

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3012 / April 8, 2010**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13853**

**In the Matter of**

**ARTHUR NADEL,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
203(f) OF THE INVESTMENT ADVISERS  
ACT OF 1940 AND NOTICE OF HEARING**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Arthur Nadel (“Respondent” or “Nadel”).

**II.**

After an investigation, the Division of Enforcement alleges that:

A. From April 2001 through January 2009, Respondent was the president and a director of Scoop Management, Inc., an unregistered investment adviser. In addition, from June 2001 through January 2009, Respondent was the managing member of Scoop Capital, LLC, an unregistered investment adviser. Respondent, 77 years old, is a resident of Sarasota, Florida.

B. On February 24, 2010, Nadel pleaded guilty to six counts of securities fraud in violation of Title 15 United States Code, Sections 78j(b) and 78ff, one count of mail fraud in violation of Title 18 United States Code, Sections 1341 and 1342, and eight counts of wire fraud in violation of Title 18 United States Code, Sections 1342 and 1343, before the United States District Court for the Southern District of New York, in United States v. Arthur G. Nadel, Criminal Indictment No. 09-CRIM-433.

C. The counts of the criminal indictment to which Nadel pleaded guilty alleged, among other things, that from at least 1999 through January 2009, Nadel perpetrated a scheme to defraud investors by soliciting hundreds of millions of dollars of funds from them under false pretenses, failing to invest their money as promised, falsely claiming that his purchases and sales of securities resulted in high rates of returns, and misappropriating and converting investor funds for his own benefit and the benefit of others. The Commission previously filed an emergency civil injunctive action against Nadel in January 2009, which was derived from the same activity that led to the indictment against Nadel.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

### **IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy  
Secretary