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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

MATTHEW WADE BEASLEY et al.

Defendants;

THE JUDD IRREVOCABLE TRUST et al.

Relief Defendants.

Case No. 2:22-CV-00612-CDS-EJY

MOTION FOR ORDER TO SHOW CAUSE WHY PAULA BEASLEY AND AARON GRIGSBY SHOULD NOT BE HELD IN CONTEMPT FOR FAILURE TO COMPLY WITH THIS COURT'S ORDERS AND ALTERNATIVE MOTION FOR TURNOVER

Comes now, Geoff Winkler, the Court-appointed Receiver (the "Receiver"), by and through his counsel of record the law firm of Greenberg Traurig, LLP, and hereby submits the following Motion for Order to Show Cause Why Paula Beasley and Aaron Grigsby should not be Held in Contempt for Failure to Comply with this Court's Orders and Alternative Motion for Turnover (the "Motion").

This Motion is based upon the attached Memorandum of Points and Authorities, the exhibits hereto including the Declaration of Kara B. Hendricks, the pleadings and papers on file, and such other and further arguments and evidence as may be presented to the Court in connection with the Motion.

DATED this 13th day of April 2023.

GREENBERG TRAURIG, LLP

By: /s/ Kara B. Hendricks

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

At the hearing on the Receiver's previous motion for an order to show cause, the Court gave Mrs. Beasley and Mr. Grigsby, her counsel, a second chance by compelling compliance with the Court's prior orders instead of immediately entering an order to show cause, providing an opportunity to cure what appeared to be contempt. The Court was candid that it did so in part "so that you [Grigsby] and Mrs. Beasley avoid potential sanctions." The Court was also candid that it

was granting the Receiver leave to renew his motion if Grigsby and Beasley did not take the opportunity seriously. Respectfully, Mr. Grigsby and Mrs. Beasley did not.

The documents and information provided in response to the order compelling Mr. Grigsby and Mrs. Beasley to produce specific documents and information to the Receiver in an effort to purge their contempt were inadequate. Moreover, the limited information that was provided demonstrates that Mrs. Beasley squandered substantial Receivership Assets on needless and self-indulgent lifestyle choices with the help and assistance of her counsel. Indeed, it appears since Matthew Beasley's arrest in March of last year, Mrs. Beasley has received at least $267,020.83 from the sale of three vehicles and has spent all but approximately $11,700 of the same, despite orders by this Court requiring the preservation of those assets and turnover of the same to the Receiver.

A significant portion of these assets were transferred to Mr. Grigsby who purports to have earned them by providing legal and administrative services in contravention of the Court's asset freeze order. Mr. Grigsby is not – and was not – entitled to these assets, which remain subject to the Court's jurisdiction and freeze order, of which Mr. Grigsby was admittedly aware. Accordingly, the Receiver brings the subject Motion, seeking Court intervention. Specifically, the Receiver seeks an order to show cause why both Mrs. Beasley and Mr. Grigsby should not be held in contempt and/or an order requiring Mrs. Beasley and Mr. Grigsby to turnover remaining assets and/or the equivalent value of assets squandered. Finally, the Receiver requests an order that Mrs. Beasley and Mr. Grigsby pay the Receiver's reasonable attorneys' fees and costs in his efforts to obtain compliance with the Court's orders.

II. RELEVANT FACTUAL AND PROCEDURAL BACKGROUND

Mr. Grigsby and Mrs. Beasley have failed to comply with this Court's order resolving the Receiver's previously-filed Motion to Compel or Alternative Motion for Order to Show Cause (the "Motion to Compel"). ECF No. 333. The Motion to Compel, filed on October 21, 2022, centered on a number of violations of this Court's orders and a general failure to provide the Receiver with information related to the location and status of significant assets belonging to the Receivership Estate. Central to the Receiver's arguments were significant questions regarding the factual

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background related to Mrs. Beasley's apparent disposition of various vehicles including a 2020 Mercedes Benz G63 G-Wagon (the "G-Wagon"), a 2016 Ferrari 488 GTB (the "Ferrari"), and a 2020 Aston Martin Vantage (the "Aston Martin").

A. Hearing on the Motion to Compel.

The Motion to Compel came before the Court on December 16, 2022. ECF No. 416. During the hearing, this Court noted the gravity of the situation and demonstrated a clear understanding of the facts.

> "I have a very good command of the facts. I cannot say I have every fact memorized, but this is too grave a situation in my opinion for me to have glanced at things…You don't have to educate me on the background of this case." ECF No. 416 at p. 11:8-15.

The Court honed-in on the lack of information surrounding Mrs. Beasley's disposition of the three vehicles, the status of real property within the Receivership Estate, Mrs. Beasley's preservation of that real property, material misrepresentations to third parties, including the Court, regarding the same, and the lack of information related to Mr. Grigsby's receipt of fees. The Court expressed concern with the fact that there has been no evidence demonstrating the location and/or status of approximately $173,000.00 which should have been turned over to the Receiver following the sales.

> "I don't understand where that money went and the receiver has a right to know where it went." ECF NO. 416 at p. 21:11-12.

The Court also expressed displeasure and concern with the numerous misrepresentations made to the SEC, the Court, and third parties regarding Mrs. Beasley's disposition of the G-Wagon.[1]

Having not received information sufficient to answer the critical questions before it, the Court granted the Receiver's Motion to Compel advising:

[1] Referencing an April 26, 2022 email from Mr. Grigsby to the SEC, wherein Mr. Grigsby stated "[i]n all candor, Ms. Beasley is hoping to sell the 2020 Mercedes and apply the proceeds to living and litigation expenses", the Court stated: "You made a material misrepresentation to the SEC in writing that you provided to the Court. … Your problem is misrepresentations in writing to the SEC and misrepresentations to the Court about what happened. And I don't hear you trying to explain that at all and that genuinely concerns me." ECF No. 416 at p. 28:20 - 29:22.

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> "I am not ordering show cause right now because I am going to give you an opportunity to come clean totally with the SEC and reverse the courts of action so that you and Mrs. Beasley avoid potential sanctions." ECF No. 416 at p. 42:3- 6.

Through this second chance, the Court ordered a substantial production of documents and information on the following topics on or before January 20, 2023:

(1) Information about the sale of the Mercedes Benz;

(2) Evidence of the sale in Mr. Grigsby and/or Mrs. Beasley's possession;

(3) Copies of any purchase or sale documents in Mr. Grigsby and/or Mrs. Beasley's possession, custody, or control;

(4) A turnover of any proceeds that are still in – or an accounting of any proceeds that are still in Mr. Grigsby and/or Mrs. Beasley's possession or Mrs. Beasley's possession from the $170,000 that was paid, and no dissipation of that money until there is a further court order;

(5) An accounting down to the penny of where the money that was paid, the $170,000 was spent with supporting documentation;

(6) Information regarding the Aston Martin, the Ferrari and any other cars that were in Mr. Beasley's and Mrs. Beasley's possession before the fast-track divorce and an accounting of what – of the sale of those cars and where the money went that was received for those cars, whether it was to pay off a loan or to pay a gas bill, with receipts;

(7) Proof of insurance and payments made to date and maintenance records, if any, for the Range Rover;

(8) For the Schoofey property, all documentation showing payments made to date of taxes, HOA, insurance, principal, and interest;

(9) An accounting of all attorneys' fees paid, including payments made through an American Express card. If any payments have been made using the American Express card, those funds are to be turned over. If payments have been made from any other source, all of that with a specific accounting must be provided to the SEC;

(10) An accounting of the property that was taken from the Ruffian home upon Mrs. Beasley's departure; and

(11) any information about the Lake Tahoe property, the Mt. Charleston property, or any other property which the Court is not as familiar with must be turned over including any late notice or notices of sale or any other communication from the mortgage-holders on the properties as well as whether the payments have been brought current and the source of those payments if they have been made.

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ECF No. 416 at p. 42:14-45:1.

On January 20, 2023, the Receiver received a production of documents from Mr. Grigsby.[2] However, upon review, the information provided fell materially short of satisfying the Court's order.[3] Because there was, however, *some* effort to comply with the Court's directive, the Receiver sent written correspondence to Mr. Grigsby on March 3, 2023, seeking to conduct a meet and confer regarding Mr. Grigsby's deficient production prior to bringing this matter back to the court to (a) determine whether Mr. Grigsby and his client might fully comply or, at least, (b) obtain the information necessary to support a motion for *specific* sanctions based on the damages to the Receivership Estate from the pair's now-evidently contemptuous conduct.[4]

On March 9, 2023, counsel for the Receiver met with Mr. Grigsby, via video conference, and discussed Mr. Grigsby's failure to provide a complete response to the Court's order.[5] Despite no obligation to do so, the Receiver permitted Mr. Grigsby another opportunity to produce the documents and information needed before the Receiver would be forced to bring this matter back to the Court's attention.[6] As such, Counsel for the Receiver advised a complete response to the Court's order was needed on or before March 17, 2023.[7] Mr. Grigsby advised that he would be on vacation the week of March 13-17 and, as a courtesy, counsel for the Receiver agreed a complete response was due no later than March 24, 2023.[8] On the evening of March 24, 2023, Mr. Grigsby emailed a link to a Dropbox folder containing his supplemental production.[9] However, the documents and information provided were still insufficient. What is more, from

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[2] **Exhibit 1, APPN 0003**, Declaration of Kara B. Hendricks (the "Hendricks Decl.") at ¶ 4.

[3] Exh. 1, APPN 0003, Hendricks Decl. at ¶ 5; *see also* **Exhibit 2**, **APPN 0009**, January 20, 2023 Production of Documents from Aaron Grigsby (the "January 20 Production").

[4] Exh. 1, APPN 0003, Hendricks Decl. at ¶ 6; *see also* **Exhibit 3**, **APPN 0213**, March 3, 2023 Correspondence from Kara Hendricks to Aaron Grigsby.

[5] Exh. 1, APPN 0003, Hendricks Decl. at ¶ 7; *see also* **Exhibit 4**, **APPN 0269**, March 9, 2023 email from Kara Hendricks to Aaron Grigbsy Re: SEC v. Matthew Beasley (the "March 9, 2023 email").

[6] Exh. 1, APPN 0003, Hendricks Decl. at ¶ 8; *see also* Exh. 4, March 9, 2023 email.

[7] Exh. 1, APPN 0003, Hendricks Decl. at ¶ 9; *see also* Exh. 4, March 9, 2023 email.

[8] Exh. 1, APPN 0003, Hendricks Decl. at ¶ 10; *see also* Exh. 4, March 9, 2023 email.

[9] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 11; *see also* **Exhibit 5**, **APPN 0272**, March 24, 2023 email from Aaron Grigsby to Kara Hendricks Re: Supplemental disclosures.

what was provided, additional red flags have arisen regarding the location of funds and the role played by Mr. Grigsby in the same. As discussed below, Mr. Grigsby and Mrs. Beasley have now eschewed *several* clear orders from this Court and have disposed of substantial receivership assets which, at this stage, appear to be beyond recovery.

Mr. Grigsby and Mrs. Beasley's Purported Efforts to Comply.

The set of documents provided to the Receiver on January 20 failed to scratch the surface of this Court's inquiry (the "January 20 Production").[10] Although at first blush it appeared efforts were taken to gather the required information, which the Receiver spent significant resources and time evaluating, the January 20 Production consisted of little more than a written version of Mr. Grigsby's representations to this Court during the Motion to Compel hearing and various notices thrown together in a haphazard manner.[11] Most concerning however, was Mr. Grigsby's response to this Court's order for an accounting "down to the penny."[12] As part of the January 20 Production, Mr. Grigsby provided undated, unsworn, documents providing nothing more than a brief narrative of the purported disposition of funds.[13] The self-serving statements lacked meaningful verifiable information and appeared to be made solely for the purpose of parroting Mr. Grigsby's in-court statements. For example, Mr. Grigsby attempted to demonstrate an accounting of funds paid to various credit cards through the document set forth in Figure 1 below.

FIGURE 1

> Our office made minimum payments on April 5, 2022 on Chase 8502, Chase 1684, Discover Card and Chase 8415. Our client requested that we pay off the balance on those cards, which was done on April 11, 2022. The payments were made for the same statement.

[10] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 12; *see also* Exh. 2, January 20 Production.

[11] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 13.

[12] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 14.

[13] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 15; *see also* Exh. 2, January 20 Production.

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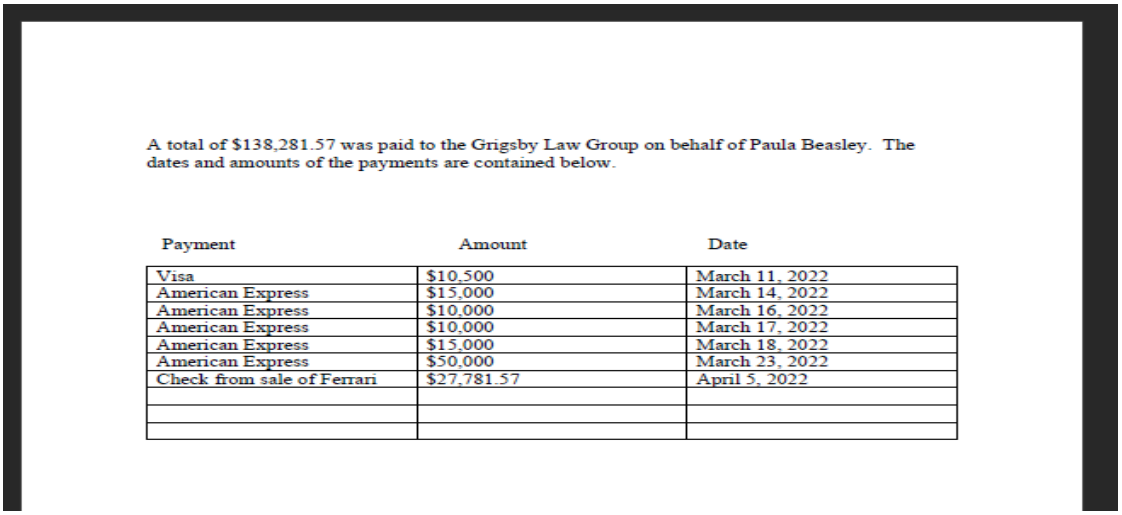
There is no indication in this document of the amount paid, the source of the funds, the purpose for which they were spent or any receipts for the same.

Likewise, Figure 2 below represents Mr. Grigsby's attempt to demonstrate payments made to his firm on behalf of Paula Beasley.

FIGURE 2



A total of $138,281.57 was paid to the Grigsby Law Group on behalf of Paula Beasley. The dates and amounts of the payments are contained below.

Payment	Amount	Date
Visa	$10,500	March 11, 2022
American Express	$15,000	March 14, 2022
American Express	$10,000	March 16, 2022
American Express	$10,000	March 17, 2022
American Express	$15,000	March 18, 2022
American Express	$50,000	March 23, 2022
Check from sale of Ferrari	$27,781.57	April 5, 2022

This information, even if it accurately reflects the payments made to Grigsby Law Group, lacks any information to identify the source of the payments—a critical part of this Court's prior order. ECF No. 416 at p. 43:12-17.

The remainder of the January 20 Production consisted primarily of various statements, notices, and documents related to the Ruffian Residence and the South Lake Tahoe Residence.[14] Importantly, the statements and other documents submitted in relation to any particular account, credit card, or transaction were sporadic and incomplete. In other words, the Receiver might find two months of partially redacted statements for a given credit card or utility account but not the remaining months and without supporting documentation showing the source and offsetting transaction for a referenced payment.

Thus, rather than preparing a complete accounting as ordered by the Court, Mr. Grigsby delivered various documents, in no order, with no reliable explanation, with the apparent

[14] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 16; *see also* Exh. 2, January 20 Production.

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assumption that the Receiver would comb through the documents and piece together Mr. Grigsby and Mrs. Beasley's financial journey – all the while drawing inferences in their favor to plug in the many holes. After review of the lackluster production, the Receiver requested supplemental information in hopes of quickly bringing this dispute to a resolution.[15] Additionally, the Receiver requested that Mr. Grigsby and Mrs. Beasley provide a plan for turning over remaining assets and and/or a payment plan to reimburse the Receivership Estate for what had clearly – even on a limited record – been transferred to Grigsby and others in violation of the Court's asset freeze.[16]

Following the Receiver's conferral effort and provision of a (third) chance to avoid this Court's review of his contempt, Mr. Grigsby made a second production on the evening of March 24, 2023 (the "March 24 Production").[17] The March 24 Production consisted of ten (10) primary documents.[18] Of those ten documents, three (3) were declarations from Paula Beasley each purporting to relate to the sale of a different vehicle.[19] Attached to each declaration were various credit card statements attempting to demonstrate where the funds from each sale went.[20] However, the production was fraught with problems, and the Receiver's team was once again required to sort through the statements, remove duplicates, compare payments to bank statements and create a map and timeline of the funds in question.[21] Curiously, the only aspect of the production to which Mr. Grigsby appears to have paid significant attention was redacting all identifying information on his firm's deposit slips and statements.[22] The remainder of the

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[15] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 17.

[16] *Id.* at ¶ 18.

[17] *Id.* at ¶ 19.

[18] *Id.* at ¶ 20.

[19] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 21; s*ee also* **Exhibit 6**, **APPN 0274**, Declaration of Paula Beasley Re: Mercedes (the "Mercedes Decl."); **Exhibit 7**, **APPN 0443**, Declaration of Paula Beasley Re: Ferrari (the "Ferrari Decl."); and **Exhibit 8**, **APPN 0459**, Declaration of Paula Beasley Re: Aston Martin (the "Aston Martin Decl.").

[20] Exh. 1, APPN 0004, Hendricks Decl. at ¶ 22.

[21] *Id.* at ¶ 23.

[22] Mr. Grigsby's choice to redact the identifying information for the deposits, withdrawals, and IOLTA statements hindered the Receiver's ability to ascertain the true location of the funds in question. Indeed, as discussed below, the information visible in the Grigsby Law Group IOLTA statements suggests there were

March 24 production was: (1) a document showing the HOA payment history for the Schoofey Residence[23]; (2) a GEICO Insurance bill dated November 13, 2022[24]; (3) a GEICO Insurance repair estimate for the Range Rover following an apparent accident[25]; (4) a screen shot showing GEICO Insurance on the Range Rover[26]; (5) a purported retainer agreement between GLG Law Group and Paula Beasley[27]; (6) an invoice from GLG law group[28]; and (7) an insurance policy for the Schoofey Residence.[29]

Unfortunately, it appears that Mr. Grigsby made no effort, apart from compiling records, to comply with the spirit of this Court's order, instead making a half-hearted effort to cleanse his client's actions. Even in *two* rounds of production, Mr. Grigsby has failed to produce the accounting "down to the penny," instead dumping a disorganized and incomplete set of documents on the Receiver.

B. Mr. Grigsby Has Failed to Provide Sufficient Documentation of the Proceeds of the Sale of the Three Vehicles in Question.

Of primary concern to the Receiver, was the lack of information and documentation pertaining to Mrs. Beasley's purported disposition of three vehicles: (1) the G-Wagon; (2) the Ferrari; and (3) the Aston Martin. Specifically, the Court ordered Mr. Grigsby to produce (1) information pertaining to the sale of each vehicle; (2) evidence of the purported sales, including copies of any sale documents; (3) a turnover of any proceeds that are still in Mr. Grigsby's or Mrs. Beasley's possession; (4) an accounting "down to the penny" of where those proceeds were

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additional accounts into which these funds flowed, but the Receiver has been unable to identify those accounts due to Mr. Grigsby's redactions.

[23] **Exhibit 9**, **APPN 0560**, HOA Payments

[24] **Exhibit 10**, **APPN 0567**, GEICO Bill With Payments

[25] **Exhibit 11, APPN 0571**, Paula Beasley GEICO Estimate. Notably, at no time was the Receiver notified that the Range Rover had been involved in an accident. The status of any damage or repairs remains unknown.

[26] **Exhibit 12**, **APPN 0579**, GEICO Policy Screenshot.

[27] **Exhibit 13**, **APPN 0581**, Grigsby Law Group Retainer.

[28] **Exhibit 14**, **APPN 0589**, Grigsby Law Group Invoice.

[29] Exh. 1, APPN 0005, Hendricks Decl. at ¶ 24; *see also* **Exhibit 15**, **APPN 0603**, Safeco Insurance Policy.

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spent; and (5) information on the sale of any other vehicles that were in Mr. or Mrs. Beasley's possession prior to the divorce. ECF No. 416 at pp. 42-43.

In making this ruling, the Court expressed significant concern over the purported sale of the G-Wagon, noting the absence of any sale documents, the timing of material misrepresentations made to the SEC, the Court, and third parties, and the absence of any evidence of the location of the purported $100,000.00 cash deposit. The questionable timeline and suspicious transaction need not be discussed in detail as they are addressed in the Receiver's prior Motion. *See* ECF No. 333 at pp. 5-12, *see also* ECF No. 363 at pp. 3-12.

Through the documents produced, the Receiver still has no information regarding the location of the $100,000.00. Indeed, there is no evidence that the $100,000.00 was ever deposited with Mr. Grigsby as he claims or that the funds even exist. The only reference to the $100,000 payment comes in Mrs. Beasley's declaration which contradicts text messages that were part of the Receiver's Motion to Compel indicating that Mrs. Beasley had no knowledge that that G-Wagon was sold until June of 2022. Mrs. Beasley's declaration states that on April 2, 2022, she requested that Mr. Nelms pay a $100,000 cash deposit to her and that the G-Wagon was turned over to him at that time.[30] Not only is this inconsistent with information previously obtained by the Receiver,[31] but Mrs. Beasley does not indicate what happened to the funds after she received them. Indeed, it is unclear if Mrs. Beasley put the money under her mattress or if it was placed into another account of which the Receiver is not aware. This is assuming the funds exist(ed) at all.

With respect to the sale of the Ferrari, Mrs. Beasley provides no new information, declaring only that she sold the vehicle to Vegas Auto Gallery and received a check for $55,563.15 as equity for the vehicle, half of which was thereafter transferred to attorney Garrett Ogata for *Mr.* Beasley's

[30] *See*, Exh. 6, APPN 0275, Mercedes Decl. at ¶¶ 6 and 7.

[31] Mrs. Beasley's declaration directly contradicts the evidence presented in the Receiver's Motion to Compel in which Mrs. Beasley was actively attempting to sell the G-Wagon as late as June 28, 2022. ECF No. 363 at p. 3. Moreover, as late as July 23, 2022, nearly four months after her purported receipt of the $100,000 cash deposit, her receipt of the two checks from Andre Nelms totaling $70,000.00 and her transfer of title to Mr. Nelms, Mrs. Beasley advised, to a third party, she did not know how much the vehicle was sold for and that she was "never told." ECF No. 363 at p. 5.

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legal representation.[32] The other half of the funds were apparently retained by Mr. Grigsby—a matter discussed below.

Mrs. Beasley's final declaration focuses on her sale of the Aston Martin which was allegedly sold on March 14, 2022.[33] Mrs. Beasley states she received a check in the amount of $69,239.25 representative of the equity in the Aston Martin, which was deposited into Mr. Grigsby's IOLTA account. The Receiver will note that Mr. Grigsby produced copies of checks from Vegas Auto Gallery consistent with the amounts stated in the Declarations and that the various IOLTA statements, while heavily redacted, show deposits in those amounts. Thus, the sale and deposit of proceeds for the Ferrari and Aston Martin have, at least preliminarily, been demonstrated. However, what happened to the funds after that point is of grave concern in light of the Court's asset freeze order.

Interestingly, the bank records produced show that over $240,000 was deposited into two attorney IOLTA accounts for the benefit of Mrs. Beasley over a seven-month period, many of them post-dating the asset freeze.[34] The deposits ranged from $800.00 to $69,232.25 and were placed into Mr. Grigsby IOLTA and a separate IOLTA that appears to belong to Abira Grigsby. Notably, there was a gap in deposits between March 28, 2022 and July 8, 2022, the time period that Mrs. Beasley purportedly received the $100,000 in cash from the G-Wagon sale.

C. The Dissipation of Receivership Funds.

Despite the glaring omissions in the production, the documents and information that were produced demonstrate that in the months following Mrs. Beasley's disposal of the vehicles, the funds she received seemed to go out as quickly as they came in. Indeed, according to the declarations of Mrs. Beasley and the piecemeal information provided, it is apparent that Mrs. Beasley was divested of effectively all of the funds from the sale of the three vehicles.

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[32] Exh. 7, APPN 0444, Ferrari Decl.

[33] Exh. 8, APPN 0460, Aston Martin Decl.

[34] Through the statements produced, the Receiver has located the following deposits: (1) March 18, 2022 - $69,232.25; (2) March 28, 2022 - $55,563.15; (3) July 8, 2022 – $22,165.00; (4) August 8, 2022 - $5,315.00 (private school tuition refund of amount paid on American Express); (5) August 10, 2022 – $48,500.00; (6) August 10, 2022 - $4,000.00; (7) October 7, 2022 - $30,000.00 (deposit into account of Abira Grigsby) (8) October 13, 2022 - $5,000.00; (9)_October 28, 2022 - $800.00.

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At this stage, there should be no dispute that the three vehicles in question – and/or the proceeds from their sale – were Receivership Property subject to the asset freeze order entered on April 13, 2022. Indeed, Mr. Grigsby admitted as much in his April 26, 2022 email to the SEC. ECF No. 356 at Exh. F.[35] Thus, notwithstanding the impropriety of Mrs. Beasley's disposition of the vehicles, it is critical to determine what funds remain and for those that were spent, the purpose for which they were allocated.

Despite Mr. Grigsby's representation to the Court that Mrs. Beasley was "preserv[ing] the community estate[36]," the statements provided show quite the opposite. Indeed, according to the documents provided, of the nearly $300,000 in funds received from the sale of the three vehicles, Mrs. Beasley claims to hold a mere $11,700.00 with little to show for it.[37] Put into perspective, $11,700 represents less than four (4) percent of the $294,802.40 derived from the sale of G-Wagon, Ferrari and Aston Martin. At best, this was an almost entirely ineffective "preservation" of assets.

Through the sale of the three vehicles in question, Mrs. Beasley is alleged to have received $294,802.40 as demonstrated below.

Vehicle	Purported Proceeds
2020 Mercedes G63 G-Wagon	$170,000.00
2016 Ferrari 488 GTB	$55,563.15
2020 Aston Martin Vantage	$69,239.25
TOTAL	$294,802.40

Through her declarations and as demonstrated through a Grigsby Law Group IOLTA statement, $27,781.57, representing one-half of the Ferrari proceeds was transferred to Garrett

[35] In an April 26, 2022 email to the SEC, Mr. Grigsby stated "Given that both vehicles are subject to the TRO, we are requesting that you consent to the return of both vehicle titles. In all candor, Ms. Beasley is hoping to sell the 2020 Mercedes and apply the proceeds to living and litigation expenses."

[36] During the hearing on the Motion to Compel, Mr. Grigsby represented to the Court that Mrs. Beasley was preserving the community estate: "she also has an obligation to protect and preserve the community estate. And that's what she did." ECF No. 416 at p. 34:13-14.

[37] It must be noted there is no documentation of these funds and the Receiver questions whether this amount actually exists.

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Ogata on April 5, 2022.[38] Assuming, *arguendo*, Mrs. Beasley was permitted to divide the proceeds from the Ferrari, Mrs. Beasley received at least $267,020.83 from the sale of the three vehicles in question yet, less than a year later, just $11,700 remains.

Alarmingly, the ultimate disposition of remaining funds received by Mrs. Beasley demonstrates waste of the Receivership assets. The credit card statements produced, while insufficient to satisfy the Court's order, demonstrate that the funds derived from the sale of the vehicles were spent on little more than maintaining the lifestyle Mrs. Beasley had grown accustomed to living with Mr. Beasley through the use of his victims' funds. In other words, investor funds that should have been placed into the Receivership Estate have been squandered on restaurants, movies, food delivery, shopping, and other nonessential items.

At the last hearing, the Court ordered the turnover and/or preservation of all funds remaining in Mrs. Beasley's possession which, taking her declaration as true, would be $11,700.00. ECF No. 416 at p. 42:18-22. To date, Mrs. Beasley and Mr. Grigsby have yet to turn over a single dollar.

i. Mrs. Beasley's Dissipation of Funds.

After de-duplicating the totality of the production, Mrs. Beasley produced just twenty-five (25) credit card statements for six (6) different credit cards.[39] The statements provided demonstrate that between March 2022 through November 2022, payments totaling more than $97,000 were made to Mrs. Beasley's credit card accounts. As alarming as this number is, perhaps more concerning are the purchases for which these payments were made. The credit card statements provided demonstrate Mrs. Beasley continues to enjoy a thriftless lifestyle, charging her credit cards for luxury and nonessential goods and services and then making large payments to the same, despite a court order preventing her from doing so. For example, Mrs. Beasley's Discover card

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[38] Exh. 7, Ferrari Decl. at Exhs. C (APPN 0454), D (APPN 0456).

[39] Statements were produced for (1) a Marriott Bonvoy Credit Card; (2) a Bank of America Credit Card; (3) a Southwest Rapid Rewards Credit Card; (4) an American Express; (5) a Disney Credit Card; and (6) a Discover Card.

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statement for March 13, 2022, through April 12, 2022, shows *twenty-eight (28) Uber Eats charges* between just March 13 and April 11, 2022, followed by a payment in the amount of $6,380.62.[40]

The records further demonstrate that the proceeds of the three vehicles that were not sent to IOLTA accounts were allocated to needless products, services, and experiences including, but not limited to: dining at high-end restaurants and food delivery services; TopGolf; shopping at various stores including White House Black Market, Abercrombie and Fitch, Soccer Zone, and a menswear boutique in Arizona; $480.00 per month in self-storage;[41] approximately $500 per month for Verizon Wireless; regular dog grooming; yoga; movies; regular charges from Apple, Inc.; nearly $500 for beauty services; rental car fees; frequent charges at Starbucks including $220 over an eight (8) day span in October 2022; and collect calls from an in-mate service.[42]

It appears that on at least one occasion, Mrs. Beasley also used Receivership Property to pay for the direct expenses of her incarcerated husband, Mr. Beasley. On October 28, 2022, Mr. Grigsby paid, on Mrs. Beasley's behalf, a Dr. Joseph E. McEllistrem for expenses related to a psychiatric evaluation, conducted on March 24, 2022, and invoiced to Mr. Grigsby on April 5, 2022.[43] It appears, based on publicly available information, that this evaluation was used in a bid to obtain Mr. Beasley's pretrial release from custody, which failed.[44] Mrs. Beasley and Mr. Grigsby, for their part, offer no explanation of Mrs. Beasley's payment of this expense on behalf of Mr. Beasley.

While the Receiver has not been tasked with monitoring or evaluating Mrs. Beasley's spending habits, when her failure to provide credible information requires the Receiver's inquiry and then reveals that her spending has significantly deteriorated the value of the Receivership

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[40] Exh. 6, APPN 0346, Mercedes Decl. at Exh. L (Discover Card Statement for March 13, 2022 through April 12, 2022).

[41] It appears from the credit card statements that Mrs. Beasley is paying nearly $500 per month for self-storage. However, there has been no identification of any assets held in storage and an accounting of the same is warranted.

[42] Exh. 6, APPN 0274, Mercedes Decl.

[43] *See* Exh. 6, APPN 0279, Mercedes Decl. at p. 5, ¶ 16(g); *see also* Exhibit CC to *id.*, McEllistrem Invoice dated April 5, 2022.

[44] *Compare id.* (containing invoices for travel expenses on March 24, 2022) *with* Ex. A to M. Beasley Mot. to Reopen Detention Hearing, *USA v. Beasley*, Case No. 22-mj-00171-EJY, ECF No. 12, Ex. A (McEllistrem Report, dated April 2, 2022, and based on a psychiatric evaluation performed on March 24, 2022).

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Estate, the Receiver must bring the conduct to the Court's attention. Based on the type of charges, amounts, and regularity of the same, it is readily apparent that the funds derived from the sale of the G-Wagon, Ferrari, and Aston Martin have vanished and the only remnant is the privileged lifestyle Mrs. Beasley continues to lead.

ii. Grigsby IOLTA Accounts.

Mrs. Beasley's self-indulgent spending includes paying top dollar to Mr. Grigsby for alleged legal representation that appears, in reality, to involve little more than administrative tasks related to the very assets she has neither preserved nor turned over. Indeed, in attempting to demonstrate the path of funds in this case, Mr. Grigsby produced a number of deposit slips purporting to show funds deposited into his law firm account. During the March 9, 2022 meeting, the Receiver made clear that unredacted IOLTA statements were needed yet, the Grigsby Law Group IOLTA statements and the associated deposit slips bear significant redactions, making verification of the same impossible.

Identification of the accounts in question is critical as the statements and deposit slips suggest multiple accounts were involved in the transfer of funds. For example, Exhibit F to Paula Beasley's Aston Martin Declaration contains a Grigsby law Group IOLTA statement for March 1 through March 31, 2022. Similarly, Exhibit L contains the April statement for the Grigsby IOLTA account. Each statement demonstrates electronic transfers to and from a checking account ending in 4864.

Unfortunately, there has been no identification of the holder of the account ending in 4864. However, the records suggest that it is an additional account used to shift the funds at issue in this case. Looking beyond the unwarranted redactions, the records demonstrate further activity necessitating investigation. Notably, on October 7, 2022, $30,000.00 appears to have been deposited into the IOLTA account of Abira Grigsby. Not only have Beasley and Grigsby failed to produce information regarding the source of the $30,000, but also why it was deposited on behalf

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of Mrs. Beasley in an account that, upon information and belief, is associated with Mr. Grigsby's wife, remains a mystery.[45]

Withholding critical identifying information by way of redaction, coupled with the lack of a full accounting, solidify the Receiver's position that there remain significant questions regarding the path of funds in this case.

D. Grigsby Attorneys' Fees are Not Supported.

Another point of concern centers on a stipulation entered during the Grigsby Divorce indicating that Mr. Beasley would be responsible for the payment of $110,000.00 of Mrs. Beasley's legal fees. At the hearing on the Motion to Compel, the Court noted:

> "Doesn't the divorce decree say that Mr. Beasley is going to pay those – that American Express Bill for $110,000? And isn't Mr. Beasley's source of funds the alleged Ponzi scheme, Mr. Grigsby? You need to be very careful about what you're saying today, sir, because you have duties to this Court. And I have looked just a little too carefully at all of this, so you're not going to – you're not going to fool me with the facts."

ECF No. 416 at p. 28:3-10.

For this reason, the Court ordered an accounting of all attorney's fees paid and the turnover of any fees payments made through the American Express card as referenced in the family court March 28, 2022, Stipulation. However, Mr. Grigsby failed to produce any evidence of payments or their source. Indeed, the only information provided pertaining to Mr. Grigsby's services is a retainer agreement and an invoice of charges, all of which have been discounted to $0.00.[46] Unfortunately, neither of these documents shed any light on payments made to Mr. Grigsby but instead raise additional concerns for the Receiver.

In regard to the Retainer Agreement, it provides that Mr. Grigsby will represent Mrs. Beasley in "[a]ll civil and criminal matters involving Paula Beasley arising out of the marrige [*sic*] to Matthew Beasley or D-22-64478-Z [*sic*]." In consideration of the wide range of

[45] There is no identification of Abira Grigsby, what role she plays in this matter, or her relation to the Grigsby Law Group. According to the Nevada State Bar, Abira Grigsby (NV Bar No. 10308) is an attorney at the Grigsby Law Group.

[46] Exh. 13, APPN 0581, Retainer Agreement; Exh. 14, APPN 0589, Grigsby Law Group Invoice.

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services purportedly provided, Mrs. Beasley allegedly agreed to pay Mr. Grigsby *exactly* **$138,281.57**. Mr. Grigsby offers no explanation for the precision in this markedly *non*-round fee amount which, although not improper in and of itself, raises serious questions regarding the nature and timing of this supposed agreement between Grigsby and Beasley.

First, the Retainer Agreement further establishes that Mr. Grigsby was to be compensated at $500.00 per hour and paralegals working on the matter would be billed at $125.00 per hour. It is thus unclear what combination of services Mr. Grigsby could ever have provided that would result in a total fee ending in $0.57.

Second, comparing the retainer agreement to Mr. Grigsby's first attempt to demonstrate the payment of attorneys' fees (shown in Figure 1 above), it appears this amount is simply a plug representing the charges made to Mr. Beasley's American Express *plus* one-half of the proceeds from the Ferrari. Third, the timing of these purported charges raises even more questions. As noted above, the divorce stipulation purporting to establish that Mr. Beasley would be responsible for $110,000 worth of Mrs. Beasley's legal fees was dated March 28, 2022. Despite this, the self-created table shown in Figure 1 shows that Mr. Grigsby had already received $110,500.00 in credit card payments by March 23, 2022—5 days before the Stipulation and Order.[47] In other words, if the dates identified by Grigsby are correct, he did not wait to receive court approval from the divorce court before taking his share of the pie.[48] What is more, the retainer agreement is dated March 24, 2022, yet the funds from the sale of the Ferrari were not deposited until March 28, 2022 and divided amongst Mr. Grigsby and Mr. Ogata on April 5, 2022. Taken together, these circumstances raise – but do not answer – the question of how, when, and why Mr. Grigsby came up with his retainer amount.

Another concerning aspect of the Retainer Agreement is the fact that it happens to be dated March 24, 2022 and sets a term of exactly one year. Interestingly, it was exactly one year after the

[47] Still, there has been no evidence of these payments produced.

[48] This sentiment mirrors the Court's finding questioning "[s]o if she doesn't want something, then you'll give it to the receiver?...if she wants it and she could afford it and it was given to her in the divorce decree, then she can keep it. If she doesn't want it and can't afford it and Mr. Beasley doesn't want the property either, then she can give it to the receiver?" ECF No. 416 at p. 15:15-16:9.

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date on the Retainer Agreement that Mr. Grigsby made his supplemental production to the Receiver. Thus, under the terms of the Retainer Agreement, by the time this matter comes before the Court, Mr. Grigsby appears poised to assert that he no longer represents Mrs. Beasley. While it is certainly possible that these dates happen to align, the number of coincidences Mr. Grigsby and Mrs. Beasley have to account for has grown unwieldy.

Finally, and perhaps most importantly, during the March 9 conferral, Receiver's counsel requested from Mr. Grigsby copies of any itemized invoices from Grigsby Law Group with hourly billing entries evidencing any actual legal work Grigsby claims to have performed before and following the asset freeze. Mr. Grigsby stated during the conferral that he believed his retainer was earned in its entirety upon receipt. Counsel for the Receiver indicated then that this argument has been rejected by the Court, *see, e.g.*, ECF Nos. 235, 318, and 368; that the money belonged to the Receivership Estate; and that if Mr. Grigsby believed the Receiver should allow him to retain the funds, he needed to demonstrate what valuable services he believed he rendered for consideration. Mr. Grigsby failed to do so. Based on the information that *has* been disclosed, it does not appear Mr. Grigsby provided much if any actual legal advice to Mrs. Beasley, instead providing bill paying and related services. In any event, whatever services Mr. Grigsby provided, the information provided to date demonstrates only that his and Mrs. Beasley's undisclosed retention of the assets was in violation of the asset freeze and Appointment Orders, and neither party has explained why they were entitled to the funds.

In sum, the documents produced by Mr. Grigsby paint only part of the picture, and the part they paint is alarming. What is evident at this stage is that the decisions and actions of Mrs. Beasley and Mr. Grigsby have significantly damaged the Receivership Estate and thus reduced the amount of funds and assets available to rectify the wrongs committed.

III. LEGAL ARGUMENT

A. Court Action is Needed.

"Courts have inherent power to enforce compliance with their lawful orders through civil contempt." *Shillitani v. United States*, 384 U.S. 364, 370 (1966). Indeed, Courts "are universally acknowledged to be vested, by their very creation, with power to impose silence, respect, and

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decorum, in their presence, and submission to their lawful mandates." *Chambers v. NASCO, Inc.*, 501 U.S. 32, 43, 111 S. Ct. 2123, 2132 (1991) (quoting *Anderson v. Dunn*, 19 U.S. 204, 5 L. Ed. 242 (1821)) (emphasis added). "These powers are 'governed not by rule or statute but by the control necessarily vested in courts to manage their own affairs so as to achieve the orderly and expeditions disposition of cases.'" *Id.* (quoting *Link* v. *Wabash R. Co.*, 370 U.S. 626, 630-631, 8 L. Ed. 2d 734, 82 S. Ct. 1386 (1962)). The most prominent power is the contempt sanction, "which a judge must have and exercise in protecting the due and orderly administration of justice and in maintaining the authority and dignity of the court." *Roadway Express, Inc. v. Piper*, 447 U.S. 752, 764, 100 S. Ct. 2455 (1980). In exercising their inherent authority to enforce compliance, courts routinely find contempt in instances where a party fails to comply with turnover orders. *See e.g. Armstrong v. Guccione*, 470 F.3d 89, 100-02 (2d Cir. 2006) (incarcerating a corporate officer found to be in contempt of a court's turnover order for failing and/or refusing to turnover corporate records and assets); *see also Commodity Futures Trading Comm'n ex rel. Kelley v. Skorupskas*, 605 F. Supp. 923, 945, fn 23 (E.D. Mich. 1985) (In an action arising from a Ponzi scheme, the defendant was found to be in contempt of the court's order and the receivership order because the defendant established a new operation in the basement of her parents' home in which she developed clubs designed to circumvent the court's order. Additionally, the Receiver permitted the defendant to retain a Mercedes Benz for her own personal use. However, immediately thereafter, the defendant used the Mercedes as collateral for a loan, in violation of the court order); *see also SEC v. Res. Dev. Int'l*, 291 F. App'x 660, 661 (5th Cir. 2008) (In an action by the SEC arising out of an illegal Ponzi scheme, a non-party was found in contempt of the court's order to turn over assets to the receivership by refusing to either turn over the assets or to provide an accounting of the same).

More specifically, contempt has been found in instances akin to this matter, in which a related party and their counsel worked in concert to violate a freeze order and divert funds derived from the disposition of receivership property to the defendant. *See SEC v. AmeriFirst Funding, Inc.*, Civil Action No. 3:07-CV-1188-D, 2008 U.S. Dist. LEXIS 7510, at *5-6 (N.D. Tex. Feb. 1, 2008). In *AmeriFirst Funding*, as here, the defendants were accused of operating an investment

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fraud, in violation of the Securities act of 1933. *Id.* Through the proceedings, as here, an asset freeze was implemented and the court entered a receivership order requiring, among other things, the turnover of receivership assets. *Id.* Following entry of the receivership order, the receiver filed a motion for an order to show cause, seeking to establish defendants and their counsel should be held in civil contempt for violating the court's receivership order and asset freeze through the sale of a Picasso painting, among other misconduct. *Id.* Ultimately, the court held "although [counsel] is not a defendant, the Freeze Order covers those 'in active concert or participating [with defendants], who receive actual notice of this order by personal service or otherwise." *Id.* at 34. The court ultimately concluded that the defendants' counsel was in active participation in the disposition of receivership assets and ultimately found him in contempt. *Id.*

To hold a party in civil contempt, "the moving party has the burden of showing by clear and convincing evidence that the [nonmoving party] violated a specific and definite order of the court." *FTC v. Affordable Media, LLC*, 179 F.3d 1228, 1239 (9th Cir. 1999) (quoting *Stone v. City and County of San Francisco*, 968 F.2d 850, 856 n. 9 (9th Cir, 1992)); *see also In re Dual-Deck Video Cassette Recorder Antitrust Litig.*, 10 F.3d 693, 695 (9th Cir. 1993) ("Civil contempt…consists of a party's disobedience to a specific and definite court order by failure to take all reasonable steps within the party's power to comply."). In this context, "[c]lear and convincing evidence means evidence sufficient to support a finding of 'high probability'". *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1105 (9th Cir. 1992), *abrogated by Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 134 S. Ct. 1377 (2014). Upon a demonstration that a specific and definite order was violated, "[t]he burden then shifts to the contemnors …." *Affordable Media*, 179 F.3d at 1239.[49]

Here, the Court has already found the totality of the circumstances warrant an order to show cause but chose to afford Mr. Grigsby another opportunity to "come clean totally with the SEC and reverse the course of action so that you and Mrs. Beasley avoid potential sanctions." ECF

[49] The Ninth Circuit has found contempt sanctions are not warranted when a party's action (or inaction) "appears to be based on a good faith and reasonable interpretation" of the Court's order. *Vertex Distrib., Inc. v. Falcon Foam Plastics, Inc.*, 689 F.2d 885, 889 (9th Cir. 1982).

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No. 416 at p. 42:3-6. Despite this second opportunity – and a third opportunity afforded by the Receiver, Mr. Grigsby and Mrs. Beasley have not fully complied with the Court's Order.

Although little has been learned conclusively through Mr. Grigsby and Mrs. Beasley's production of documents, one thing is clear: Mrs. Beasley has wasted a substantial amount of Receivership assets. Perhaps Mrs. Beasley doesn't comprehend the gravity of the situation, but from day one she has been aided by counsel, Mr. Grigsby, who is undeniably aware of the ramifications of his and Mrs. Beasley's actions.

> "If she's so flighty that she can't pay a gas bill, then you have a fiduciary duty and a duty as an attorney to make sure that she's not violating the law." ECF No. 416 at p. 28:20-22.

Mr. Grigsby has not shown that he complied with his duties but instead has shown he played a concerningly involved role in the actions giving rise to this dispute, which thus appear to implicate the Rules of Professional Conduct.[50]

The Court has already found that Mr. Grigsby was undeniably aware of the TRO and Asset Freeze in this case and that he knowingly violated those orders through his actions. Moreover, the court noted as a licensed attorney, Mr. Grigsby has a duty to ensure his client—Mrs. Beasley—is not violating the law. Despite this, Mr. Grigsby not only permitted Mrs. Beasley to violate the orders of this Court but aided her in doing so. In fact, the record before the Court demonstrates that Mr. Grigsby and Mrs. Beasley not only violated court orders but made numerous material misrepresentations to the SEC, the Receiver, the Court, and third parties to further and/or conceal the violations.

Given the undeniable fact that the receivership estate has been, and continues to be, diminished through the actions of Mrs. Beasley and Mr. Grigsby, the Receiver requests, in addition to an order a show cause hearing, this Court order the turnover of the following:

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[50] *See e.g.* Federal Rules of Professional Conduct 8.4 (Misconduct). At a minimum, Mr. Grigsby's conduct appears to implicate the terms of FRPC 8.4(c)-(d) ("It is professional misconduct for aa lawyer to:…(c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation; (d) engage in conduct that is prejudicial to the administration of justice."). Additionally, Rules 3.3 (Candor Toward the Tribunal) and 4.1 (Truthfulness in Statements to Others) appear to have been breached by Mr. Grigsby.

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(1) The 2020 Mercedes G63 G-Wagon (VIN W1NYC7HJXLX350420) or the equivalent value of the G-Wagon at the time of entry of the Appointment Order (and its associated turnover provisions);

(2) All attorneys' fees paid to the Grigsby Law Group including, but not limited to, any amounts received through any charge to a credit card in the name of Matthew Beasley and any amounts received from the sale of any receivership property including, but not limited to, the sale of the 2016 Ferrari 488 GTB, the 2020 Aston Martin Vantage, or the 2020 Mercedes G63 G-Wagon;

(3) the Schoofey Residence occupied by Mrs. Beasley;

(4) the Range Rover currently in Mrs. Beasley's possession; and

(5) any Receivership Property contained in the storage unit Mrs. Beasley has maintained with Receivership funds and an inventory of the unit demonstrating compliance or, alternatively, turnover of the entire unit.

Turnover of the foregoing receivership assets will repair at least some of the damage done to the estate by Mrs. Beasley and Mr. Grigsby's actions. To more fully compensate the Estates for actual damages, the Receiver also asks for an order awarding attorneys' fees and costs incurred by the Receiver in his effort to obtain Mrs. Beasley and Mr. Grigsby's compliance with this Court orders.

B. Turnover is Warranted.

The primary purpose of a receiver is to "promote orderly and efficient administration of the estate by the district court for the benefit of the creditors." *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). In so doing, receivers are tasked with preserving the status quo while arranging a defendant's complicated business records. *SEC v. Path Am., LLC*, No. C15-1350JLR, 2016 U.S. Dist. LEXIS 53075, at *18-21 (W.D. Wash. Apr. 20, 2016). "A receiver is particularly necessary in instances where defendants have allegedly defrauded members of the investing public to avoid the continued diversion or dissipation of corporate assets." *Id.* (citing *SEC v. First Fin. Grp. of Tex.*, 645 F.2d 429, 438 & n.14 (5th Cir. 1981)). Pursuant to the terms of the Appointment Order[51], the Receiver is to marshal and preserve all assets of the Defendants and the Relief defendants that:

[51] On June 3, 2022, this Court issued an order appointing the Receiver for the purpose of marshalling and preserving the Receivership Estate (ECF No. 88) (the "Appointment Order").

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(a) are attributable to funds derived from investors or clients of the Defendants; (b) are held in constructive trust for the Defendants; (c) were fraudulently transferred by the Defendants; and/or (d) may otherwise be includable as assets of the estates of the Defendants. ECF No. 88 at p. 2.

Here, the language in the Appointment order clearly extends to Mr. Grigsby and Mrs. Beasley as it provides: "[***a]ll persons and entities having control, custody or possession of any Receivership Property*** are hereby directed to turn such property over to the Receiver" and [t]he Receiver is authorized to take immediate control of all personal property of the Receivership Defendants[.]" ECF No. 88 at ¶¶ 15-22 (emphasis added). Further supporting the Receiver's position is the fact that the Appointment Order expressly defines "Receivership Property" as:

> "all property interests of the Receivership Defendants, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, the Receivership Defendants own, possess, have a beneficial interest in, or control directly or indirectly." ECF No. 88 at ¶ 7(A).

The proceeds from the sale of the vehicles referenced herein, the funds flowing from Mrs. Beasley to the Grigsby IOLTA, as well as the Shoofey Residence in which Mrs. Beasley currently resides and the Range Rover Mrs. Beasley possesses all fall within the definition of Receivership Property. While the Receiver attempted to work with Mrs. Beasley to facilitate the orderly turnover of Receivership Assets, Mrs. Beasley – through Mr. Grigsby – is no longer cooperating, and the documents produced to date show a pattern of disregard for this Court's Orders, and waste. Given the circumstances, immediate turnover is thus warranted.

C. An Order Providing the Receiver His Fees and Costs is Warranted.

At the outset, the Receiver attempted to coordinate and resolve this dispute without judicial intervention. However, after being stonewalled, the Receiver has been forced to expend significant resources to obtain Mrs. Beasley and Mr. Grigsby's compliance with clear court orders. Moreover, as a result of Mr. Grigsby's failure to comply with the Court's order to produce an actual accounting, the Receiver was forced to expend additional fees and costs in reviewing and evaluating the documents produced. Stepping back, it is plain to see that at every step, Mr. Grigsby and Mrs. Beasley have frustrated the purpose of the Receivership and have diminished the value

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of the same. That being the case, an award of the Receiver's attorneys' fees and costs incurred to date is warranted.[52]

IV. CONCLUSION

For the foregoing reasons, the Receiver respectfully requests the Court enter an order to show cause why Mr. Grigsby and Mrs. Beasley should not be held in contempt. Additionally, the Receiver respectfully requests this Court order the turnover of the G-Wagon or its equivalent value at the time of the Receivership Appointment Order, any and all funds received by Mr. Grigsby from either Matthew or Paula Beasley in connection with his representation of Mrs. Beasley, the turnover of the Schoofey Residence, and the turnover the Range Rover in Mrs. Beasley's possession. Additionally, the Receiver should be awarded costs and fees incurred to date in the Paula Beasley asset recovery efforts and the subsequent motion practice related to the same.

DATED this 13th day of April, 2023.

GREENBERG TRAURIG, LLP

By: /s/ Kara B. Hendricks

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[52] Should the Court grant the Receiver's request, the Receiver requests an opportunity to supplementally submit a memorandum demonstrating the fees and costs actually incurred.

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CERTIFICATE OF SERVICE

I hereby certify that, on the **13th day of April, 2023**, a true and correct copy of the foregoing was 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 and by serving via email by United States first class mail, postage pre-paid on the parties listed below:

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INDEX OF EXHIBITS	
EX NO	**DESCRIPTION**
EX 1	Declaration of Kara B. Hendricks in Support of Motion for Order to Show Cause Why Paula Beasley and Aaron Grigsby Should Not be Held in Contempt for Failure to Comply with the Court's Orders and Alternative Motion for Turnover
EX 2	January 20, 2023 Email communication from Aaron Grigsby to Kara B. Hendricks Re: Beasley Disclosures, and Paula Beasley documents
EX 3	March 2, 2023 Letter from Kara B. Hendricks to Aaron Grigsby regarding the January 20, 2023 production of Paula Beasley documents
EX 4	March 9, 2023 Email communication thread between Kara B. Hendricks and Aaron Grigsby Re: SEC v. Matthew Beasley
EX 5	March 24, 2023 Email communication from Aaron Grigsby to Kara B. Hendricks Re: Supplemental disclosures, and supplemental Paula Beasley documents
EX 6	Declaration of Paula Beasley Re: Mercedes
EX 7	Declaration of Paula Beasley Re: Ferrari
EX 8	Declaration of Paula Beasley Re: Aston Martin
EX 9	HOA Payments
EX 10	GEICO Bill With Payments
EX 11	Paula Beasley – 2021 RANG Range Rover Estimate
EX 12	GEICO Policy Screenshot
EX 13	Grigsby Law Group Retainer
EX 14	Grigsby Law Group Invoice
EX 15	Safeco Insurance Policy

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