Observer is regularly issued and of general circulation in the district where the Property is situated. The proposed form of the notice to be published by the Receiver is attached hereto as **Exhibit 2**.

In addition to complying with the statutory requirements for a public sale, the Receiver will take steps to ensure that reasonable value is received for the Property, and that the sale is in the best interest of the Receivership Estate. The Receiver will employ a reserve auction and set a minimum reserve price for the Property.[2] If the reserve price is not met, the Receiver will open negotiations with the highest bidder to try and secure a price which

[2] A reserve price is the lowest fixed price at which the Property will be offered at an auction sale and (1) the price at which it will be sold if no higher price is bid or (2) below which the seller is not obligated to accept the winning bid. The exact estimated auction value and reserve price have not been included in this Motion to prevent potential purchasers from gaining an unfair advantage. However, the Receiver can provide additional information to the Court *in camera* or under seal if the Court wishes to review it.

reasonably reflects the value of the Property. If the Receiver cannot secure a price which will provide the Receivership Estate with reasonable value for the Property, the Receiver will not sell the Property.

Having fully evaluated the Property, Iron Horse and Swicegood estimate a sale price at public reserve auction in excess of $1,000,000.00 (as noted in footnote 2, the estimated auction value of the Property is not being included in this Motion to prevent potential purchasers from receiving an advantage). In exchange for their services, Iron Horse and Swicegood will accept a flat 3% commission from the sale proceeds, and they have agreed that advertising costs will not exceed $13,500.00. In addition, Iron Horse and Swicegood will charge a buyer's premium of 7% which will be payable by the buyer and added to the final auction bid price to establish the final auction contract purchase price. Before conducting the public sale, Iron Horse and Swicegood will require an Order from this Court authorizing the sale of the Property free and clear of all liens and encumbrances. The specific terms of the arrangement between the Receiver, Iron Horse, and Swicegood are reflected in the Letter of Engagement attached as **Exhibit 3**. If the Property fetches the price estimated by Iron Horse and Swicegood, the Receiver expects the Receivership Estate to collect proceeds in excess of $1,000,000.00 net of commission and advertising.

## VI. Conclusion

The Court's power to supervise an equity receivership and to determine the appropriate actions to be taken in the administration of the receivership is extremely broad. *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). The Court's wide discretion derives from the inherent powers of an equity

court to fashion relief. *Elliott*, 953 F.2d at 1566; *SEC v. Safety Finance Service, Inc.*, 674 F.2d 368, 372 (5th Cir. 1982). The relief sought herein is specifically contemplated and authorized by Sections 2001 and 2002.

After careful consideration, the Receiver has determined that attempting to sell the Property by public sale in the manner outlined above is in the best interest of the Receivership Estate. Having received only one offer to purchase the Property in response to marketing efforts aimed at a private sale, the Receiver believes that a public sale at auction provides the best opportunity to market the Property to a focused audience and maximize the Property's value. In view of the Receiver's belief that a public sale is in the best interest of the Receivership Estate, and in light of Iron Horse's and Swicegood's reputations, experience, and reasonable fees, the Receiver has engaged them to conduct a public sale of the Property. *See* **Exhibit 3**, Engagement Letter.

Accordingly, the Receiver respectfully requests that this Court enter an order, in substantially the form attached hereto as **Exhibit 1**, approving the sale of the Property by public sale at auction to the highest bidder who meets the reserve price. The relief sought by the Receiver falls squarely within the Court's powers, and is in furtherance of the duties and authorities bestowed upon the Receiver by the Order Appointing Receiver.

**WHEREFORE**, the Receiver moves the Court for entry of an order in substantially the form of the proposed Order attached hereto as **Exhibit 1**, approving the form of the proposed notice to be published in The Raleigh News & Observer set forth in **Exhibit 2**, and approving the sale of the Property by public sale at auction in accordance with the terms and

conditions set forth in this Motion and in the Engagement Letter attached hereto as **Exhibit 3**.

**CERTIFICATE UNDER LOCAL RULE 3.01(g)**

Undersigned counsel has conferred with counsel for the Commission and is authorized to represent to the Court that this motion is unopposed.

**VERIFICATION OF RECEIVER**

I, Burton W. Wiand, Court-Appointed Receiver in the above-styled matter hereby certify that the information contained in this Motion is true and correct to the best of my knowledge and belief.

Burton W. Wiand, Court-Appointed Receiver

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on March 7th, 2012, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system. I further certify that I mailed the foregoing document and the notice of electronic filing by first-class mail to the following non-CM/ECF participants.

Arthur 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
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*Attorney for the Receiver, Burton W. Wiand*
*W. Wiand*

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

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

Defendants,

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

Relief Defendants. /

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**ORDER**

Before the Court is the Receiver's Unopposed Verified Motion to Approve Public Sale of Unencumbered Real Property Located in Raleigh, Wake County, North Carolina (the "Motion") (Dkt. ____). Upon due consideration of the Receiver's powers as set forth in the Order Appointing Receiver (Dkt. 8), the Orders Reappointing Receiver (Dkts. 140, 316 and 493), and applicable law, it is **ORDERED AND ADJUDGED** that the Motion is **GRANTED**.

**EXHIBIT 1**

The proposed Notice of Sale attached as Exhibit 2 to the Motion is hereby approved and shall be published by the Receiver in The Raleigh News & Observer in accordance with 28 U.S.C. § 2002.

The public sale at auction of the real property located at 4905 Waters Edge Drive in Raleigh, North Carolina in the manner set forth in the Motion and the Engagement Letter attached as Exhibit 3 to the Motion, including the payment of fees and commissions set forth in the Motion and Engagement Letter, is hereby approved.

The Receiver is hereby directed to transfer title by way of Receiver's Deed, free and clear of all claims, liens, and encumbrances, in accordance with the Motion and Engagement Letter, to the real property located in Raleigh, North Carolina, which bears the following legal description:

> Being all of Lot 5 as shown on map entitled "Recombination of Lots 5 and 6 Waters Edge Office Park recorded in Book of Maps 1985, Page 2117, Wake County Registry.
>
> Together with those easement and rights in and to thereof for parking, pedestrian, vehicular traffic and common driveway as set forth in that Agreement dated 7 October 1974 and recorded in Book 2276, Page 121 Wake County Registry, and as shown on that map recorded in Book of Maps 1977, Vol. 3 page 303 Wake County Registry, and in Book of Maps 1974, Vol. 4 page 384, Wake County Registry.

Any and all claims relating to the real property that is the subject of this Order shall be extinguished at the time of its sale by the Receiver.

**DONE and ORDERED** in chambers in Tampa, Florida this ____ day of _____, 2012.

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

**COPIES FURNISHED TO**:
Counsel of Record

**EXHIBIT 2 - NOTICE OF SALE**

**LEGAL NOTICE: On ___, 2012, at ____ a.m., Burton W. Wiand, as Receiver ("Receiver") appointed in the matter of *SECURITIES AND EXCHANGE COMMISSION V. ARTHUR NADEL, ET AL.*, CASE NO: 8:09-CV-87-T-26TBM (U.S.D.C., M.D. Fla.) will conduct a public reserve auction at _____, _____, Wake County, North Carolina. The Receiver will auction the real property located at 4905 Waters Edge Drive, Raleigh, NC. The Receiver will be accepting bids. All bids must be submitted on the date of the auction. All inquiries regarding the auction should be made to the Receiver (813) 347-5100, Iron Horse Auction Company (800) 997-2248, and/or The Swicegood Group, Inc. (336) 909-2583.**

February 1, 2012

LETTER OF ENGAGEMENT

In the matter of the *Securities And Exchange Commission V. Arthur Nadel, et al.*, Case No: 8:09-CV-87-T-26TBMIN, United States District Court, Middle District of Florida at Tampa.

Iron Horse Auction Company, Inc. and The Swicegood Group, Inc. "Iron Horse and Swicegood", as a co-brokerage and Auctioneers, agree to represent the United States Court Appointed Receiver, Burton W. Wiand ("Seller"), as agent in the sale of the real estate located at 4905 Waters Edge Drive, Raleigh, North Carolina ("Property") at public auction, free and clear of all liens and encumbrances.

The Receiver on his representation, authorize "Iron Horse and Swicegood" to enter into all the subject Property for the purpose of selling all the subject Property at public auction, subject to the final approval of the United States District Court for the Middle District of Florida. The auction will be held on Wednesday, March 28, 2012 at 2:00 p.m.

We will market and advertise the assets in a "Commercially Reasonable Manner" to insure that the assets are properly exposed to the buying public. Due to the high profile of this auction event we expect a large amount of press from the local and state media. The advertising campaign will include the use of a direct mail blitz using First Class Mail of the US Postal Service and to be sent to our list of known and potential buyers of these types of assets, preparation and distribution of the press release to all related medias, display type ads in the area newspapers and listing on 30 or more Internet websites related to the sale of real estate at public auction. Notice of the sale of the real estate will be posted in a newspaper regularly issued and of general circulation in the county, state, or judicial district of the United States wherein the Property is situated. The cost of the advertising campaign is an expense of the Seller and will not exceed $13,500.00, which will be advertised by "Iron Horse and Swicegood" and will be reimbursed from the closing of each transaction. We propose to conduct the auction at a local area public facility within the judicial district of the united States where the Property is located that will be able to accommodate the projected crowd of potential buyers.

We will provide sufficient professional personnel to handle all parts of the transaction and to assure that every part of the transaction is handled to the highest level of confidentiality and professional conduct.

We will require the successful bidder to submit a deposit of 20% of the final auction contract purchase price, within 24 hours after the auction either by cashier's check, company or personal check accompanied by a Bank Letter of Guaranteed payment or bank wire, with the balance due within 30 days after the date of approval by the United States District Court for the Middle District of Florida. The Property will transfer via Receiver's Deed with no contingencies except the contingency of court approval and insurable title. The property will be sold AS IS, WHERE IS, with any and all faults except for the ability of the Seller to provide title insurance at the expense of the buyer.

"Iron Horse and Swicegood" will require an Order from the United States District Court for the Middle District of Florida to authorize the conduction of the auction, to sell the Property free and clear of all liens and encumbrances by "Iron Horse and Swicegood", as agent for the Seller.

"Iron Horse and Swicegood" will charge a commission of 3%, payable by the Seller from the closing proceeds and will charge the buyer, a buyer's premium of 7%, payable by the buyer, of which will be added to the final auction bid price to establish the final auction contract purchase price. Plus the cost of advertising and marketing, as previously noted.

**EXHIBIT 3**

Please acknowledge your acceptance of this Letter of Engagement as noted below. Upon receipt of same we are prepared to begin the process to meet our proposed goals, time lines and objectives.

Accepted and Agreed

By the authorized representative of Iron Horse Auction Company, Inc.

Accepted and Agreed

By the authorized representative of The Swicegood Group, Inc.

Accepted and Agreed

By Seller, Burton W. Wiand, Court-Appointed Receiver in the matter of *Securities And Exchange Commission V. Arthur Nadel, et al.*, Case No: 8:09-CV-87-T-26TBMIN

Please acknowledge your acceptance of this Letter of Engagement as noted below. Upon receipt of same we are prepared to begin the process to meet our proposed goals, time lines and objectives.

Accepted and Agreed

By the authorized representative of Iron Horse Auction Company, Inc.

Accepted and Agreed

By the authorized representative of The Swicegood Group, Inc.

Accepted and Agreed

By Seller, Burton W. Wiand, Court-Appointed Receiver in the matter of *Securities And Exchange Commission V. Arthur Nadel, et al.*, Case No: 8:09-CV-87-T-26TBMIN