

1 KEVIN N. ANDERSON, ESQ.
Nevada State Bar No. 4512
2 **FABIAN VANCOTT**
2275 Corporate Cir., Suite 220
3 Henderson, NV 89074
Telephone: (702) 233-4444
4 E-Mail: kanderson@fabianvancott.com

5 *Attorneys for Jeffrey J. Judd*

6 **UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF NEVADA**

8 SECURITIES AND EXCHANGE
9 COMMISSION,

10 Plaintiff,

11 v.

12 MATTHEW WADE BEASLEY; BEASLEY
LAW GROUP PC; JEFFREY J. JUDD;
CHRISTOPHER R. HUMPHRIES; J&J
CONSULTING SERVICES, INC., an Alaska
Corporation; J&J CONSULTING SERVICES,
13 INC., a Nevada Corporation; J AND J
PURCHASING LLC; SHANE M. JAGER;
14 JASON M. JONGEWARD; DENNY
SEYBERT; ROLAND TANNER; LARRY
15 JEFFERY; JASON A. JENNE; SETH
JOHNSON; CHRISTOPHER M. MADSEN;
16 RICHARD R. MADSEN; MARK A.
MURPHY; CAMERON ROHNER; AND
17 WARREN ROSEGREEN,

18 Defendants,

19 THE JUDD IRREVOCABLE TRUST; PAJ
CONSULTING INC; BJ HOLDINGS LLC;
STIRLING CONSULTING, L.L.C.; CJ
20 INVESTMENTS, LLC; JL2 INVESTMENTS,
LLC; ROCKING HORSE PROPERTIES,
21 LLC; TRIPLE THREAT BASKETBALL,
LLC; ACAC LLC; ANTHONY MICHAEL
22 ALBERTO, JR.; and MONTY CREW LLC,

23 Relief Defendants.

Case No. 2:22-cv-0612-JCM-EJY

**JEFFREY JUDD’S RESPONSE TO THE
RECEIVER’S MOTION FOR ORDER
IN AID OF RECEIVERSHIP
AUTHORIZING RECEIVER TO
PURSUE CLAWBACK ACTIONS**

1 Defendant Jeffrey Judd (“**Judd**”), by and through undersigned counsel, pursuant to
2 LR7-2(b) hereby files his response to the *Receiver’s Motion for Order in Aid of Receivership*
3 *Authorizing Receiver to Pursue Clawback Actions* (ECF No. 876) (the “**Motion**”).

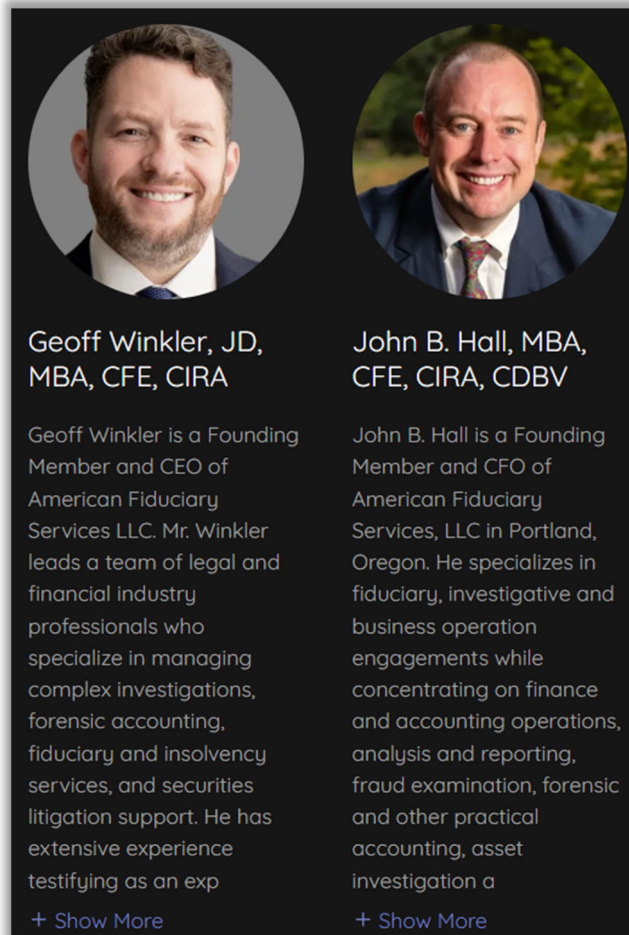
4 Judd requests the Court deny the Motion in its entirety because the Motion is premature
5 for several reasons. First the Receiver’s Forensic Accounting Report has not been adequately
6 reviewed by the Court; Second, the Receiver’s clawback actions will immediately be opposed due
7 to his failure to include or account for significant proceeds (such as the settlement of the related
8 litigation initiated by the Receiver against Wells Fargo, *Winkler v. Wells Fargo Bank*, case
9 no. 2:23-cv-00703-GMN-NJK (“**Wells Fargo Litigation**”), tax refunds of approximately \$20
10 million; tithing payments, etc.) that will significantly change the calculus of who are so called “net
11 winners” and who are “net losers.” The potential amounts the Receiver could collect from the
12 Wells Fargo Litigation and that he has been sitting on and making virtually no effort to collect
13 could turn some current net losers – who could get a distribution under the Receiver’s scheme –
14 into net winners.

15 **A. The Accounting Report is Inherently Unreliable.**

16 First, the Receiver’s Forensic Accounting Report, filed as ECF No. 792-1, (“**Accounting**
17 **Report**”), which is the foundation the Receiver relies upon for determining the “net-winners” and
18 “net-losers,” is not an independent report and is materially flawed.

19 The Accounting Report was prepared by the Receiver’s business partner, John B. Hall. Mr.
20 Hall is not an outside, independent expert retained at arm’s length. The Receiver’s website
21 (<https://americanfiduciaryservices.com/about-afs-1>) describes Mr. Hall as “a Founding Member
22 and CFO of American Fiduciary Services, LLC.” This is the same entity that was appointed as
23 “Receiver”. Order Granting SEC’s Motion to Appoint Receiver and Related Relief (ECF No. 88)

¶ 4 (“GEOFF WINKLER of AMERICAN FIDUCIARY SERVICES LLC (the ‘Receiver’)”). Here they are pictured side-by-side on the Receiver’s website:



In other words, the Receiver hired himself — or more precisely, his own business partner operating within their jointly owned firm — to conduct the forensic accounting analysis that now serves as the sole basis for suing over 150 people for clawback. This inherent conflict raises questions and concerns regarding the reliability of the Receiver and his business partner’s Accounting Report. The Court has not yet allowed any discovery concerning or challenge to the Accounting Report.

The reliability of the Accounting Report is called into question by the disclaimers in the Accounting Report itself:

1 Neither the receiver, John B. Hall nor American Fiduciary Services, LLC
2 guarantees or warrants the accuracy or completeness of the analysis. While
3 commercially reasonable efforts have been made to provide an accurate and
4 complete report, inadvertent errors or omissions may exist, and the analysis is based
5 on the information available to American Fiduciary Services, LLC at the time of
6 the preparation of the report.

7 Accounting Report ECF No. 792-1, at p. 111

8 **B. The Accounting Report’s Materially Flawed Accounting.**

9 Additionally, the Receiver and his business partner’s Accounting Report is facially
10 materially flawed in many respects, is contrary to positions taken by the Receiver in related
11 litigation, and is therefore not reliable. For instance, the Accounting Report is materially flawed
12 because it makes factual and legal conclusions that have neither been determined by the Court nor
13 the finder of fact. This is not the role of the Receiver or the professionals employed by him. *U.S.*
14 *Sec. & Exch. Comm’n v. Peterson*, 129 F.4th 599, 607 (9th Cir. 2025) (“The receiver, standing in
15 the shoes of the injured corporations, is entitled to pursue the corporation’s claims ‘for the benefit
16 not of [the wrongdoers] but of innocent investors.’”).

17 More specifically, by way of example, the Accounting Report attributes a “Fraud Proximity
18 Ratio” to all Defendants and purportedly attributes culpability to each Defendant based on an
19 equation utilizing the amount of investor funds produced. Not only is the equation flawed because
20 it assumes “fraud” in connection with raising of investments without any evidence or judicial
21 determination of fraudulent intent or conduct. Such factual findings and conclusions of law should
22 be determined by a trier of fact. This is important here because Judd and other early investors (e.g.,
23 Shane Jager, Chris Humphries, and Chris Madsen) were defrauded by Matthew Beasley
24
25

1 (“Beasley”). Judd invested his own funds in the alleged Ponzi scheme.¹ Like others who were not
2 made defendants and may be considered by the Receiver to be net losers, these Defendants told
3 others about what seemed to them to be a good investment.²

4 Here, however, the Receiver and his business partner’s Accounting Report does not
5 account for any funds Judd or others like him invested. Until the trier of fact makes material and
6 key determinations of liability and fraud, the Motion is premature and should be denied.

7 As another example, the Accounting Report treats Matt Beasley’s Interest on Lawyer Trust
8 Account (“IOLTA”) account as a subsidiary of the J&J Entities when the opposite is true. As
9 noted in the Accounting Report (and the Wells Fargo Litigation), Beasley’s motivation to run his
10 Ponzi scheme included threats to his life arising from his gambling and alcohol addictions. ECF
11 No. 792-1, p. 19. It was conceived, implemented and operated by Beasley. Beasley’s “opportunity
12 to run it was his access to his business IOLTA account.” *Id.*

13 Statements made by the Receiver in the Wells Fargo Litigation are contrary to the
14 conclusions made in the Accounting Report. The Receiver and his business partner’s Accounting
15 Report claims that Beasley only raised \$889,000 from three investors, concluding that his “fraud
16

17 ¹ The Accounting Report labels the Ponzi scheme as the “J&J Ponzi Scheme.” However, in the
18 Wells Fargo Litigation, the Receiver acknowledged, as he must, that Beasley was the one “running
19 a half billion-dollar Ponzi scheme.” The J&J Entities, owe investors hundreds of millions of dollars
20 and had their assets stripped away “as a result of Beasley’s Ponzi scheme. Indeed, instead of using
21 the J&J Entities’ funds for investment purposes, Beasley—through his Wells Fargo attorney trust
22 account—recycled the money to give all the appearance that he was making real investments and
receiving real returns.” *Winkler v. Wells Fargo Bank*, case no. 2:23-cv-00703-GMN-NJK, Dkt.
No. 140, p. 1. *See also id.*, Complaint, Dkt. No. 1, ¶ 3 (“This was a Ponzi scheme from the start,
and Beasley misled the Receivership Entities from the outset.”); Receiver’s Motion to Compel
Wells Fargo (Redacted), Dkt. No. 72, p. 10 (“Beasley’s gambling debts to Alberto were one of the
primary reasons that Beasley orchestrated a Ponzi scheme . . .”).

23 ² For example, the Declaration of Elizabeth Chinlam Lewis, submitted by the SEC in support of
24 its motion for preliminary injunction, acknowledges Ms. Lewis told other people about the
investment opportunity, including her mother who also invested in the Beasley Ponzi scheme and
25 received return payments. Dkt. No. 23-3, ¶¶ 30-32. Ms. Lewis was not named as a Defendant by
the SEC.

1 proximity” was low because his investors suffered little damage. *Id.* at p. 43. This conclusion
2 erroneously fails to treat Judd and other Defendants as investors.

3 Meanwhile, in related litigation the Receiver admits that the settlement contracts were the
4 creation of Beasley, not Judd. *Winkler v. Wells Fargo Bank*, case no. 2:23-cv-00703-GMN-NJK,
5 Dkt. No. 140, pp. 2-3 (“As between Beasley and the J&J Entities, Beasley was responsible for
6 obtaining contracts, titled ‘Purchase Agreement[s],’ between these personal injury plaintiffs and
7 J&J Consulting Services, Inc (‘J&J’). . . . The Purchase Agreements were fabricated by Beasley,
8 and he instead used the investments to gamble and make luxury purchases and to fuel a Ponzi
9 scheme.”). This illustrates some of the flaws in the Accounting Report.

10 In short, the Receiver and his business partner/“forensic accountant” have made
11 inconsistent statements in the Accounting Report compared to statements, positions and
12 admissions made in related litigation. The Motion relies on the Accounting Report, which is
13 flawed, as outlined above. Further, as conceded by the Receiver in the related litigation, there are
14 many factual determinations that need to be made and must be made by a jury. These factual
15 determinations are necessary to support the assumptions made in the Accounting Report’s
16 purported determinations of net winners and net losers. Until they are made, the Accounting Report
17 cannot be used to justify distributions to net losers or clawback actions against net winners.

18 **C. Before Clawback Actions are Initiated, the Wells Fargo Litigation should be**
19 **Concluded and Other Assets Collected to Determine Who the Net Winners**
20 **Really Are.**

21 As argued by the Receiver in the Motion, the receiver is authorized “to institute such
22 actions and legal proceedings, for the benefit and on behalf of the Receivership Estate. . . .” Mot.
23 at 5. However, the Receiver’s own argument regarding the authority granted to him cuts against
24 his Motion given the pending litigation seeking tens of millions of dollars for the Receivership
25 Estate.

1 In the Wells Fargo Litigation, the Receiver seeks over \$100 million in an effort to make
2 the receivership estate whole. Prior to the SEC action, Judd paid ~\$20 million in federal taxes that
3 should be refunded to the Receivership Estate. *See* Ex. 1 to Receiver’s Motion to Compel Judd’s
4 Compliance with Receiver’s Subpoena and Court’s Appointment Order, Dkt. No. 698-2, at p. 4
5 (“Mr. Judd has repeated[ly] asked about the Receiver’s agreement to file tax returns. As Mr.
6 Winkler knows, the Receivership Estate should be able to secure a refund in the neighborhood of
7 \$20 million.”). The Receiver also has apparently not sought return of tithing payments Judd made
8 to the Church of Jesus Christ of Latter-Day Saint in excess of \$1.8 million, even though the Church
9 has returned such donations to other court-appointed receivers who requested them. *See* “How the
10 LDS Church and Utah State University got tied up in an alleged Ponzi scheme and must now pay
11 back millions,” Salt Lake Tribune, July 22, 2021 (“The LDS Church has entered into a settlement
12 agreement to pay the \$2.4 million to the receiver so that the money can be returned to investors.”).

13 In the event the Receiver is successful in the Wells Fargo Litigation and collecting other
14 significant amounts that remain uncollected, the Receivership Estate may be made whole.
15 Accordingly, the Motion is premature.

16 Additionally, if the Motion is granted, the requested litigation will be costly, will further
17 add to the enormous amount of attorney fees paid by the Receivership Estate to the law firms that
18 have already raked in millions, based on a flawed accounting. It is more prudent and better use of
19 the Receivership Estate assets for the Wells Fargo Litigation to be concluded to determine whether
20 any additional litigation is needed to make the Receivership Estate whole. Additionally, before
21 hundreds of thousands of dollars are spent on additional litigation, a truly independent and reliable
22 accounting should be completed.

1 **CONCLUSION**

2 Based on the foregoing, the Motion should be denied. The Receiver’s request to use an
3 unwarranted, internally produced “Forensic Accounting” as the foundation for the Court
4 authorizing scores of clawback lawsuits should be rejected.

5 DATED this 20th day of March, 2026.

6 /s/ Kevin N. Anderson
7 KEVIN N. ANDERSON, ESQ.
8 Nevada State Bar No. 4512
9 **FABIAN VANCOTT**
10 2275 Corporate Cir., Suite 220
11 Henderson, NV 89074
12 Telephone: (702) 233-4444
13 E-Mail: kanderson@fabianvancott.com

14 *Attorneys for Jeffrey J. Judd*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 20th day of March, 2026, I caused a true and correct copy of the foregoing to be filed electronically via the Court’s CM/ECF system. Notice of filing will be served on all parties by operation of the Court’s CM/ECF system, and parties may access this filing through the Court’s CM/ECF system.

/s/ Michelle D. Donohoo
An employee of Fabian VanCott