

1 KARA B. HENDRICKS, Bar No. 07743
hendricksk@gtlaw.com
2 JASON K. HICKS, Bar No. 13149
hicksja@glaw.com
3 KYLE A. EWING, Bar No 014051
ewingk@gtlaw.com
4 **GREENBERG TRAUIG, LLP**
10845 Griffith Peak Drive, Suite 600
5 Las Vegas, Nevada 89135
6 Telephone: (702) 792-3773
7 Facsimile: (702) 792-9002

8 JARROD L. RICKARD, Bar No. 10203
jlr@skrlawyers.com
9 KATIE L. CANNATA, Bar No. 14848
klc@skrlawyers.com
10 **SEMENZA KIRCHER RICKARD**
10161 Park Run Drive, Suite 150
11 Las Vegas, Nevada 89145
12 Telephone: (702) 835-6803
13 Facsimile: (702) 920-8669

14 *Attorneys for Geoff Winkler Receiver for*
15 *J&J Consulting Services, Inc.,*
J and J Purchasing LLC, The Judd Irrevocable Trust,
and BJ Holdings LLC

DAVID R. ZARO*
dzaro@allenmatkins.com
JOSHUA A. del CASTILLO*
jdelcastillo@allenmatkins.com
MATTHEW D. PHAM*
mpham@allenmatkins.com
*admitted *pro hac vice*
ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
865 South Figueroa Street
Suite 2800
Los Angeles, California 90017-2543
Telephone: (213) 622-5555
Facsimile: (213) 620-8816

16
17 **UNITED STATES DISTRICT COURT**
18 **DISTRICT OF NEVADA**

19 SECURITIES AND EXCHANGE
20 COMMISSION,

21 Plaintiff,

22 vs.

23 MATTHEW WADE BEASLEY et al.

24 Defendants;

25
26 THE JUDD IRREVOCABLE TRUST et al.

27 Relief Defendants.
28

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

**MOTION TO COMPEL OR
ALTERNATIVE MOTION FOR
ORDER TO SHOW CAUSE WHY
CHRISTOPHER M. MADSEN
SHOULD NOT BE HELD IN
CONTEMPT FOR FAILURE TO
COMPLY WITH THIS COURT'S
ORDERS**

GREENBERG TRAUIG, LLP
10845 Griffith Peak Drive, Suite 600 Las Vegas, Nevada 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

1 COMES NOW, Geoff Winkler, the Court-appointed Receiver (the “Receiver”), by and
2 through his counsel of record the law firm of Greenberg Traurig, LLP, and hereby submits the
3 following Motion to Compel or Alternative Motion for Order to Show Cause Why Christopher
4 M. Madsen Should Not be Held in Contempt for Failure to Comply With this Court’s Orders (the
5 “Motion”).

6 This Motion is based upon the attached Memorandum of Points and Authorities, the
7 exhibits hereto, the pleadings and papers on file herein, and such other and further arguments and
8 evidence as may be presented to the Court in connection with the Motion.

9 DATED this 2nd day of June 2023.

10 **GREENBERG TRAUIG, LLP**

11 By: */s/ Kara B. Hendricks*

12 KARA B. HENDRICKS, Bar No. 07743

13 JASON K. HICKS, Bar No. 13149

14 KYLE A. EWING, Bar No. 014051

15 JARROD L. RICKARD, Bar No. 10203

16 KATIE L. CANNATA, Bar No. 14848

SEMENZA KIRCHER RICKARD

17 DAVID R. ZARO*

18 JOSHUA A. del CASTILLO*

19 MATTHEW D. PHAM*

**admitted pro hac vice*

ALLEN MATKINS LECK GAMBLE

MALLORY & NATSIS LLP

Attorneys for Receiver Geoff Winkler

GREENBERG TRAUIG, LLP
10845 Griffith Peak Drive, Suite 600 Las Vegas, Nevada 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

MEMORANDUM OF POINTS AND AUTHORITIES**I. INTRODUCTION**

On June 29, 2022 the Securities and Exchange Commission (“SEC”) filed an Amended Complaint naming several additional defendants—including Defendant Christopher M. Madsen (“Madsen”). The Amended Complaint outlines Madsen’s role in an alleged Ponzi-scheme giving rise to this action and alleges that Madsen not only received commission based payments for his recruitment efforts but also that Madsen was the sole owner and manager of ACAC LLC – an entity through which millions of dollars of investor funds flowed. Following the filing of the Amended Complaint, this Court amended the Receivership Order to expressly apply the terms of the same to the newly added defendants—including Madsen. Despite this, Madsen has failed to comply with his obligations under the Receivership Order to turnover documents, information, and Receivership Property in his name and/or possession. Counsel for the Receiver made a diligent effort to obtain Madsen’s compliance and has engaged in a months-long course of communication in an attempt to procure the documents and information needed from Mr. Madsen only to be met with gamesmanship and unfulfilled promises. As a result, the Receiver now comes before this Court seeking an order compelling Mr. Madsen to fulfill his obligations as a Defendant in this case.

Mr. Madsen is alleged to have played a critical role in the perpetration of the alleged Ponzi-scheme giving rise to this case and has, by all accounts, translated these efforts into substantial assets which should be under the control of the Receiver. When named in the Amended Complaint, the SEC believed Mr. Madsen to have received approximately \$6.5 million in investor funds and the Receiver’s preliminary investigation, centering in part on the bank records of the Beasley Law Group IOLTA account, have shown that number may be closer to \$12.5 million. The precise amount received by Madsen is of little consequence to the instant Motion other than to demonstrate the need for Madsen’s compliance. If the Receiver is to have any chance of recovering the fraudulently obtained investor funds that flowed in and out of the pockets of Madsen and his company, such efforts start with securing the substantial assets known to be in the possession of Madsen.

1 Through the instant Motion, the Receiver seeks an order from this Court compelling
 2 Mr. Madsen to fulfill his obligations under the Receivership Order and further compelling him to
 3 turn over the assets identified by the Receiver as Receivership Property.

4 **II. RELEVANT FACTUAL BACKGROUND**

5 As this Court is intimately aware, and as set forth in the Amended Complaint, this case
 6 arises from the orchestration of an alleged elaborate Ponzi-scheme by, among others, Matthew
 7 Beasley and several cohorts, including Madsen which ultimately crumbled in March 2022. On
 8 March 3, 2022 the FBI executed a search warrant at the residence of Matthew and Paula Beasley
 9 which culminated in a standoff between Matthew Beasley and the FBI (the “March 3rd
 10 Standoff”). ECF No. 118 at ¶ 6. After brandishing a firearm at the FBI agents present, Matthew
 11 Beasley was shot twice and holed himself in his home for nearly four hours. *Id.* Following the
 12 conclusion of the standoff, Matthew Beasley was incarcerated and remains so to this day.¹

13 On April 12, 2022, the Securities and Exchange Commission (“SEC”) initiated the instant
 14 enforcement action seeking to halt the numerous Defendants’ violations of federal securities laws,
 15 prevent further harm to investors, and to seek disgorgement and civil penalties related to the
 16 Defendants’ wrongdoings. *See* ECF No. 1; *see also* ECF No. 118 at ¶ 7. On June 29, 2022, the
 17 SEC filed an Amended Complaint, adding a number of additional defendants, including Madsen
 18 (the Amended Complaint shall be referred to herein as the “Complaint”). ECF No. 118.

19 At the outset of this case, the SEC moved, *ex parte*, for the Entry of a Temporary
 20 Restraining Order and Orders: (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting
 21 the Destruction of Documents; (4) Granting Expedited Discovery; and (5) Order to Show Cause
 22 Re: Preliminary Injunction (the “TRO Application”). ECF No. 2. In the TRO Application, the
 23 SEC established for this Court the nature of the alleged Ponzi-scheme giving rise to this case and
 24 alluded to the far reach of the ill-gotten gains at issue. ECF No. 2 at § 3. Moreover, through the
 25 Complaint and the TRO Application, the SEC outlined the extravagant assets the Defendants
 26

27 ¹ On March 29, 2023, Matthew Beasley was indicted on five (5) counts of Wire Fraud and three (3) counts
 28 of Money Laundering. *See United States of America v. Matthew Wade Beasley*, Case No. 2:23-cr-00066-
 JAD-DJA, ECF No. 1.

1 allegedly obtained with funds from the alleged Ponzi-scheme and the Defendants' concerted
 2 attempts to liquidate and dissipate substantial assets. ECF Nos. 1, 2. After considering the
 3 Complaint, the TRO Application and the relevant evidence, the Court entered a Temporary
 4 Restraining Order (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the
 5 Destruction of Documents; and (4) Granting Expedited Discovery, among other things (the
 6 "TRO").² ECF No. 3. The terms of the TRO were later affirmed via this Court's entry of the
 7 Preliminary Injunction. ECF No. 56.

8 Thereafter, on June 3, 2022, this Court entered an Order Appointing Receiver (the
 9 "Receivership Order"), which obligates the Receiver to, among other things, take possession of
 10 all Receivership Assets, including real property and to marshal and preserve the same for the
 11 benefit of the Receivership Estate. ECF No. 88. The Receivership Order was subsequently
 12 amended by the Court on July 28, 2022 to include Madsen. ECF No. 207. Importantly, with the
 13 amendment, the Court took exclusive jurisdiction and possession of the personal assets of the
 14 New Defendants³ and specified that the:

15 personal assets of the New Defendants are hereby included as "Receivership
 16 Property" and the Receivership Estate" as defined and ordered in the June 3, 2022
 17 Receivership Order; and the New Defendants are hereby included as the "Individual
 18 Receivership Defendants" and Receivership Defendants" as defined and ordered in
 the June 3, 2022 Receivership Order.

19 ECF No. 207, ¶ 3.

20 In furtherance of his obligations, the Receiver is vested with broad authority to take
 21 custody, control and possession of all Receivership Property.⁴ Additionally, Section II of the
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23 _____
 24 ² The TRO was later sealed following a Motion to Seal by Defendant Shane M. Jager.
 ECF Nos. 51 and 57.

25 ³ The "New Defendants" include Larry Jeffrey, Jason Jenne, Seth Johnson, Christopher Madsen, Mark
 Murphy, Cameron Rohner and Warren Rosegreen. ECF No.207.

26 ⁴ ECF No. 88 at ¶ 7(b) "To take custody, control and possession of all Receivership Property and records
 27 relevant thereto from the Receivership Defendants; to sue for and collect, recover, receiver and take into
 28 possession from third parties all Receivership Property and records relevant thereto." *See also*
 ECF No. 88 at ¶ 18 ("The Receiver is authorized to take immediate control of all personal property of the
 Receivership Defendants, including jewelry, artwork and other valuable.").

1 Receivership Order⁵ further obligates the Receivership Defendants to “assist the Receiver in
2 fulfilling his duties and obligations. As such, they must respond promptly and truthfully to all
3 requests for information and documents from the Receiver.” *Id.* at ¶ 14. Critically, the
4 Receivership Defendants are expressly required to provide the Receiver with access to all
5 necessary information by, among other things, the turnover of “ all paper and electronic
6 information of, and/or relating to the Receivership Defendants and/or all Receivership Property;
7 such information shall include but not be limited to books, records, documents, accounts and all
8 other instruments and papers.” ECF No. 88 at ¶ 8.

9 Additionally, the Receivership Order imputes upon the Receivership Defendants
10 obligations to affirmatively provide documents and information necessary for the Receiver to
11 fully perform his role in this case. One such requirement can be found in Section II Paragraph 9
12 of the Receivership Order which directs the Individual Receivership Defendants to file with the
13 court a sworn statement listing: (a) the identity, location and estimated value of all Receivership
14 Property; (b) all employees (and job titles thereof), other personnel, attorneys, accountants and
15 any other agents or contractors of the Receivership Defendants; and (c) the names, addresses and
16 amount of claims of all known creditors of the Receivership Defendants (the “Statement of
17 Receivership Property”). ECF No. 88 at ¶ 9. Similarly, Section II Paragraph 10 of the
18 Receivership Order directed the Individual Receivership Defendants to file, within
19 thirty (30) days, a sworn statement and accounting, with complete documentation, covering the
20 period from January 1, 2016 to the present (a) of all Receivership Property; (b) identifying every
21 account at every bank, brokerage or other financial institution; (c) identifying all credit, bank,
22 charge, debit or other deferred payment card; (d) of all assets received by the Individual
23 Receivership Defendants; (e) of all funds received by the Receivership Defendants in any way
24 related, directly or indirectly to the conduct alleged in the complaint; (f) of all expenditures
25 exceeding \$1,000; and (g) of all transfers of assets made by the Individual Receivership
26 Defendants (the “Accounting”). ECF No. 88 at ¶ 10(a)-(g). Further, the Individual Receivership
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28 ⁵ The Receivership Order was subsequently amended by the Court on July 28, 2022 ECF No. 207. The amendments do not affect the issues raised in this Motion.

1 Defendants were ordered to provide copies of the Receivership Defendants’ federal income tax
2 returns for January 1, 2016 to the present with all relevant and necessary underlying
3 documentation. ECF No. 88 at ¶ 11. The dates for compliance for the New Defendants began to
4 run on July 28, 2022, the date the amended order was entered. ECF No. 207.

5 Following the entry of the order amending the Receivership Order, Madsen’s Statement
6 of Receivership Property was due on or before August 11, 2022 and Madsen’s Accounting was
7 due on or before August 29, 2022. ECF No. 207 at ¶ 3. (“[T]he deadlines in Section II,
8 paragraphs 9, 10, and 11 of the June 3, 2022 Order shall begin to run for the New Defendants
9 upon the date of entry of this Order.”). Madsen has not produced either statement.

10 On August 23, 2022, Madsen entered into a stipulation and order with the Commission
11 for an allowance for living expenses through which Madsen’s Boulder Dam Credit Union account
12 ending in 2001 (the “Boulder Dam Checking Account”) was unfrozen to allow Madsen to pay
13 living expenses and to hold income unrelated to the alleged Ponzi-scheme moving forward but
14 also ordered Madsen to provide to the Commission, the Receiver and their respective counsel,
15 monthly account statements of the Boulder Dam Checking Account no later than the 5th of each
16 month (the “Living Expense Agreement”). ECF No. 269.⁶ Thus, following the Living Expense
17 Agreement, Madsen was required to provide (1) the sworn Statement of Receiver of Receivership
18 Property on or before August 11, 2022; (2) the sworn Accounting on or before August 29, 2022;
19 (3) his federal income tax returns from January 1, 2016 through the present with all underlying
20 documentation; and (4) monthly statements for the Boulder Dam Checking Account. To date,
21 Madsen has not fulfilled his obligations.

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25 ⁶ “Defendant Madsen must provide to counsel to the Commission and to the Receiver, without further
26 request or subpoena, the monthly account statements of the Boulder Dam Checking Account for review
27 and inspection by no later than the 5th of each month this stipulation is in effect. The Boulder Dam
28 Checking Account statements shall be provided to counsel to the Commission by email to Casey R. Fronk
(fronkc@sec.gov) and Tracy S. Combs (combst@sec.gov); and to the Receiver by email to Kara Hendricks
(hendricksk@gtlaw.com) as counsel for the Receiver and to Geoff Winkler
(geoff@americanfiduciaryservices.com).”

GREENBERG TRAUB, LLP
10845 Griffith Peak Drive, Suite 600 Las Vegas, Nevada 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

C. Communications Between the Receiver and Madsen

1 Shortly after the entry of the Amended Receivership Order, counsel for the Receiver wrote
2 to Madsen’s counsel advising “[a]s Christopher Madsen is now a Defendant in this matter, the
3 Receivership Orders are applicable to him. As counsel for Defendant Christopher Madsen, we
4 expect that you will provide him with copies of the Receivership Orders and ensure his
5 cooperation and compliance with the same.”⁷ A meeting to discuss the steps to be taken in further
6 of the Receiver’s duties under the Receivership Order was also requested.⁸

7 Despite Madsen and his counsel’s participation in this proceeding and his undeniable
8 knowledge of the Receivership Order and its terms,⁹ Madsen failed to meaningfully respond to
9 the August 8, 2022 Correspondence by providing documents.¹⁰ However, Madsen did provide
10 the Receiver a list of vehicles he owned and allowed the Receiver to view his car collection at a
11 residence in Las Vegas as well as a warehouse in Boulder City.¹¹ Thereafter on October 7, 2022
12 counsel for the Receiver received an email correspondence from John Giardino, counsel for Mr.
13 Madsen, containing a spreadsheet purporting to demonstrate the investors who participated in the
14 alleged Ponzi scheme through ACAC LLC and their respective total investment and returns
15 through March 2022.¹² Despite initial indications that he would cooperate and produce
16 documents, Madsen did not provide supporting documentation relating to the spreadsheet,
17 despite repeated requests for the same.¹³ As such, on October 31, 2022, counsel for the Receiver

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22 ⁷ See **Exhibit 1, p. 2**, Declaration of Kara Hendricks (the “Hendricks Decl.”) at ¶ 4 . see also **Exhibit 2,**
23 p. 1, ¶ 2, August 8, 2022 Correspondence from Kara Hendricks to Jonathan D. Blum, Esq (the “August 8,
2022 Correspondence”).

24 ⁸ Exh. 2, p. 1, ¶ 2, August 8, 2022 Correspondence.

25 ⁹ See e.g. ECF Nos. 159, 203, 205, 228, 229, 234, and 269.

26 ¹⁰ Exh. 1, p. 2, Hendricks Decl. at ¶ 5.

27 ¹¹ Exh. 1, p. 2, Hendricks Decl. at ¶ 5.

28 ¹² Exh. 1, p. 2, Hendricks Decl. at ¶ 6 ; **Exhibit 3, p. 1** October 7, 2022 Email from John Giardino to
Geoff Winkler (the “October 7 2022 Email” (attachment with information regarding investors excluded)).

¹³ Exh. 1, p. 2, Hendricks Decl. at ¶ 7.

1 wrote to Madsen’s counsel requesting turnover of documents and the filing of certified statements
2 compliance with this Court’s orders.¹⁴

3 “This letter is necessitated as our records indicate that your clients have not
4 complied with the Receivership Order. Specifically, your clients were required to
5 provide to the Receiver and the Commission copies of federal income tax returns
6 for January 1, 2016 to the present including all necessary underlying
7 documentation. However, we do not have a record of receiving either
8 Mr. Madsen’s personal tax returns or that of ACAC LLC.

9 Additionally, we do not have a record of receiving the Certified Statements of your
10 clients required by the Receivership Order. Per the Order, the Certified Statements
11 are to include, with respect to each such account or other asset, the balance in the
12 account or the description of the assets.”

13 Although not specifically mentioned in the October 31, 2022 letter, at the time of the
14 October 31, 2022 correspondence, the Receiver had not received monthly statements for the
15 Boulder Dam Checking Account.¹⁵ As with prior communications, Madsen did not heed the
16 Receiver’s request.¹⁶ Despite Madsen’s failure and/or refusal to provide the information ordered
17 by this Court, the Receiver continued his efforts to identify the funds that flowed to Madsen and/or
18 ACAC LLC.¹⁷ On February 28, 2023, the Receiver wrote to Madsen’s counsel advising:

19 The Receiver and his team have been working to identify funds that flowed to
20 Defendant Christopher Madsen and/or ACAC LLC from Matthew Beasley’s
21 IOLTA account **At this juncture, the total is believed to be \$12,341,000.00.** This
22 number is based upon the Receiver’s initial review of bank records and is
23 preliminary in nature and subject to change...We appreciate your ongoing
24 cooperation in working with the Receiver and ask that you continue to do so. To
25 that end, enclosed herein is documentation identifying assets we believe are in
26 Mr. Madsen’s name and/or possession. We ask that you review the attached and
27 contact me on or before March 10, 2022, to arrange a conference to discuss next

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14 Exh. 1, p. 3, Hendricks Decl. at ¶ 8; **Exhibit 4**, p. 1, October 31, 2022 Correspondence from Kara B. Hendricks to Sidhardha Kamaraju.

15 Exh. 1, p. 3, Hendricks Decl. at ¶ 9.

16 Exh. 1, p. 3, Hendricks Decl. at ¶ 10.

17 Exh. 1, p. 3, Hendricks Decl. at ¶ 11.

1 steps which may include, but are not limited to, turning over the property identified
2 to the Receiver...¹⁸

3 The February 28, 2023 correspondence provided Madsen with a table demonstrating each
4 of the assets identified by the Receiver to be in Mr. Madsen's name and/or possession.¹⁹ The
5 Receiver asked that Madsen review the list of assets and sought a conference to arrange the next
6 steps including turnover.²⁰ Madsen responded to the Receiver's February 28, 2023
7 correspondence on March 13, 2023 advising:

8 "...all funds disbursed to ACAC, LLC from Mr. Beasley's IOLTA account were
9 distributed to the individual investors. We have previously provided you with the
10 reconciliation report showing funds received by ACAC, LLC and funds paid out to
11 individuals. The only funds retained by Mr. Madsen have been the subject of the
12 Receiver's recovery actions [] and the capital investment in the real property
located at 2080 West Cheyenne Avenue, North Las Vegas, NV for which we have
provided a reconciliation to Mr. Winkler."²¹

13 Madsen provided no documentation to support his contention that all funds had been
14 disbursed nor did he support his position that the only funds he received, individually, have been
15 recovered or were placed into a real property investment.²² Indeed, despite his representations to
16 the contrary, Mr. Madsen has not produced any evidentiary support to demonstrate the total
17 amount of funds derived from the Ponzi-scheme.²³ Thus, despite Mr. Madsen's representation in
18 the March 13, 2023 correspondence, Madsen had still not complied with his court ordered
19 obligations.²⁴ As such, on March 21, 2023, the Receiver wrote to Mr. Madsen concerning
20 Madsen's failure to provide monthly statements for the Boulder Dam Checking Account.²⁵

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22 ¹⁸ **Exhibit 5**, pp. 1-2, February 28, 2023 Correspondence from Kara Hendricks to Sidhardha Kamaraju
(the "February 28, 2023 Correspondence").

23 ¹⁹ Exh. 5, pp. 3-5, February 28, 2023 Correspondence.

24 ²⁰ Exh. 5, p. 2, February 28, 2023 Correspondence.

25 ²¹ **Exhibit 6**, p. 1, March 13, 2023 Correspondence from John Giardino to Kara Hendricks (the "March 13,
2023 Correspondence").

26 ²² Exh. 1, p. 3, Hendricks Decl. at ¶ 16.

27 ²³ Exh. 1, p. 4, Hendricks Decl. at ¶ 17.

28 ²⁴ Exh. 1, p. 4, Hendricks Decl. at ¶ 18.

²⁵ Exh. 1, p. 4, Hendricks Decl. at ¶ 19 .

1 “[O]n August 23, 2022, a stipulation was filed in the SEC Action relating to certain
2 of your bank accounts. The stipulation states ‘Defendant Madsen must provide to
3 counsel to the Commission and to the Receiver, without further request or
4 subpoena, the monthly account statements of the Boulder Dam Checking Account’,
5 referring to the Boulder Dam Credit Union account ending in 2001. We hereby
6 request that statements from November 2022 onward be sent to me and my counsel
7 on or before April 4, 2023...”²⁶

8 Following communications with counsel, the Receiver agreed to extend the deadline for
9 Madsen to provide the necessary documentation to April 7, 2023 and cautioned that a motion to
10 compel would be forthcoming should the information not be provided.²⁷ However, Madsen once
11 again failed to perform. On April 18, 2023, counsel for the Receiver wrote to Mr. Giardino and
12 stated:

13 As you know, we did not receive any additional documents or information from
14 you on April 7th despite your previous representations they would be provided.
15 We appreciate you conferring with us again today. Based on the call today, you
16 indicated that you will provide bank statements and a proposal relating to
17 turnover of assets by Friday, April 18th. We understand that your proposal will
18 be in line with your settlement discussions with the SEC. You also indicated
19 that you will provide us an update by then on the bates stamping of the
20 additional background documents we requested and a date they will be
21 produced. As you know, the Receiver[] has obligations to the Court to secure
22 assets in this matter. Mr. Madsen is one of the few defendant[s] who has yet to
23 turnover assets for the benefit of the Receivership Estate other than what was
24 in frozen bank accounts. We sincerely hope the information you provide on
25 Friday will be made in good faith and allow the turnover process to begin in
26 earnest. To aid in this process I am reattaching the letter I sent you on February
27 28th, which includes a list of initial assets the Receiver identified.²⁸

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32 ²⁶ **Exhibit 7**, p. 1, March 21, 2023 Correspondence from Geoff Winkler to Christopher Madsen (the
33 “March 21, 2023 Correspondence”).

34 ²⁷ **Exhibit 8**, p. 1, March 31, 2023 Email from Kara Hendricks to John Giardino (the “March 31, 2023
35 Email”).

36 ²⁸ **Exhibit 9**, p. 1, April 18, 2023 Email from Kara Hendricks to John Giardino (the “April 18, 2023
37 Email”).

1 Rather than providing documentation compliant with this Court's orders, Mr. Madsen
2 provided a settlement offer to resolve and release Madsen from any and all claims by the SEC
3 and the Receiver.²⁹ In response, on May 11, 2023, counsel for the Receiver wrote to Mr. Giardino
4 reiterating the urgent need for Mr. Madsen's compliance with respect to the turnover of assets in
5 his name and/or possession.

6 We are in receipt of your 4/21/23 correspondence regarding Chris Madsen and
7 your proposal to the SEC. Our understanding is that the SEC is currently
8 evaluating your proposal and the information provided to determine next steps.
9 **However, your discussions with the SEC cannot be utilized to delay and**
10 **prevent the Receiver from marshalling assets as required by the Court.** At this
11 juncture, we believe it is prudent that Mr. Madsen turnover assets with a value
12 up to the \$1.8 million. I provided your office a list of assets the Receiver
13 identified with my February 28th correspondence and have asked on multiple
14 times that you review the same with your client and we discuss the turnover
15 process. To date, you have refused to do so. Please let us know by no later than
16 May 19th what assets Mr. Madsen is willing to turnover. In your letter you
17 mentioned that he may also have available cash, that would work as well. If Mr.
18 Madsen is not willing to turnover assets and work with us in this regard we will
19 seek his compliance from the court.³⁰

20 On May 23, 2023, counsel for Madsen responded and indicated a proposal would be provided on
21 May 24, 2023.³¹ No proposal was provided.

22 Madsen's gamesmanship is evident through the foregoing. Indeed, to date, Madsen and
23 his counsel have demonstrated a pattern of conduct intended clearly to dissuade the Receiver from
24 seeking redress through the Court through unfulfilled agreements and disingenuous responses.
25 Madsen and his counsel have communicated with the Receiver, but have not fully cooperated or
26 worked to assist the receiver in any manner. Despite numerous extensions, concessions, and
27 opportunities to comply, Madsen has failed to do so and, as a result, this matter is now before the
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29 ²⁹ Madsen's April 21, 2023 Settlement Offer was marked Confidential under Federal Rule of
Evidence 408.

30 ³⁰ **Exhibit 10**, p. 1, May 11, 2023 Email from Kara Hendricks to John Giardino (the "May 11, 2023
Email") (emphasis added).

31 ³¹ **Exhibit 11**, p. 1, May 23, 2023 Email from John Giardino to Kara Hendricks (the "May 11, 2023
Email").

1 Court. As can be seen from the foregoing string of communications, spanning nearly ten (10)
 2 months, Madsen has not only failed to turnover assets identified by the Receiver as Receivership
 3 Property but has failed to provide even the most basic information required under the
 4 Receivership Order or his Living Expense Agreement such as tax returns or monthly statements.
 5 It is readily apparent that Mr. Madsen has been engaging with the Receiver and his counsel with
 6 just enough frequency and detail to drag this dispute out as long as possible. However, the
 7 Receiver's leash has run out as he now seeks an order from this Court compelling Madsen's
 8 compliance or, in the alternative a show cause hearing why Mr. Madsen should not be held in
 9 contempt.

10 **III. LEGAL ARGUMENT**

11 **A. Court Action Mandating the Compliance with the Receivership Order is** 12 **Necessary**

13 An order compelling Mr. Madsen produce the documents and information required under
 14 the Receivership Order and the Living Expense Agreement and for the turnover the Receivership
 15 Property identified to date is warranted. Additionally, this Court has the ability to issue an order
 16 to show cause why Mr. Madsen are continuing to act in violation of the Receivership Order and
 17 the Living Expense Agreement.

18 Defendant Christopher Madsen is alleged to have played a significant role in the alleged
 19 Ponzi-scheme giving rise to this matter. Indeed, it is alleged that Madsen not only presented the
 20 fictitious purchase agreements to actual and potential investors but that he utilized the funds
 21 derived therefrom in furtherance of the alleged Ponzi-scheme and as a means to fund a lavish
 22 lifestyle. ECF No. 118 at ¶¶ 4-5, 75-78. Moreover, during all times in question, Madsen owned
 23 and controlled Relief Defendant ACAC LLC which it is believed to have received at least \$6.5
 24 million of investor funds.³² ECF No. 118 at ¶¶ 27, 88. Through his role in the alleged scheme,
 25 Madsen purportedly received commission payments for the investor solicitations. ECF No. 118
 26 at ¶¶ 92-99. Based on the Amended Complaint, it is not hyperbole to say the alleged Ponzi-

27 _____
 28 ³² As noted herein, the Receiver's preliminary investigation has revealed ACAC LLC likely received significantly more than \$6.5 million in investor funds.

1 scheme giving rise to this matter would have been substantially diminished if not for the actions
2 of Madsen.

3 The documents and information Madsen holds are of critical importance to the Receiver.
4 It is for this very purpose that the Receivership Order mandates the prompt disclosure and
5 turnover of all such documents and information as well as the turnover of all Receivership
6 Property in the Individual Defendants' possession. Madsen, however, has turned a blind eye
7 toward these requirements, choosing instead to engage in partial negotiations followed by missed
8 deadlines. Given the clear terms of this Courts' orders and Madsen's blatant refusal to comply
9 therewith, court ordered compliance is necessary to prevent any further waste of Receivership
10 resources or diminution of the Receivership Estate as a whole.

11 "Courts have inherent power to enforce compliance with their lawful orders through civil
12 contempt." *Shillitani v. United States*, 384 U.S. 364, 370 (1966). Indeed, Courts "are universally
13 acknowledged to be vested, by their very creation, with power to impose silence, respect, and
14 decorum, in their presence, and submission to their lawful mandates." *Chambers v. NASCO, Inc.*,
15 501 U.S. 32, 43, 111 S. Ct. 2123, 2132 (1991) (quoting *Anderson v. Dunn*, 19 U.S. 204, 5 L. Ed.
16 242 (1821)) (emphasis added). "These powers are 'governed not by rule or statute but by the
17 control necessarily vested in courts to manage their own affairs so as to achieve the orderly and
18 expeditious disposition of cases.'" *Id.* (quoting *Link v. Wabash R. Co.*, 370 U.S. 626, 630-631, 8
19 L. Ed. 2d 734, 82 S. Ct. 1386 (1962)). The most prominent power is the contempt sanction,
20 "which a judge must have and exercise in protecting the due and orderly administration of justice
21 and in maintaining the authority and dignity of the court." *Roadway Express, Inc. v. Piper*, 447
22 U.S. 752, 764, 100 S. Ct. 2455 (1980). In exercising their inherent authority to enforce
23 compliance, courts routinely find contempt in instances where a party fails to comply with
24 turnover orders. *See e.g. Armstrong v. Guccione*, 470 F.3d 89, 100-02 (2d Cir. 2006)
25 (incarcerating a corporate officer found to be in contempt of a court's turnover order for failing
26 and/or refusing to turnover corporate records and assets); *see also Commodity Futures Trading*
27 *Comm'n ex rel. Kelley v. Skorupskas*, 605 F. Supp. 923, 945, fn 23 (E.D. Mich. 1985) (In an
28 action arising from a Ponzi scheme, the defendant was found to be in contempt of the court's

1 order and the receivership order because the defendant established a new operation in the
 2 basement of her parents' home in which she developed clubs designed to circumvent the court's
 3 order. Additionally, the receiver permitted the defendant to retain a Mercedes Benz for her own
 4 personal use. However, immediately thereafter, the defendant used the Mercedes as collateral for
 5 a loan, in violation of the court order).

6 To hold a party in civil contempt, "the moving party has the burden of showing by clear
 7 and convincing evidence that the [nonmoving party] violated a specific and definite order of the
 8 court." *FTC v. Affordable Media, LLC*, 179 F.3d 1228, 1239 (9th Cir. 1999) (quoting *Stone v.*
 9 *City and County of San Francisco*, 968 F.2d 850, 856 n. 9 (9th Cir. 1992)); see also *In re Dual-*
 10 *Deck Video Cassette Recorder Antitrust Litig.*, 10 F.3d 693, 695 (9th Cir. 1993) ("Civil
 11 contempt...consists of a part's disobedience to a specific and definite court order by failure to
 12 take all reasonable steps within the party's power to comply."). In this context, "[c]lear and
 13 convincing evidence means evidence sufficient to support a finding of 'high probability'". *Waits*
 14 *v. Frito-Lay, Inc.*, 978 F.2d 1093, 1105 (9th Cir. 1992), *abrogated by Lexmark Int'l, Inc. v. Static*
 15 *Control Components, Inc.*, 572 U.S. 118, 134 S.Ct. 1377 (2014). Upon a demonstration that a
 16 specific and definite order was violated, "[t]he burden then shifts to the contemnors to
 17 demonstrate why they were unable to comply." *Affordable Media*, 179 F.3d at 1239.³³

18 Here, the plain language of the Receivership Order imposes upon Mr. Madsen numerous
 19 obligations including, but not limited to, the duty to preserve and turnover all information related
 20 to the Receivership Defendants and all Receivership Property. ECF No. 88 at ¶ 8.³⁴ As an
 21 Individual Receivership Defendant, Madsen has a court ordered obligation assist the Receiver in
 22 fulfilling his duties and obligations and "must respond promptly and truthfully to all requests for
 23

24 ³³ The Ninth Circuit has found contempt sanctions are not warranted when a party's action (or inaction)
 25 "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).

26 ³⁴ "The Individual Receivership Defendants and the past and/or present officers, directors, agents,
 27 managers, general and limited partners, trustees, attorneys, accountants and employees of the J&J
 28 Receivership Defendants, are hereby ordered and directed to preserve and turn over to the Receiver
 forthwith all paper and electronic information of, and/or relating to, the Receivership Defendants and/or
 all Receivership Property; such information shall include but not be limited to books, records, documents,
 accounts and all other instruments and papers."

1 information and documents from the Receiver.” ECF No. 88 at ¶ 14. Additionally, Section II
2 paragraphs 9 and 10 of the Receivership Order require the production of sworn statements related
3 to the Receivership Property and all accounts held by Mr. Madsen:

4 9. Within fourteen (14) days of the entry of this Order, the Individual
5 Receivership Defendants shall file with the Court and serve upon the Receiver and
6 the Commission a sworn statement, listing: (a) the identity, location and estimated
7 value of all Receivership Property; (b) all employees (and job titles thereof), other
8 personnel, attorneys, accountants and any other agents or contractors of the
9 Receivership Defendants; and, (c) the names, addresses and amounts of claims of
10 all known creditors of the Receivership Defendants.

11 10. Within thirty (30) days of the entry of this Order, the Individual
12 Receivership Defendants shall file with the Court and serve upon the Receiver and
13 the Commission a sworn statement and accounting, with complete documentation,
14 covering the period from January 1, 2016 to the present.

15 Additionally, Madsen was required to provide, within thirty (30) days of the entry of the
16 Order Amending Receivership Order, copies of the federal tax returns for Madsen individually
17 and for ACAC LLC. ECF No. 88 at ¶ 11. Moreover, as a material term of the Living Expense
18 Agreement, through which Madsen was granted access to the Boulder Dam Checking Account,
19 Madsen expressly agreed to provide monthly statements to the Receiver and the SEC without
20 further request or subpoena. ECF No. 269.

21 To date, Madsen has failed to comply with any of the foregoing. Instead, Madsen and his
22 counsel have engaged in a months-long course of correspondence which has produced little to no
23 results and has only eroded the value of the Receivership Estate and further wasted the Receiver’s
24 efforts. There is no valid reason for the Receiver to be before this Court seeking an order
25 compelling Madsen’s compliance with clear orders of this Court. The intent behind the
26 Receivership Order was to induce willful compliance by the Defendants—not to subject the
27 Receiver to months of “collection efforts.” However, in good faith, the Receiver and his counsel
28 have worked diligently to procure Madsen’s compliance, despite no obligation to do so. Now,
however, this Court’s assistance is required.

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1 Mr. Madsen has, by all accounts, violated the Receivership Order and the Living Expense
2 Agreement through the conduct outlined herein. More specifically, Mr. Madsen has willfully
3 refused to provide the documents and information necessary for the Receivership to properly
4 fulfill his duties of marshalling the Receivership Estate.

5 **1. The Court Should Compel the Turnover of Missing Documents and**
6 **Information.**

7 As outlined herein, Madsen's obligations as a Defendant in this proceeding are clear yet,
8 he has failed to comply. The documents and information ordered by the Court and requested
9 from Mr. Madsen which have not been provided to the Receiver (despite repeated requests)
10 include:

- 11 • **The Sworn Statements Required Under the Receivership Order**
 - 12 ○ As noted above, Section II paragraphs 9 and 10 of the Receivership
13 Order require the production of sworn statements made by the
14 Individual Receivership Defendants. As of the date of this Motion,
15 Madsen has failed to provide the Receiver with either required
16 statement.
- 17 • **Federal Tax Returns for Mr. Madsen and ACAC LLC From**
18 **January 1, 2016 to the Present**
 - 19 ○ Section II paragraph 11 of the Receivership Order requires the
20 production of copies of the federal income tax returns for January 1,
21 2016 to the present. As of the date of this Motion, the Receivership
22 has not received federal tax returns for Mr. Madsen or for ACAC
23 LLC.
- 24 • **Monthly Statements for the Boulder Dam Checking Account.**
 - 25 ○ On August 23, 2022, Mr. Madsen entered into a stipulation with the
26 Commission through which the Boulder Dam Credit Union account
27 ending in 2001 would be unfrozen to allow Madsen to pay living
28 expenses and hold going-forward, earned income unconnected to
the conduct alleged in the Complaint.

26 A critical part of this stipulation was that Madsen was required to provide to Counsel to
27 the Commission and the Receiver, without further request or subpoena, the monthly account
28 statements of the Boulder Dam Checking Account for review and inspection by no later than the

1 5th of each month the stipulation is in effect. As of the date of this Motion, the Receiver has not
 2 received a single monthly statement for the Boulder Dam Checking Account.

3 **2. The Court Should Compel the Turnover of Assets and/or Allow the**
 4 **Receiver to Seize the Same.**

5 The Receivership Order provides the Receiver the ability to collect and/or seize
 6 Receivership Property. To date, the Receiver has attempted to do so in cooperation with
 7 Defendants, but Madsen has thwarted his ability to do the same.

8 In August of 2022, Madsen provided the Receiver a list identifying the vehicles identified
 9 in Table 1 below, that he owned as part of a vast car collection, and provided the Receiver the
 10 opportunity to view most of the same. The Receiver now seeks the Court to compel their turnover
 11 and/or allow the Receiver to seize the same.

12 **TABLE 1**

Vehicle Description
2021 Ford Bronco
2003 Ford Ranger
2000 Marathon Prevost Coach RV
2007 Enclosed Stacker Trailer
1970 Chevrolet Blazer K5
1972 Chevrolet Blazer K5
2014 Harley Davidson Road King
2007 Chevrolet 2500 HD
1961 Chevrolet Impala
1968 VW Bug
1962 Land Cruiser
1986 Chevrolet C-10
1959 Chevrolet Impala Convertible
1970 Chevrolet Blazer K5
1988 Monte Carlo LS

GREENBERG TRAUB, LLP
 10845 Griffith Peak Drive, Suite 600 Las Vegas, Nevada 89135
 Telephone: (702) 792-3773 Facsimile: (702) 792-9002

GREENBERG TRAUB, LLP
 10845 Griffith Peak Drive, Suite 600 Las Vegas, Nevada 89135
 Telephone: (702) 792-3773 Facsimile: (702) 792-9002

Vehicle Description
2016 KTM Six Days
2017 RZR 1000
1989 Honda TRX 250R
2006 Banshee 4 Wheeler
2021 Honda 450 Dirt Bike
2022 Honda 450r Dirt Bike
2019 Toyota 4 Runner
2021 Dodge Ram 3500
2022 Cadillac Escalade
1964 Chevrolet Impala Convertible
2016 Harley Davidson FLHXSE
2020 Can Am
2012 Kawasaki 4 Wheeler
2005 La Chopper

On February 28, 2023 the Receiver provided Madsen with a list of assets identified to be in his name and/or possession. *See*, Exh. 5, pp. 3-5. Madsen should be compelled to identify his ownership interest and the location of such assets forthwith. Further, such assets or at least a significant portion of the same should be turned over to the Receiver.

Additionally, Madsen has represented he holds an interest in certain real property located at 2080 West Cheyenne Avenue North, Las Vegas, Nevada which he purports to be worth approximately \$1,500,000.00.³⁵ Pursuant to the Receiver’s investigation to date, Mr. Madsen received \$12,341,000.00 from the Beasley IOLTA account at issue. Thus, even if Madsen surrendered the claimed interest in the West Cheyenne property a significant amount of funds

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³⁵ *See* Exh. 10, p. 1, May 11, 2023 Email from Kara Hendricks to John Giardino.

1 remain unrecovered. For that reason, the Receiver seeks the turnover of the Receivership Property
2 in his name and/or possession.³⁶

3 Given Madsen's alleged role in the perpetration of the alleged Ponzi-scheme, the millions
4 of dollars that flowed into his account and/or that of ACAC, LLC and his unwarranted refusal to
5 comply with this Court's order and to cooperate expeditiously with the Receiver, good cause
6 exists for the turnover of the foregoing documents, information, and property.

7 **B. An Order Providing the Receiver the Fees and Costs Associated with this**
8 **Motion is Warranted.**

9 The Receiver has attempted on multiple occasions to coordinate with Mr. Madsen and his
10 counsel to obtain the information requested herein and to facilitate the turnover of the assets in
11 Madsen's name and/or possession. However, the Receiver had nothing to show for these efforts.
12 Instead, the Receiver has been forced to seek judicial intervention to gather basic information
13 required under the Receivership Order and the Living Expense Agreement. In other words,
14 Madsen's unwarranted refusal to comply with this Court's orders has eroded the value of the
15 Receivership Estate through unnecessary recovery efforts, communications, and the drafting and
16 filing of the instant Motion. The gamesmanship evidenced by and through the exhibits attached
17 hereto warrant an award of attorneys' fees and the costs associated with the preparation of the
18 subject Motion. Indeed, it is clear that the actions of Paula and Mr. Madsen have diminished the
19 value of the Receivership Estate through resources that were needlessly expended chasing down
20 documents and assets should have been immediately provided to the Receiver.³⁷

21 **IV. CONCLUSION**

22 Based on the foregoing:

23 A. The Receiver requests an order directing Mr. Madsen to produce:

- 24 (1) The sworn statements required under Section II paragraphs 9 and 10
25 of the Receivership Order;

26
27 _____
³⁶ Exh. 5, p. 1, February 28, 2023 Correspondence.

28 ³⁷ Upon this Court's approval, the Receiver will submit a separate application for attorney's fees and costs.

1 (2) The federal income tax returns for Mr. Madsen and ACAC LLC from
2 January 1, 2016 to the present; and

3 (3) the monthly statements for the Boulder Dam Checking Account
4 ending in 2001 from November 2022 to the present with the directive
5 that Mr. Madsen continue to provide monthly statements for the
6 Boulder Dam Checking Account ending in 2001 to the Receiver and
7 the Commission on or before the 5th of each month during the
8 pendency of this case.

9 B. The Receiver further requests this Court compel Mr. Madsen to turn over the
10 Receivership Property identified in Table 1 herein and/or provide express authorization for the
11 Receiver to collect and/or seize the Receivership Property identified in Table 1 herein pursuant
12 to the terms of the Receivership Order.

13 C. The Receiver further requests that Mr. Madsen be compelled to provide a
14 statement under oath within 10 days of the Court’s Order that specifies the location of and his
15 interest in the property identified in communication sent to Mr. Madsen Counsel on February 28,
16 2023 and identified in Exhibit 5.

17 D. Because Mr. Madsen has represented he holds an interest in certain real property
18 located at 2080 West Cheyenne Avenue North, Las Vegas, Nevada which he purports to be worth
19 approximately \$1,500,000.00, an Order should enter requiring the turnover of the same to the
20 Receiver.

21 E. Alternatively, the Receiver requests this Court enter an order to show cause why
22 Mr. Madsen should not be held in contempt for his failure to comply with this Court’s orders.

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GREENBERG TRAUB, LLP
10845 Griffith Peak Drive, Suite 600 Las Vegas, Nevada 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

1 F. Additionally, the Receiver requests he be awarded costs and fees incurred in filing
2 this Motion and any related reply.

3 DATED this 2nd day of June 2023.

4 **GREENBERG TRAUIG, LLP**

5 By: */s/ Kara B. Hendricks*

6 KARA B. HENDRICKS, Bar No. 07743
7 JASON K. HICKS, Bar No. 13149
8 KYLE A. EWING, Bar No. 014051

9 JARROD L. RICKARD, Bar No. 10203
10 KATIE L. CANNATA, Bar No. 14848
11 **SEMENZA KIRCHER RICKARD**

12 DAVID R. ZARO*
13 JOSHUA A. del CASTILLO*
14 MATTHEW D. PHAM*
15 *admitted pro hac vice

16 **ALLEN MATKINS LECK GAMBLE**
17 **MALLORY & NATSIS LLP**

18 *Attorneys for Receiver Geoff Winkler*
19
20
21
22
23
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27
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GREENBERG TRAUIG, LLP
10845 Griffith Peak Drive, Suite 600 Las Vegas, Nevada 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

CERTIFICATE OF SERVICE

I hereby certify that, on the **2nd day of June 2023**, a true and correct copy of the foregoing **MOTION TO COMPEL OR ALTERNATIVE MOTION FOR ORDER TO SHOW CAUSE WHY CHRISTOPHER M. MADSEN SHOULD NOT BE HELD IN CONTEMPT FOR FAILURE TO COMPLY WITH THIS COURT'S ORDERS** 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:

/s/ Evelyn Escobar-Gaddi
An employee of GREENBERG TRAUIG, LLP

GREENBERG TRAUIG, LLP
10845 Griffith Peak Drive, Suite 600 Las Vegas, Nevada 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

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INDEX OF EXHIBITS

EXHIBIT	DESCRIPTION
1	Declaration of Kara B. Hendricks in Support of Motion to Compel of Alternative Motion for Order to Show Cause Why Christopher M. Madsen Should Not Be Held in Contempt for Failure to Comply with this Court's Order
2	August 8, 2022 Letter from Kara Hendricks to Jonathan Blum re: Christopher Madsen Compliance with Receivership Order (with ECF No. 207 attached)
3	October 7, 2022 Email from John Giardino to Geoff Winkler and Kara Hendricks re: SEC v. Beasley? C. Madsen (without attachment)
4	October 31, 2022 Letter from Kara Hendricks to Sidhardha Kamaraju re: Defendants Christopher Madsen and ACAC LLC
5	February 28, 2023 Letter from Kara Hendricks to Sidhara Kamaraju re: Defendant Christopher Madsen – Securing and Turnover of Receivership Property
6	March 13, 2023 Letter from John Giardino to Kara Hendricks re: Defendant Christopher Madsen
7	March 21, 2023 Letter from Geoff Winkler to Christopher Madsen re: Compliance with Court Order Requiring Production of Bank Statements
8	March 31, 2023 Email from Kara Hendricks to John Giardino re: Chris Madsen Records and Asset Turnover
9	April 18, 2023 Email from Kara Hendricks to John Giardino re: Chris Madsen Records and Asset Turnover
10	Mary 11, 2023 Email from Kara Hendricks to John Giardino re: Chris Madsen
11	May 23, 2023 Email from John Giardino to Kara Hendricks re: Chris Madsen

EXHIBIT 1

EXHIBIT 1

Declaration of Kara B. Hendricks

GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600, Las Vegas, Nevada 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

1 KARA B. HENDRICKS, Bar No. 07743
hendricksk@gtlaw.com
2 JASON K. HICKS, Bar No. 13149
hicksja@glaw.com
3 KYLE A. EWING, Bar No 014051
ewingk@gtlaw.com
4 **GREENBERG TRAURIG, LLP**
10845 Griffith Peak Drive, Suite 600
5 Las Vegas, Nevada 89135
6 Telephone: (702) 792-3773
7 Facsimile: (702) 792-9002

8 JARROD L. RICKARD, Bar No. 10203
jlr@skrlawyers.com
9 KATIE L. CANNATA, Bar No. 14848
klc@skrlawyers.com
10 **SEMENZA KIRCHER RICKARD**
10161 Park Run Drive, Suite 150
11 Las Vegas, Nevada 89145
12 Telephone: (702) 835-6803
13 Facsimile: (702) 920-8669

*Attorneys for Geoff Winkler Receiver for
14 J&J Consulting Services, Inc.,
15 J and J Purchasing LLC, The Judd Irrevocable Trust,
and BJ Holdings LLC*

17 **UNITED STATES DISTRICT COURT**
18 **DISTRICT OF NEVADA**

19 SECURITIES AND EXCHANGE
20 COMMISSION,

21 Plaintiff,

22 vs.

23 MATTHEW WADE BEASLEY et al.

24 Defendants;

25 THE JUDD IRREVOCABLE TRUST et al.

26 Relief Defendants.
27
28

DAVID R. ZARO*
dzaro@allenmatkins.com
JOSHUA A. del CASTILLO*
jdelcastillo@allenmatkins.com
MATTHEW D. PHAM*
mpham@allenmatkins.com
*admitted *pro hac vice*
ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
865 South Figueroa Street
Suite 2800
Los Angeles, California 90017-2543
Telephone: (213) 622-5555
Facsimile: (213) 620-8816

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

**DECLARATION OF KARA B.
HENDRICKS IN SUPPORT OF
MOTION TO COMPEL OR
ALTERNATIVE MOTION FOR
ORDER TO SHOW CAUSE WHY
CHRISTOPHER M. MADSEN
SHOULD NOT BE HELD IN
CONTEMPT FOR FAILURE TO
COMPLY WITH THIS COURT'S
ORDERS**

GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600, Las Vegas, Nevada, 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

1 I, KARA B. HENDRICKS, hereby declare as follows:

2 1. I am attorney of record for Geoff Winkler, Receiver for J&J Consulting Services,
3 Inc., J&J J and J Purchasing LLC, The Judd Irrevocable Trust, and BJ Holdings LLC (the
4 “Receiver”), in the above-captioned matter.

5 2. I am a shareholder at the law firm of Greenberg Traurig, LLP and am in good
6 standing as a member of the Nevada Bar, and I am admitted to practice before this Court.

7 3. I make this declaration in support of the Motion to Compel or Alternative Motion
8 for Order to show Cause Why Christopher M. Madsen Should Not be Held in Contempt for
9 Failure to Comply with this Court’s Orders (the “Motion”).

10 4. After the entry of the Amended Receivership Order, on August 8, 2022, I wrote to
11 Chris Madsen’s counsel (“Madsen”) stating “[a]s Christopher Madsen is now a Defendant in this
12 matter, the Appointment Orders are applicable to him. As counsel for Defendant Christopher
13 Madsen, we expect that you will provide him with copies of the Appointment Orders and ensure
14 his cooperation and compliance with the same.” A true and correct copy of the August 8, 2022
15 letter is attached to the Motion as **Exhibit 2**.

16 5. Madsen failed to meaningfully respond to the August 8, 2022 Correspondence by
17 providing documents. However, Madsen did provide the Receiver a list of vehicles he owned
18 and allowed the Receiver to view his car collection at a residence in Las Vegas as well as a
19 warehouse in Boulder City.

20 6. Thereafter on October 7, 2022 I received an email correspondence from John
21 Giardino, counsel for Mr. Madsen, containing a spreadsheet purporting to demonstrate the
22 investors who participated in the alleged Ponzi scheme through ACAC LLC and their respective
23 total investment and returns through March 2022. A true and correct copy of the October 7, 2022
24 email is attached to the Motion as **Exhibit 3**

25 7. Despite initial indications that he would cooperate and produce documents,
26 Madsen did not provide supporting documentation relating to the spreadsheet, despite repeated
27 requests for the same.

28

1 8. On October 31, 2022, I wrote to Madsen’s counsel requesting compliance with
2 this Court’s orders relating to turnover of documents and the filing of certified statements. A true
3 and correct copy of the October 31, 2022 letter is attached to the Motion as **Exhibit 4**.

4 9. Although not specifically mentioned in the October 31, 2022 correspondence, at
5 the time of the October 31, 2022 correspondence, the Receiver had not received monthly
6 statements for the Boulder Dam Checking Account.

7 10. As with prior communications, Madsen did not heed the Receiver’s request.

8 11. Despite Madsen’s failure and/or refusal to provide the information ordered by this
9 Court, the Receiver continued his efforts to identify the funds that flowed to Madsen and/or
10 ACAC LLC.

11 12. On February 28, 2023, the Receiver wrote to Madsen’s counsel advising that the
12 total believed to have flowed from Madsen and/ACAC LLC’s accounts from the Beasley IOLTA
13 accounted exceeded \$12 million dollars and provided a list of assets believed to be in Madsen’s
14 control to begin discussions regarding turnover. A true and correct copy of the February 28, 2023
15 letter is attached to the Motion as **Exhibit 5**.

16 13. The February 28, 2023 correspondence provided Madsen with a table
17 demonstrating each of the assets identified by the Receiver to be in Mr. Madsen’s name and/or
18 possession.

19 14. Additionally, we asked that Madsen review the list of assets and sought a
20 conference to arrange the next steps including turnover.

21 15. Madsen responded to the Receiver’s February 28, 2023 correspondence on
22 March 13, 2023, but did not address the turnover issues raised. A true and correct copy of the
23 March 13, 2023 letter is attached to the Motion as **Exhibit 6**.

24 16. Madsen provided no back-up documentation to support his contention that all
25 funds had been disbursed nor did he support his position that the only funds he received,
26 individually, have been recovered or were placed into a real property investment.

GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600, Las Vegas, Nevada, 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600, Las Vegas, Nevada, 89135
Telephone: (702) 792-3773 Facsimile: (702) 792-9002

1 17. Indeed, despite his representations to the contrary, Madsen has not produced to the
2 Receiver any evidentiary support to demonstrate the total amount of funds derived from the
3 alleged Ponzi-scheme.

4 18. Thus, despite Madsen’s representation in the March 13, 2023 correspondence,
5 Madsen had still not complied with his court ordered obligations.

6 19. On March 21, 2023, the Receiver wrote to Madsen concerning the failure to
7 provide monthly statements for the Boulder Dam Checking Account. A true and correct copy of
8 the March 21, 2023 letter is attached to the Motion as **Exhibit 7**.

9 20. Following communications with counsel, the Receiver agreed to extend the
10 deadline for Madsen to provide the necessary documentation to April 7, 2023 cautioning a motion
11 to compel would be forthcoming should the information not be provided. A true and correct copy
12 of the April 7, 2023 email is attached to the Motion as **Exhibit 8**.

13 21. Madsen once again failed to perform. On April 18, 2023, I wrote to Mr. Giardino
14 seeking once again to further discussions regarding the turnover of assets. A true and correct
15 copy of the April 18, 2023 email is attached to the Motion as **Exhibit 9**.

16 22. Rather than providing documentation compliant with this Court’s orders, the
17 Receiver was provided a settlement offer to resolve and release Madsen from any and all claims
18 by the SEC and the Receiver.¹ In response, on May 11, 2023, counsel for the Receiver wrote to
19 Mr. Giardino reiterating the urgent need for Mr. Madsen’s compliance with respect to the turnover
20 of assets in his name and/or possession. A true and correct copy of the May 11, 2023 email is
21 attached to the Motion as **Exhibit 10**.

22 23. On May 23, 2023, counsel for Madsen responded and indicated a proposal would
23 be provided on May 24, 2023. A true and correct copy of the May 23, 2023 email is attached to
24 the Motion as **Exhibit 11**.

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27 _____
28 ¹ Madsen’s April 21, 2023 Settlement Offer was marked Confidential under Federal Rule of Evidence
408 and is thus not being produced with the Motion.

EXHIBIT 2

EXHIBIT 2

August 8, 2022 Letter from Kara Hendricks to
Jonathan Blum



Kara B. Hendricks
Tel 702.792.3773
Fax 702.792.9002
hendricksk@gtlaw.com

August 8, 2022

VIA EMAIL AND U.S. MAIL

Jonathan D. Blum, Esq.
Wiley Petersen
1050 Indigo Dr., Ste. 200B
jblum@wileypetersenlaw.com

**Re: Securities and Exchange Commission v. Matthew Wade Beasley, et al.
Case No. 2:22-cv-00612
Christopher Madsen Compliance with Appointment Order**

Dear Mr. Blum:

Please be advised that the law firm of Greenberg Traurig, LLP, represents the Court appointed Receiver, Geoff Winkler of American Fiduciary Services LLC, in the above-referenced matter. Attached please find the June 3, 2022 Order Appointing Receiver (ECF 88) and the July 28, 2022 order amending the same (ECF 207) (collectively referred to herein as the "Appointment Orders"). The Appointment Orders provide Mr. Winkler certain powers and authorities related to the Receivership Defendants' assets.

As Christopher Madsen is now a Defendant in this matter, the Appointment Orders are applicable to him. As counsel for Defendant Christopher Madsen, we expect that you will provide him with copies of the Appointment Orders and ensure his cooperation and compliance with the same. Additionally, Mr. Winkler requests a meeting with you and/or your client to discuss next steps. Please contact our office or Mr. Winkler by August 15, 2022 to schedule the same. Thank you for your assistance in this matter.

Best regards,

**GREENBERG TRAUIG, LLP
Kara B. Hendricks**

cc: Geoff Winkler

ALBANY
AMSTERDAM
ATLANTA
AUSTIN
BOSTON
CHICAGO
DALLAS
DELAWARE
DENVER
FORT LAUDERDALE
HOUSTON
LAS VEGAS
LONDON*
LOS ANGELES
MEXICO CITY*
MIAMI
MILWAUKEE
NEW JERSEY
NEW YORK
NORTHERN VIRGINIA
ORANGE COUNTY
ORLANDO
PALM BEACH COUNTY
PHILADELPHIA
PHOENIX
ROME**
SACRAMENTO
SAN FRANCISCO
SEOUL**
SHANGHAI
SILICON VALLEY
TALLAHASSEE
TAMPA
TEL AVIV*
WARSAW~
WASHINGTON, D.C.

* OPERATES AS GREENBERG TRAUIG MAHER LLP
* OPERATES AS GREENBERG TRAUIG, S.C.
* A BRANCH OF GREENBERG TRAUIG, P.A. FLORIDA, USA
~ OPERATES AS GREENBERG TRAUIG GRZESIAK sp.k.
** OPERATES AS GREENBERG TRAUIG LLP FOREIGN LEGAL CONSULTANT OFFICE
** STRATEGIC ALLIANCE

1 TRACY S. COMBS (California Bar No. 298664)
2 Email: combst@sec.gov
3 CASEY R. FRONK (Illinois Bar No. 6296535)
4 Email: fronkc@sec.gov
5 SECURITIES AND EXCHANGE COMMISSION
6 351 South West Temple, Suite 6.100
7 Salt Lake City, Utah 84101
8 Tel: (801) 524-5796
9 Fax: (801) 524-3558

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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,
INC., a Nevada Corporation; J AND J
PURCHASING LLC; SHANE M. JAGER;
JASON M. JONGEWARD; DENNY
SEYBERT; ROLAND TANNER; LARRY
JEFFERY; JASON A. JENNE; SETH
JOHNSON; CHRISTOPHER M. MADSEN;
RICHARD R. MADSEN; MARK A.
MURPHY; CAMERON ROHNER; AND
WARREN ROSEGREEN;

Defendants; and

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

Relief Defendants.

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

**ORDER AMENDING
RECEIVERSHIP ORDER
(DKT. NO. 88)**

1 **WHEREAS** this matter has come before this Court upon motion of the Plaintiff U.S.
2 Securities and Exchange Commission (“SEC”, “Commission” or “Plaintiff”) to amend the
3 receivership order previously entered by the Court (Dkt. No. 88), and for related relief;

4 **WHEREAS** the Court has found based on the evidence presented and record in this case
5 that the Commission has made a proper *prima facie* showing that Defendants Larry Jeffery,
6 Jason Jenne, Seth Johnson, Christopher Madsen, Richard Madsen, Mark Murphy, Cameron
7 Rohner, and Warren Rosegreen directly and indirectly engaged in violations of the federal
8 securities laws as alleged in the Amended Complaint, and thus, the equity jurisdiction of this
9 Court has been properly invoked and the Court possesses the power and authority to fashion
10 appropriate remedies and relief;

11 **WHEREAS** the Court finds that, based on the record in these proceedings, the
12 appointment of a Receiver in this action is necessary and appropriate for the purposes of
13 marshaling and preserving all assets of the New Defendants that: (a) are attributable to funds
14 derived from investors or clients of the New Defendants; (b) are held in constructive trust for the
15 New Defendants; (c) were fraudulently transferred by the New Defendants; and/or (d) may
16 otherwise be includable as assets of the estates of the New Defendants; and

17 **WHEREAS** this Court has subject matter jurisdiction over this action and personal
18 jurisdiction over the New Defendants, and venue properly lies in this district;

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NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED

THAT:


1. This Court hereby takes exclusive jurisdiction and possession of the personal assets, of whatever kind and wherever situated, of the following defendants: Larry Jeffery, Jason Jenne, Seth Johnson, Christopher Madsen, Richard Madsen, Mark Murphy, Cameron Rohner, and Warren Rosegreen (the “New Defendants”).

2. Until further Order of this Court, **GEOFF WINKLER** of **AMERICAN FIDUCIARY SERVICES LLC** (the “Receiver”) is hereby appointed to serve without bond as receiver for the assets of the New Defendants.

3. The Court’s June 3, 2022 Order Appointing Receiver (Dkt. No. 88) (herein, June 3, 2022 Receivership Order) is amended, such that the personal assets of the New Defendants are hereby included as “Receivership Property” and “Receivership Estate” as defined and ordered in the June 3, 2022 Receivership Order; and the New Defendants are hereby included as the “Individual Receivership Defendants” and “Receivership Defendants” as defined and ordered in the June 3, 2022 Receivership Order. The New Defendants shall have the same obligations and duties as the Individual Receivership Defendants in the June 3, 2022 Order, except that the deadlines in Section II, paragraphs 9, 10, and 11 of the June 3, 2022 Order shall begin to run for the New Defendants upon the date of entry of this Order.

IT IS SO ORDERED.

Date: July 28, 2022



CRISTINA D. SILVA
UNITED STATES DISTRICT JUDGE

Presented by:
Tracy S. Combs
Casey R. Fronk
Attorneys for Plaintiff
Securities and Exchange Commission

1 TRACY S. COMBS (California Bar No. 298664)
2 Email: combst@sec.gov
3 CASEY R. FRONK (Illinois Bar No. 6296535)
4 Email: fronkc@sec.gov
5 SECURITIES AND EXCHANGE COMMISSION
6 351 South West Temple, Suite 6.100
7 Salt Lake City, Utah 84101
8 Tel: (801) 524-5796
9 Fax: (801) 524-3558

10 **UNITED STATES DISTRICT COURT**
11 **FOR THE DISTRICT OF NEVADA**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

Case No.: 2:22-cv-00612

14 Plaintiff,

Judge: James C. Mahan
Magistrate Judge: Elayna J. Youchah

15 vs.

ORDER APPOINTING

RECEIVER

16 MATTHEW WADE BEASLEY; BEASLEY
17 LAW GROUP PC; JEFFREY J. JUDD;
18 CHRISTOPHER R. HUMPHRIES; J&J
19 CONSULTING SERVICES, INC., an Alaska
20 Corporation; J&J CONSULTING SERVICE,
21 INC., a Nevada Corporation; J AND J
22 PURCHASING LLC; SHANE M. JAGER;
23 JASON M. JONGEWARD; DENNY
24 SEYBERT; and ROLAND TANNER;

25 Defendants;

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

Relief Defendants.

1 **WHEREAS** this matter has come before this Court upon motion of the Plaintiff U.S.
2 Securities and Exchange Commission (“SEC”, “Commission” or “Plaintiff”) to appoint a
3 receiver in the above-captioned action and for related relief;

4 **WHEREAS** the Court has found based on the evidence presented and record in this case
5 that the Commission has made a proper *prima facie* showing that Defendants directly and
6 indirectly engaged in violations of the federal securities laws as alleged in the Complaint, and
7 thus, the equity jurisdiction of this Court has been properly invoked and the Court possesses the
8 power and authority to fashion appropriate remedies and relief;

9 **WHEREAS** the Court finds that, based on the record in these proceedings, the
10 appointment of a receiver in this action is necessary and appropriate for the purposes of
11 marshaling and preserving all assets of the Defendants and those assets of certain Relief
12 Defendants that: (a) are attributable to funds derived from investors or clients of the Defendants;
13 (b) are held in constructive trust for the Defendants; (c) were fraudulently transferred by the
14 Defendants; and/or (d) may otherwise be includable as assets of the estates of the Defendants;

15 **WHEREAS** this Court has subject matter jurisdiction over this action and personal
16 jurisdiction over the Defendants and Relief Defendants, has jurisdiction to determine the
17 applicability of the automatic stay to this action, and venue properly lies in this district; and

18 **WHEREAS**, the Court finds that the Commission has brought this action to enforce the
19 federal securities laws, in furtherance of the Commission’s police and regulatory powers, and the
20 relief sought by the Commission and provided in this Order is in the public interest by preserving
21 the illicit proceeds of fraudulent conduct, penalizing past unlawful conduct and deterring future
22 wrongdoing, and is not in furtherance of a pecuniary purpose, and therefore, the Court concludes
23 that the entry of this Order is excepted from the automatic stay pursuant to Section 362(b)(4) of
24 the Bankruptcy Code, 11 U.S.C. §362(b)(4).

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NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED

THAT:

1. This Court hereby takes exclusive jurisdiction and possession of the assets, of whatever kind and wherever situated, of the following Defendants and/or Relief Defendants: J&J Consulting Services, Inc., an Alaska corporation; J&J Consulting Services, Inc., a Nevada corporation; J and J Purchasing LLC; The Judd Irrevocable Trust; and BJ Holdings LLC (collectively, the “J&J Receivership Defendants”).

2. Subject to further order of the Court, the Court shall not take exclusive jurisdiction and possession of the assets of Defendant Beasley Law Group PC, except for the Wells Fargo Interest On Lawyers’ Trust Account (“IOLTA”) No. XXXXXX5598 in the name of Beasley Law Group PC (the “Beasley IOLTA”).

3. This Court hereby takes exclusive jurisdiction and possession of the personal assets, of whatever kind and wherever situated, of the following Defendants: Matthew Wade Beasley; Jeffrey J. Judd; Christopher R. Humphries; Shane M. Jager; Jason M. Jongeward; Denny Seybert; and Roland Tanner (collectively, the “Individual Receivership Defendants”, and together with the J&J Receivership Defendants and the Beasley IOLTA, the “Receivership Defendants”).

4. Until further Order of this Court, **GEOFF WINKLER** of **AMERICAN FIDUCIARY SERVICES LLC** (the “Receiver”) is hereby appointed to serve without bond as receiver for the estates of the J&J Receivership Defendants, the assets of the Beasley IOLTA, and the assets of the Individual Receivership Defendants (collectively, the “Receivership Estate”). In addition to and independent of his appointment as Receiver, pursuant to the Court’s equitable powers and inherent authority, the Court further appoints **GEOFF WINKLER** as the sole and exclusive officer, director and managing member of each of the J&J Receivership Defendants.

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- 1 C. To manage, control, operate and maintain the Receivership Estate and
2 hold in his possession, custody and control all Receivership Property,
3 pending further Order of this Court;
- 4 D. To use Receivership Property for the benefit of the Receivership Estate,
5 making payments and disbursements and incurring expenses as may be
6 necessary or advisable in the ordinary course of business in discharging
7 his duties as Receiver;
- 8 E. To take any action which, prior to the entry of this Order, could have been
9 taken by the officers, directors, partners, managers, trustees and agents of
10 the Receivership Defendants;
- 11 F. To engage and employ persons in his discretion, subject to approval of the
12 Court, to assist him in carrying out his duties and responsibilities
13 hereunder, including, but not limited to, accountants, attorneys, securities
14 traders, registered representatives, financial or business advisers,
15 liquidating agents, real estate agents, forensic experts, brokers, traders or
16 auctioneers;
- 17 G. To take such action as necessary and appropriate for the preservation of
18 Receivership Property or to prevent the dissipation or concealment of
19 Receivership Property;
- 20 H. To issue subpoenas for documents and testimony consistent with the
21 Federal Rules of Civil Procedure, without further Court order;
- 22 I. To bring such legal actions based on law or equity in any state, federal, or
23 foreign court as the Receiver deems necessary or appropriate in
24 discharging his duties as Receiver;
- 25 J. To pursue, resist and defend all suits, actions, claims and demands which
26 may now be pending or which may be brought by or asserted against the
27 Receivership Estate; and,
- 28 K. To take such other action as may be approved by this Court.

1 **II. ACCESS TO INFORMATION**

2 8. The Individual Receivership Defendants and the past and/or present officers,
3 directors, agents, managers, general and limited partners, trustees, attorneys, accountants and
4 employees of the J&J Receivership Defendants, are hereby ordered and directed to preserve and
5 turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the
6 Receivership Defendants and/or all Receivership Property; such information shall include but not
7 be limited to books, records, documents, accounts and all other instruments and papers.

8 9. Within fourteen (14) days of the entry of this Order, the Individual Receivership
9 Defendants shall file with the Court and serve upon the Receiver and the Commission a sworn
10 statement, listing: (a) the identity, location and estimated value of all Receivership Property; (b)
11 all employees (and job titles thereof), other personnel, attorneys, accountants and any other
12 agents or contractors of the Receivership Defendants; and, (c) the names, addresses and amounts
13 of claims of all known creditors of the Receivership Defendants.

14 10. Within thirty (30) days of the entry of this Order, the Individual Receivership
15 Defendants shall file with the Court and serve upon the Receiver and the Commission a sworn
16 statement and accounting, with complete documentation, covering the period from January 1,
17 2016 to the present:

18 A. Of all Receivership Property, wherever located, held by or in the name of
19 the Receivership Defendants, or in which any of them, directly or
20 indirectly, has or had any beneficial interest, or over which any of them
21 maintained or maintains and/or exercised or exercises control, including,
22 but not limited to: (a) all securities, investments, funds, real estate,
23 automobiles, jewelry and other assets, stating the location of each; and/or
24 (b) any and all accounts, including all funds held in such accounts, with
25 any bank, brokerage or other financial institution held by, in the name of,
26 or for the benefit of any of them, directly or indirectly, or over which any
27 of them maintained or maintains and/or exercised or exercises any direct
28 or indirect control, or in which any of them had or has a direct or indirect

1 beneficial interest, including the account statements from each bank,
2 brokerage or other financial institution, and/or law or professional firm
3 holding a retainer;

4 B. Identifying every account at every bank, brokerage or other financial
5 institution: (a) over which Receivership Defendants have signatory
6 authority; and (b) opened by, in the name of, or for the benefit of, or used
7 by, the Receivership Defendants;

8 C. Identifying all credit, bank, charge, debit or other deferred payment card
9 issued to or used by each Receivership Defendant or for which such
10 Receivership Defendant may be liable, including but not limited to the
11 issuing institution, the card or account number(s), all persons or entities to
12 which a card was issued and/or with authority to use a card, the balance of
13 each account and/or card as of the most recent billing statement, and all
14 statements for the last twelve months;

15 D. Of all assets received by any of them from any person or entity, including
16 the value, location, and disposition of any assets so received;

17 E. Of all funds received by the Receivership Defendants, and each of them,
18 in any way related, directly or indirectly, to the conduct alleged in the
19 Commission's Complaint. The submission must clearly identify, among
20 other things, all investors, the securities they purchased, the date and
21 amount of their investments, and the current location of such funds;

22 F. Of all expenditures exceeding \$1,000 made by any of them, including
23 those made on their behalf by any person or entity; and

24 G. Of all transfers of assets made by any of them.

25 11. Within thirty (30) days of the entry of this Order, the Receivership Defendants
26 shall provide to the Receiver and the Commission copies of the Receivership Defendants' federal
27 income tax returns for January 1, 2016 to the present with all relevant and necessary underlying
28 documentation.

1 12. The Individual Receivership Defendants and the J&J Receivership Defendants’
2 past and/or present officers, directors, agents, attorneys, managers, shareholders, employees,
3 accountants, debtors, creditors, managers and general and limited partners, and other appropriate
4 persons or entities shall answer under oath to the Receiver all questions which the Receiver may
5 put to them and produce all documents as required by the Receiver regarding the business of the
6 Receivership Defendants, or any other matter relevant to the operation or administration of the
7 receivership or the collection of funds due to the Receivership Defendants. In the event that the
8 Receiver deems it necessary to require the appearance of the aforementioned persons or entities,
9 the Receiver shall make its discovery requests in accordance with the Federal Rules of Civil
10 Procedure.

11 13. The Receiver may issue subpoenas to compel testimony of persons or production
12 of records, consistent with the Federal Rules of Civil Procedure and applicable Local Rules,
13 except for the provisions of Federal Rule of Civil Procedure 26(d)(1), concerning any subject
14 matter within the powers and duties granted by this Order, without further order of the Court.

15 14. The Receivership Defendants are required to assist the Receiver in fulfilling his
16 duties and obligations. As such, they must respond promptly and truthfully to all requests for
17 information and documents from the Receiver.

18 **III. ACCESS TO BOOKS, RECORDS AND ACCOUNTS**

19 15. The Receiver is authorized to take immediate possession of all assets, bank
20 accounts or other financial accounts, books and records and all other documents or instruments
21 relating to the J&J Receivership Defendants. The Receiver is authorized to take immediate
22 possession of all assets, bank accounts or other financial accounts, books and records and all
23 other documents or instruments for the Individual Receivership Defendants upon application to
24 the Court. All persons and entities having control, custody or possession of any Receivership
25 Property are hereby directed to turn such property over to the Receiver.

26 16. The Receivership Defendants, as well as their agents, servants, employees,
27 attorneys, any persons acting for or on behalf of the Receivership Defendants, and any persons
28 receiving notice of this Order by personal service, facsimile transmission or otherwise, having

1 possession of the property, business, books, records, accounts or assets of the Receivership
2 Defendants are hereby directed to deliver the same to the Receiver, his agents and/or employees.

3 17. All banks, brokerage firms, financial institutions, and other persons or entities
4 which have possession, custody or control of any assets or funds held by, in the name of, or for
5 the benefit of, directly or indirectly, and of the Receivership Defendants that receive actual
6 notice of this Order by personal service, facsimile transmission or otherwise shall:

7 A. Not liquidate, transfer, sell, convey or otherwise transfer any assets, securities,
8 funds, or accounts in the name of or for the benefit of the Receivership
9 Defendants except upon instructions from the Receiver;

10 B. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help
11 whatsoever, or refuse to transfer any funds or assets to the Receiver's control
12 without the permission of this Court;

13 C. Within five (5) business days of receipt of that notice, file with the Court and
14 serve on the Receiver and counsel for the Commission a certified statement
15 setting forth, with respect to each such account or other asset, the balance in the
16 account or description of the assets as of the close of business on the date of
17 receipt of the notice; and,

18 D. Cooperate expeditiously in providing information and transferring funds, assets
19 and accounts to the Receiver or at the direction of the Receiver.

20 **IV. ACCESS TO REAL AND PERSONAL PROPERTY**

21 18. The Receiver is authorized to take immediate control of all personal property of
22 the Receivership Defendants, including jewelry, artwork, and other valuables.

23 19. The Receiver is authorized to take immediate control of all real property of the
24 Receivership Defendants, wherever located, including but not limited to all ownership and
25 leasehold interests and fixtures. Upon receiving actual notice of this Order by personal service,
26 facsimile transmission or otherwise, all persons other than law enforcement officials acting
27 within the course and scope of their official duties, are (without the express written permission of
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1 the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such
2 premises; or, (c) destroying, concealing or erasing anything on such premises.

3 20. In order to execute the express and implied terms of this Order, the Receiver is
4 authorized to change door locks to any premises used by the J&J Receivership Defendants. The
5 Receiver shall have exclusive control of the keys. The J&J Receivership Defendants, or any
6 other person acting or purporting to act on their behalf, are ordered not to change the locks in any
7 manner, nor to have duplicate keys made, nor shall they have keys in their possession during the
8 term of the receivership.

9 21. The Receiver is authorized to open all mail directed to or received by or at the
10 offices or post office boxes of the J&J Receivership Defendants, and to inspect all mail opened
11 prior to the entry of this Order, to determine whether items or information therein fall within the
12 mandates of this Order.

13 22. Upon the request of the Receiver and direction of the Court, the United States
14 Marshal Service, in any judicial district, is hereby ordered to assist the Receiver in carrying out
15 his duties to take possession, custody and control of, or identify the location of, any assets,
16 records or other materials belonging to the Receivership Estate.

17 **V. NOTICE TO THIRD PARTIES**

18 23. The Receiver shall promptly give notice of his appointment to all known officers,
19 directors, agents, employees, shareholders, creditors, debtors, managers and general and limited
20 partners of the Receivership Defendants, as the Receiver deems necessary or advisable to
21 effectuate the operation of the receivership.

22 24. All persons and entities owing any obligation, debt, or distribution with respect to
23 an ownership interest to any Receivership Defendant shall, until further ordered by this Court,
24 pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for
25 such payments shall have the same force and effect as if the Receivership Defendant had
26 received such payment.

27 25. In furtherance of his responsibilities in this matter, the Receiver is authorized to
28 communicate with, and/or serve this Order upon, any person, entity or government office that he

1 deems appropriate to inform them of the status of this matter and/or the financial condition of the
2 Receivership Estate. All government offices which maintain public files of security interests in
3 real and personal property shall, consistent with such office's applicable procedures, record this
4 Order upon the request of the Receiver or the SEC.

5 26. The Receiver is authorized to instruct the United States Postmaster to hold and/or
6 reroute mail which is related, directly or indirectly, to the business, operations or activities of any
7 of the J&J Receivership Defendants (the "Receiver's Mail"), including all mail addressed to, or
8 for the benefit of, the J&J Receivership Defendants. The Postmaster shall not comply with, and
9 shall immediately report to the Receiver, any change of address or other instruction given by
10 anyone other than the Receiver concerning the Receiver's Mail. The J&J Receivership
11 Defendants shall not open any of the Receiver's Mail and shall immediately turn over such mail,
12 regardless of when received, to the Receiver. The foregoing instructions shall apply to any
13 proprietor, whether individual or entity, of any private mail box, depository, business or service,
14 or mail courier or delivery service, hired, rented or used by the J&J Receivership Defendants.
15 The J&J Receivership Defendants shall not open a new mailbox, or take any steps or make any
16 arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a
17 private mail depository or courier service.

18 27. Subject to payment for services provided, any entity furnishing water, electric,
19 telephone, sewage, garbage or trash removal services to the Receivership Defendants shall
20 maintain such service and transfer any such accounts to the Receiver unless instructed to the
21 contrary by the Receiver.

22 28. The Receiver is authorized to assert, prosecute and/or negotiate any claim under
23 any insurance policy held by or issued on behalf of the Receivership Defendants, or their
24 officers, directors, agents, employees or trustees, and to take any and all appropriate steps in
25 connection with such policies.

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VI. INJUNCTION AGAINST INTERFERENCE WITH RECEIVER

29. The Receivership Defendants and all persons receiving notice of this Order by personal service, facsimile or otherwise, are hereby restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Receiver, which would:

- A. Interfere with the Receiver’s efforts to take control, possession, or management of any Receivership Property; such prohibited actions include but are not limited to, using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any Receivership Property;
- B. Hinder, obstruct or otherwise interfere with the Receiver in the performance of his duties; such prohibited actions include but are not limited to, concealing, destroying or altering records or information;
- C. Dissipate or otherwise diminish the value of any Receivership Property; such prohibited actions include but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any Receivership Property, enforcing judgments, assessments or claims against any Receivership Property or any Receivership Defendant, attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by any Receivership Defendant or which otherwise affects any Receivership Property; or,
- D. Interfere with or harass the Receiver, or interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Estate.

30. The Receivership Defendants shall cooperate with and assist the Receiver in the performance of his duties.

1 **VIII. MANAGING ASSETS**

2 35. For each of the Receivership Estate, the Receiver shall establish one or more
3 custodial accounts at a federally insured bank to receive and hold all cash equivalent
4 Receivership Property (the “Receivership Funds”).

5 36. The Receiver’s deposit account shall be entitled “Receiver's Account, Estate of
6 SEC v. Beasley, et al. Receivership Defendants” together with the name of the action.

7 37. The Receiver may, without further Order of this Court, incur expenses in the
8 ordinary course of business, except for professional fees, in an amount not to exceed \$25,000, on
9 terms and in the manner the Receiver deems most beneficial to the Receivership Estate.

10 38. Upon appropriate order of the Court, subject to Paragraph 40, immediately below,
11 the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause
12 the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all
13 real or personal property in the Receivership Estate, either at public or private sale, on terms and
14 in the manner the Receiver deems most beneficial to the Receivership Estate, and with due
15 regard to the realization of the true and proper value of such real or personal property.

16 39. Upon further Order of this Court, pursuant to such procedures as may be required
17 by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be
18 authorized to sell, and transfer clear title to, all real property in the Receivership Estate. The
19 Receiver shall take all legal steps necessary to obtain authority to obtain control over real or
20 personal property including making any necessary filings in the counties where such properties
21 are located.

22 40. The Receiver is authorized to take all actions to manage, maintain, and/or wind-
23 down business operations of the Receivership Estate, including making legally required
24 payments to creditors, employees, and agents of the Receivership Estate and communicating
25 with vendors, investors, governmental and regulatory authorities, and others, as appropriate,
26 subject to Paragraph 38.

27 41. If appropriate, the Receiver shall take all necessary steps to enable the
28 Receivership Funds to obtain and maintain the status of a taxable “Settlement Fund,” within the

1 meaning of Section 468B of the Internal Revenue Code and of the regulations, when applicable,
2 whether proposed, temporary or final, or pronouncements thereunder, including the filing of the
3 elections and statements contemplated by those provisions. The Receiver shall be designated the
4 administrator of the Settlement Fund, pursuant to Treas. Reg. § 1.468B-2(k)(3)(i), and shall
5 satisfy the administrative requirements imposed by Treas. Reg. § 1.468B-2, including but not
6 limited to (a) obtaining a taxpayer identification number, (b) timely filing applicable federal,
7 state, and local tax returns and paying taxes reported thereon, and (c) satisfying any information,
8 reporting or withholding requirements imposed on distributions from the Settlement Fund. The
9 Receiver shall cause the Settlement Fund to pay taxes in a manner consistent with treatment of
10 the Settlement Fund as a “Qualified Settlement Fund.” The Receivership Defendants shall
11 cooperate with the Receiver in fulfilling the Settlement Funds’ obligations under Treas. Reg.
12 § 1.468B-2.

13 **IX. INVESTIGATE AND PROSECUTE CLAIMS**

14 42. Subject to the requirement, in Section VII above, that leave of this Court is
15 required to resume or commence certain litigation, the Receiver is authorized, empowered and
16 directed to investigate, prosecute, defend, intervene in or otherwise participate in, compromise,
17 and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in his
18 discretion, and in consultation with Commission counsel, be advisable or proper to recover
19 and/or conserve Receivership Property.

20 43. Subject to his obligation to expend receivership funds in a reasonable and cost-
21 effective manner, the Receiver is authorized, empowered and directed to investigate the manner
22 in which the financial and business affairs of the Receivership Defendants were conducted and
23 (after obtaining leave of this Court) to institute such actions and legal proceedings, for the benefit
24 and on behalf of the Receivership Estate, as the Receiver deems necessary and appropriate; the
25 Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts,
26 disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and
27 restitution, collection of debts, and such other relief from this Court as may be necessary to
28

1 enforce this Order. Where appropriate, the Receiver should provide prior notice to Counsel for
2 the Commission before commencing investigations and/or actions.

3 44. The Receiver hereby holds, and is therefore empowered to waive, all privileges,
4 including the attorney-client privilege, held by all J&J Receivership Defendants.

5 45. The Receiver has a continuing duty to ensure that there are no conflicts of interest
6 between the Receiver, his Retained Personnel (as that term is defined below), and the
7 Receivership Estate.

8 **X. BANKRUPTCY MATTERS**

9 46. Effective immediately, the Receiver, as sole and exclusive officer, director and
10 managing member, of Defendant J & J Consulting Services, Inc. (a Nevada corporation) and J
11 and J Purchasing LLC (together, “the J&J Debtors”) shall possess sole and exclusive authority
12 and control over the J&J Debtors, as debtors-in-possession, in their respective Chapter 11 cases
13 (the “Bankruptcy Cases”) pending in the U.S. Bankruptcy Court for the District of Nevada (the
14 “Bankruptcy Court”). The employment of any and all other officers, directors, managers or
15 other employees of either of the J&J Debtors (including Peter Kravitz, as Chief Restructuring
16 Officer) is and are hereby terminated by the Court. All such persons shall comply with the
17 applicable provisions of this Order.

18 47. Within thirty (30) days of the entry of this Order, the Receiver shall report to this
19 Court as to whether the Bankruptcy Cases should continue in Chapter 11, or be converted to
20 Chapter 7, dismissed or suspended during the course of the receivership. The Receiver shall file
21 the appropriate pleadings with the Court and the Bankruptcy Court effectuating this Order.

22 48. The Receiver may seek authorization of this Court to file petitions for relief under
23 Title 11 of the United States Code (the “Bankruptcy Code”) for other Receivership Defendants.
24 If a J&J Receivership Defendant is placed in Chapter 11 bankruptcy proceedings, the Receiver,
25 pursuant to the powers provided herein, shall become, and shall be empowered to operate each of
26 the J&J Receivership Defendants as a debtor in possession. In such a situation, the Receiver
27 shall have all of the powers and duties as provided a debtor in possession under the Bankruptcy
28 Code to the exclusion of any other person or entity. Pursuant to Paragraph 4 above, the Receiver

1 is vested with management authority for all J&J Receivership Defendants and may therefore file
2 and manage a Chapter 11 petition.

3 49. All persons and entities, other than the Receiver, are barred from commencing
4 any bankruptcy proceedings against any of the Receivership Defendants.

5 **XI. LIABILITY OF RECEIVER**

6 50. Until further Order of this Court, the Receiver shall not be required to post bond
7 or give an undertaking of any type in connection with his fiduciary obligations in this matter.

8 51. The Receiver and his agents, acting within scope of such agency (“Retained
9 Personnel”) are entitled to rely on all outstanding rules of law and Orders of this Court and shall
10 not be liable to anyone for their own good faith compliance with any order, rule, law, judgment,
11 or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their
12 good faith compliance with their duties and responsibilities as Receiver or Retained Personnel,
13 nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted
14 by them except upon a finding by this Court that they acted or failed to act as a result of
15 malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

16 52. This Court shall retain jurisdiction over any action filed against the Receiver or
17 Retained Personnel based upon acts or omissions committed in their representative capacities.

18 53. In the event the Receiver decides to resign, the Receiver shall first give written
19 notice to the Commission’s counsel of record and the Court of its intention, and the resignation
20 shall not be effective until the Court appoints a successor. The Receiver shall then follow such
21 instructions as the Court may provide.

22 **XII. RECOMMENDATIONS AND REPORTS**

23 54. The Receiver is authorized, empowered and directed to develop a plan for the fair,
24 reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable
25 Receivership Property (the “Liquidation Plan”).

26 55. Within ninety (90) days of the entry date of this Order, the Receiver shall file a
27 preliminary plan for the liquidation of assets in the above-captioned action, with service copies
28 to counsel of record. This time may be altered based on appropriate motion to the Court.

1 56. Within thirty (30) days after the end of each calendar quarter, the Receiver shall
2 file and serve a full report and accounting of each Receivership Estate (the “Quarterly Status
3 Report”), reflecting (to the best of the Receiver’s knowledge as of the period covered by the
4 report) the existence, value, and location of all Receivership Property, and of the extent of
5 liabilities, both those claimed to exist by others and those the Receiver believes to be legal
6 obligations of the Receivership Estate.

7 57. The Quarterly Status Report shall contain the following:

- 8 A. A summary of the operations of the Receiver;
- 9 B. The amount of cash on hand, the amount and nature of accrued administrative
10 expenses, and the amount of unencumbered funds in the estate;
- 11 C. A schedule of all the Receiver’s receipts and disbursements (attached as Exhibit A
12 to the Quarterly Status Report), with one column for the quarterly period covered
13 and a second column for the entire duration of the receivership;
- 14 D. A description of all known Receivership Property, including approximate or
15 actual valuations, anticipated or proposed dispositions, and reasons for retaining
16 assets where no disposition is intended;
- 17 E. A description of liquidated and unliquidated claims held by the Receivership
18 Estate, including the need for forensic and/or investigatory resources;
19 approximate valuations of claims; and anticipated or proposed methods of
20 enforcing such claims (including likelihood of success in: (i) reducing the claims
21 to judgment; and, (ii) collecting such judgments);
- 22 F. A list of all known creditors with their addresses and the amounts of their claims;
- 23 G. The status of Creditor Claims Proceedings, after such proceedings have been
24 commenced; and,
- 25 H. The Receiver's recommendations for a continuation or discontinuation of the
26 receivership and the reasons for the recommendations.

27 58. On the request of the Commission, the Receiver shall provide the Commission
28 with any documentation that the Commission deems necessary to meet its reporting

1 requirements, that is mandated by statute or Congress, or that is otherwise necessary to further
2 the Commission’s mission.

3 **XIII. FEES, EXPENSES AND ACCOUNTINGS**

4 59. Subject to Paragraphs 61—67 immediately below, the Receiver need not obtain
5 Court approval prior to the disbursement of Receivership Funds for expenses in the ordinary
6 course of the administration and operation of the receivership. Further, prior Court approval is
7 not required for payments of applicable federal, state or local taxes.

8 60. Subject to Paragraph 62 immediately below, the Receiver is authorized to solicit
9 persons and entities (“Retained Personnel”) to assist him in carrying out the duties and
10 responsibilities described in this Order. The Receiver shall not engage any Retained Personnel
11 without first obtaining an Order of the Court authorizing such engagement.

12 61. The Receiver and Retained Personnel are entitled to reasonable compensation and
13 expense reimbursement from the Receivership Estate as described in the “Billing Instructions for
14 Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission” (the
15 “Billing Instructions”) agreed to by the Receiver. Such compensation shall require the prior
16 approval of the Court.

17 62. Within forty-five (45) days after the end of each calendar quarter, the Receiver
18 and Retained Personnel shall apply to the Court for compensation and expense reimbursement
19 from the Receivership Estate (the “Quarterly Fee Applications”). At least thirty (30) days prior to
20 filing each Quarterly Fee Application with the Court, the Receiver will serve upon counsel for the SEC
21 a complete copy of the proposed Application, together with all exhibits and relevant billing
22 information in a format to be provided by SEC staff.

23 63. All Quarterly Fee Applications will be interim and will be subject to cost benefit
24 and final reviews at the close of the receivership. At the close of the receivership, the Receiver
25 will file a final fee application, describing in detail the costs and benefits associated with all
26 litigation and other actions pursued by the Receiver during the course of the receivership.

27 64. Quarterly Fee Applications may be subject to a holdback in the amount of 20% of
28 the amount of fees and expenses for each application filed with the Court. The total amounts

1 held back during the course of the receivership will be paid out at the discretion of the Court as
2 part of the final fee application submitted at the close of the receivership.

3 65. Each Quarterly Fee Application shall:

4 A. Comply with the terms of the Billing Instructions agreed to by the Receiver; and,

5 B. Contain representations (in addition to the Certification required by the Billing
6 Instructions) that: (i) the fees and expenses included therein were incurred in the
7 best interests of the Receivership Estate; and, (ii) with the exception of the Billing
8 Instructions, the Receiver has not entered into any agreement, written or oral,
9 express or implied, with any person or entity concerning the amount of
10 compensation paid or to be paid from the Receivership Estate, or any sharing
11 thereof.

12 66. At the close of the Receivership, the Receiver shall submit a Final Accounting, in
13 a format to be provided by SEC staff, as well as the Receiver’s final application for
14 compensation and expense reimbursement.

15
16 **IT IS SO ORDERED.**

17
18 Date: June 3, 2022

19
20 
21 JAMES C. MAHAN
22 UNITED STATES DISTRICT JUDGE
23
24

25 Presented by:
26 Tracy S. Combs
27 Casey R. Fronk
28 Attorneys for Plaintiff
Securities and Exchange Commission

EXHIBIT 3

EXHIBIT 3

October 7, 2022 Email from John Giardino to
Geoff Winkler

From: Giardino, John <jgiardino@pryorcashman.com>
Sent: Friday, October 7, 2022 2:04 PM
To: Geoff Winkler; Hendricks, Kara (Shld-LV-LT)
Cc: Nasar, Alexandra; Kamaraju, Sidhardha
Subject: SEC v Beasley? C. Madsen
Attachments: Investments Spreadsheet for Reciever.xlsx

Follow Up Flag: Follow up
Flag Status: Flagged

EXTERNAL TO GT

Geoff and Kara-

As promised, here is the spreadsheet we have compiled of investors who participated in the Beasley scheme through ACAC LLC.

This information is derived from ACAC bank records and contemporaneous notations Chris placed various on e-mail communications and other transaction records. These records have been segregated and preserved.

I will follow up with you next week on the other matters we discussed. Enjoy the weekend,
John

JOHN GIARDINO

Partner

PRYOR CASHMAN LLP

7 Times Square, New York, NY 10036-6569

jgiardino@pryorcashman.com

Direct Tel: 212-326-0829

Direct Fax: 212-326-0806

www.pryorcashman.com

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EXHIBIT 4

EXHIBIT 4

October 31, 2022 Letter from Kara Hendricks
To Sidhardha kamaraju



Kara B. Hendricks
Tel 702.792.3773
Fax 702.792.9002
hendricksk@gtlaw.com

October 31, 2022

VIA EMAIL and U.S. MAIL

Sidhardha Kamaraju
Pryor Cashman LLP
7 Times Square
New York, NY 10036

Jonathan D. Blum
Wiley Petersen
1050 Indigo Dr., Ste. 200B
Las Vegas, NV 89145
jblum@wileypetersenlaw.com

**Re: Securities and Exchange Commission v. Matthew Wade Beasley, et al.
Case No. 2:22-cv-00612 (“SEC Action”)
Defendants Christopher Madsen and ACAC LLC**

Dear Counsel:

We understand your office represents Defendants Christopher Madsen and ACAC LLC in the above-referenced and/or other legal proceedings. As you know pursuant to previous communications, Greenberg Traurig, LLP represents the court appointed receiver, Geoff Winkler of American Fiduciary Services LLC (“Receiver”) in the SEC Action.

This letter is necessitated as our records indicate that your clients have not complied with the Receivership Order. Specifically, your clients were required to provide to the Receiver and the Commission copies of federal income tax returns for January 1, 2016 to the present including all relevant and necessary underlying documentation. However, we do not have a record of receiving either Mr. Madsen’s personal tax returns or that of ACAC LLC.

Additionally, we do not have a record of receiving the Certified Statements of your clients required by the Receivership Order. Per the Order, the Certified Statements are to include, with respect to each such account or other asset, the balance in the account or description of the assets.

ALBANY
AMSTERDAM
ATLANTA
AUSTIN
BOSTON
CHICAGO
DALLAS
DELAWARE
DENVER
FORT LAUDERDALE
HOUSTON
LAS VEGAS
LONDON*
LOS ANGELES
MEXICO CITY*
MIAMI
MILWAUKEE
NEW JERSEY
NEW YORK
NORTHERN VIRGINIA
ORANGE COUNTY
ORLANDO
PALM BEACH COUNTY
PHILADELPHIA
PHOENIX
ROME**
SACRAMENTO
SAN FRANCISCO
SEOUL**
SHANGHAI
SILICON VALLEY
TALLAHASSEE
TAMPA
TEL AVIV*
WARSAW~
WASHINGTON, D.C.

* OPERATES AS GREENBERG TRAURIG MAHER LLP
* OPERATES AS GREENBERG TRAURIG, S.C.
* A BRANCH OF GREENBERG TRAURIG, P.A. FLORIDA, USA
* OPERATES AS GREENBERG TRAURIG GZESAW sp. k.
** OPERATES AS GREENBERG TRAURIG LLP FOREIGN LEGAL CONSULTANT OFFICE
** STRATEGIC ALLIANCE

October 31, 2022

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Please provide this information as required by the Court Order within ten (10) days of the date of this letter. We hope to avoid the need for additional motion practice and appreciate your cooperation and prompt attention in this regard.

Best regards,

GREENBERG TRAUIG, LLP
Kara B. Hendricks

cc: Geoff Winkler
Matthew Pham

GREENBERG TRAUIG, LLP

ACTIVE 65348520v1

ADMIN 64888738v1

EXHIBIT 5

EXHIBIT 5

February 28, 2023 from Kara Hendricks to
Sidhara Kamaraju



Kara B. Hendricks
Tel 702.792.3773
Fax 702.792.9002
hendricksk@gtlaw.com

February 28, 2023

VIA EMAIL and U.S. MAIL
Sidhardha Kamaraju
Pryor Cashman LLP
7 Times Square
New York, NY 10036
skamaraju@pryorcashman.com

Jonathan D. Blum
Wiley Petersen
1050 Indigo Dr., Ste. 200B
Las Vegas, NV 89145
jblum@wileypetersenlaw.com

Re: *Securities and Exchange Commission v. Matthew Wade Beasley, et al.*
Case No. 2:22-cv-00612 (“SEC Action”)
Defendant Christopher Madsen - Securing and Turnover of Receivership Property

Dear Counsel:

As you know pursuant to previous communications, Greenberg Traurig, LLP represents the court appointed Receiver, Geoff Winkler of American Fiduciary Services LLC (“Receiver”), in the SEC Action.¹

The Receiver and his team have been working to identify funds that flowed to Defendant Christopher Madsen and/or ACAC LLC from Matthew Beasley’s IOLTA account. **At this juncture, the total is believed to be \$12,341,000.00.** This number is based on the Receiver’s initial review of bank records and is preliminary in nature and subject to change.² However, we believe it provides a good benchmark that can be utilized by the Receiver as he works to preserve and secure property and funds pursuant to the Appointment Order. Although some of the funds identified may have been sent by Mr. Madsen to third parties, we believe it is prudent and consistent with the Appointment Order that efforts be taken to secure property and/or funds equal to the amount in bold above.

¹ On June 3, 2023 the Court in the SEC Action appointed Geoff Winkler as Receiver and vested him with certain duties and responsibilities that were further modified by Court order on July 28, 2022 (the two orders will be referred to herein as the “Appointment Order”).

² The Receiver is not making a final determination regarding the amount owed by you and/or your liability in the SEC action and the number above is based solely on an initial evaluation of outflows from the Beasley IOLTA account and could be increased or decreased when the forensic accounting is complete.

- ALBANY
- AMSTERDAM
- ATLANTA
- AUSTIN
- BOSTON
- CHICAGO
- DALLAS
- DELAWARE
- DENVER
- FORT LAUDERDALE
- HOUSTON
- LAS VEGAS
- LONDON*
- LOS ANGELES
- MEXICO CITY*
- MIAMI
- MII AN**
- NEW JERSEY
- NEW YORK
- NORTHERN VIRGINIA
- ORANGE COUNTY
- ORLANDO
- PALM BEACH COUNTY
- PHILADELPHIA
- PHOENIX
- ROME**
- SACRAMENTO
- SAN FRANCISCO
- SEOUL**
- SHANGHAI
- SILICON VALLEY
- TALLAHASSEE
- TAMPA
- TEL AVIV*
- WARSAW~
- WASHINGTON, D.C.
- WESTCHESTER COUNTY

* OPERATES AS GREENBERG TRAURIG MAHER LLP
 * OPERATES AS GREENBERG TRAURIG, S.C.
 * A BRANCH OF GREENBERG TRAURIG, P.A. FLORIDA, USA
 ~ OPERATES AS GREENBERG TRAURIG GZESAW sp. z o.o.
 ** OPERATES AS GREENBERG TRAURIG LLP FOREIGN LEGAL CONSULTANT OFFICE
 ** STRATEGIC ALLIANCE

February 28, 2023

Page | 2

We appreciate your ongoing cooperation in working with the Receiver and ask that you continue to do so. To that end, enclosed herein is documentation identifying assets we believe are in Mr. Madsen's name and/or possession.³ We ask that you review the attached and contact me on or before March 10, 2022, to arrange a conference to discuss next steps which may include, but are not limited to, turning over the property identified to the Receiver. Any funds recovered as a result of selling assets will be held by the Receiver for the benefit of investors and creditors and can likely be utilized to set-off any amounts owed by you as a result of the claims initiated in the SEC Action.⁴

Best regards,

GREENBERG TRAURIG, LLP
Kara B. Hendricks

cc: Geoff Winkler
Casey Fronk

³ You also have an ongoing obligation to notify the Receiver of any assets and/or interest you hold even if the same is not identified on the asset list enclosed herein.

⁴ Any settlement and/or resolution of the claims asserted against you in the SEC Action, will need to be reached between you and the SEC. The Receiver's role in this matter is to preserve assets and prevent the dissipation of the same.

February 28, 2023

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Asset Detail	Parcel Number/ VIN
1246 SCOOTER ST, HENDERSON, NV 89002-9001 (CLARK COUNTY)	179-32-803-024
5365 CAMERON ST, LAS VEGAS, NV 89118-2202 (CLARK COUNTY)	162-30-301-013
2022 CADILLAC -Series: SPORT PLATINUM -Model: ESCALADE	1GYS4GKL1NR208091
2017 TESLA -Series: DUAL MOTOR -Model: MODEL X	5YJXCBE20HF054018
Unknown	BSRCESV1H61000022
2006 HARLEY-DAVIDSON -Model: FLTRI	1HD1FSW186Y605410
2004 DODGE -Series: ST -Model: RAM 3500	3D7MU48C74G152697
1961 CHEVROLET -Series: IMPALA	11837S212054
2014 MERCEDES-BENZ -Series: 63 AMG -Model: GL	4JGDF7EE4EA369289
2017 POLARIS -Series: EPS GOLD MATTE METALLIC L -Model: R	3NSVDR997HF790201
2017 POLARIS -Series: XP 1000 EPS -Model: RZR	3NSVDR992HF915962
1967 VOLK -Series: BUS -Model: TRANSPORTER	227060108
2015 BIG TEX TRAILER CO INC -Series: 12' SINGLE AXLE	16VAX1213F2074445
2007 HARLEY-DAVIDSON -Series: BASE -Model: FLTR	1HD1FS4397Y627955
UNKNOWN	PPHW4512010367
1986 BUICK -Series: T-TYPE -Model: REGAL	1G4GK4773GP451276
1988 HONDA -Series: R -Model: TRX250	JH3TE1203JK203801
1989 HONDA -Series: R -Model: TRX250	JH3TE1203KK303818
UNKNOWN	TPI25317H495UT538
UNKNOWN	BKT2T054G788UT476
1993 CHEVROLET -Series: C1500 -Model: GMT-400	2GCEC19K7P1231810
1981 CHEVROLET -Series: CLASSIC -Model: CAPRICE	1G1AN47J9BJ127590
2004 GMC -Series: BASE~SLE~SLT~WORK TRUCK -Model: SIER	1GTHK23154F146085
2021 Ford Bronco	1FMEE5EP2MLA42812
2003 Ford Ranger	1FTYR15E33PB47105
2000 Prevost Coach	2PCW33497Y1027272
2007 Enclosed Stacker Trailer	Unknown
1970 Chevy Blazer K5	Unknown
1972 Chevy Blazer K5	Unknown
2014 Harley Road King	Unknown
2007 Chevy 2500 pickup	Unknown
1961 Chevy Impala	Unknown
1968 VW Bug	Unknown
1962 LandCruiser	Unknown
1968 Chevy C10	Unknown
1959 Chevy Impala	Unknown
1988 Monte Carlo	Unknown
2016 KTM Six days (dirt bike)	Unknown

February 28, 2023

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2017 Polaris RZR 1000	Unknown
1989 Honda TRX 250R	Unknown
2006 Yamaha Banshee	Unknown
2021 Honda 450 dirt bike	Unknown
2022 Honda 450 dirt bike	Unknown
2019 Toyota 4runner	Unknown
2021 Ram 3500 dually	Unknown
1964 Chevy Impala	Unknown
2016 Harley Davidson FLHXSE	Unknown
2020 Can Am	Unknown
2012 Kawasaki 4 wheeler	Unknown
2005 LA Chopper motorcycle	Unknown
2014 Mercedes GL63 AMG	Unknown
1967 VW Bus	Unknown
2015 BigTex Trailer	Unknown
1987 Buick Regal T Type	Unknown
2021 Jeep Wrangler	Unknown
1981 Caprice	Unknown
Flavocure	Unknown

Entities	
ACAC, LLC (Primary)	EXPIRED
ALL AMERICAN BUILDERS INC CORP (Primary)	Active
ALL AMERICAN BUILDERS, INC	Active
ALL AMERICAN HOME BUILDERS INC. (Primary)	WITHDRAWN
ALL PERFORMANCE RENTALS, LLC (Primary)	Active
BUSINESS INVESTMENT, LLC (Primary)	Active
CDG CASH L.L.C. (Primary)	REVOKED
E.M.CO. LANDSCAPING, INC. (Primary)	EXPIRED
GDBH, LLC (Primary)	Active
HGD BROTHERS, LLC (Primary)	Active
LVB INVESTMENTS LLC (Primary)	Active
MADSEN CONSTRUCTION, INC. (Primary)	EXPIRED
MADSEN CUSTOM CONCRETE, INC. (Primary)	DELINQUENT
MADSEN CUSTOM HOMES, INC. (Primary)	EXPIRED/ REVOKED
REDLINE DIESEL, INC. (Primary)	EXPIRED
SOLARIUM ENTERPRISES, LLC (Primary)	Active
ST. GEORGE AUTO & RV CENTER, INC. (Primary)	EXPIRED
A N BUILDERS, LLC (Primary)- (Andrea Madsen)	Active
ANM MANAGEMENT, LLC (Primary) (Andrea Madsen)	Active

February 28, 2023

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FINANCIAL LIFE L.L.C. (Primary) (Andrea Madsen)	Active
VINCENT LANE TOWNHOMES OWNERS ASSOCIATION (Andrea Madsen)	Expired
XTREME MOBILE DETAILING (Primary) (Andrea Madsen)	Expired
A N BUILDERS, LLC (Primary) (Andrea Madsen)	Active
ANM MANAGEMENT, LLC (Primary) (Andrea Madsen)	Active
FINANCIAL LIFE L.L.C. (Primary) (Andrea Madsen)	Active
EDUCATIONAL MENTORING GROUP, LLC	

EXHIBIT 6

EXHIBIT 6

March 13, 2023 Letter from John Giardino to
Kara Hendricks



New York | Los Angeles | Miami

7 Times Square, New York, NY 10036-6569 Tel: 212-421-4100 Fax: 212-326-0806

pryorcashman.com

John Giardino

Direct Tel: 212-326-0829
Direct Fax: 212-326-0806
jgiardino@pryorcashman.com

March 13, 2023

Via Electronic Mail

Kara B. Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, Nevada 89135
Email: hendricksk@gtlaw.com

Re: Securities and Exchange Commission v. Matthew Wade Beasley, et al.
Case No. 2:22-cv-00612
Defendant Christopher Madsen

Dear Kara:

May this letter respond to yours of February 28, 2023 and confirm to you that all funds disbursed to ACAC, LLC from Mr. Beasley's IOLTA account were distributed to the individual investors. We have previously provided you with the reconciliation report showing funds received by ACAC, LLC and funds paid out to individuals.

The only funds retained by Mr. Madsen have been the subject of the Receiver's recovery actions (see schedule attached) and the capital investment in the real property located at 2080 West Cheyenne Avenue, North Las Vegas, NV for which we have provided a reconciliation to Mr. Winkler.

If a follow up conference call is in order, please let me know and I will make myself available.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Giardino", written over a circular scribble.

John Giardino

JG:ec

1. Robinhood Account \$1,956.47
2. Coinbase Account \$67,861.76
3. Bank of America ACAC Account \$18,987.81
4. Chase Bank Account No. 000003896658821 \$45,446.31

From: [Hendricks, Kara \(Shld-LV-LT\)](#)
To: [Escobar-Gaddi, Evy \(LSS-LV-LT\)](#)
Subject: Fwd: SEC v. Matthew Beasley
Date: Monday, March 13, 2023 12:54:38 PM
Attachments: [03.13.23 Letter to Kara Hendricks, Greenberg Traurig.PDF](#)

Sent from my iPhone

Begin forwarded message:

From: "Carlino, Emily" <Ecarlino@pryorcashman.com>
Date: March 13, 2023 at 12:52:26 PM PDT
To: "Hendricks, Kara (Shld-LV-LT)" <hendricksk@gtlaw.com>
Cc: "Giardino, John" <jgiardino@pryorcashman.com>
Subject: SEC v. Matthew Beasley

EXTERNAL TO GT

Dear Ms. Hendricks:

Please see the attached letter on behalf of Mr. Giardino.

Thank you,

Emily

EMILY CARLINO

Paralegal

PRYOR CASHMAN LLP

7 Times Square, New York, NY 10036-6569

ecarlino@pryorcashman.com

Direct Tel: 212-303-0585

www.pryorcashman.com

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EXHIBIT 7

EXHIBIT 7

March 21, 2023 from Geoff Winkler to
Christopher Madsen



March 21, 2023

Christopher Madsen

Re: Compliance With Court Order Requiring Production of Bank Statements

Dear Mr. Madsen,

As you are aware, I am the Receiver appointed by the Court in the *SEC v. Beasley* matter filed as Case No. 2:22-cv-00612-CDS-EJY in the District Court of Nevada (“SEC Action”). As detailed further below, demand is hereby made that financial statements for all accounts unfrozen as a result of the stipulation entered by the parties and memorialized in ECF No. 269 be sent directly to the Receiver and counsel on a monthly basis.

By way of background, on August 23, 2022, a stipulation was filed in the SEC Action relating to certain of your bank accounts. The stipulation states “Defendant Madsen must provide to counsel to the Commission and to the Receiver, without further request or subpoena, the monthly account statements of the Boulder Dam Checking Account”, referring to the Boulder Dam Credit Union account ending in 2001.

We hereby request that statements from November 2022 onward be sent to me and my counsel on or before April 4, 2023 at the following email addresses:

the Receiver (geoff@americanfiduciaryservices.com); and
Kara Hendricks, (hendricksk@gtlaw.com)

After the initial statements are provided, we ask that statements be provided going forward on or before the 10th of each month.

We appreciate your cooperation in this regard.

Sincerely,

Geoff Winkler

From: [Hendricks, Kara \(Shld-LV-LT\)](#)
To: [Escobar-Gaddi, Evy \(LSS-LV-LT\)](#)
Subject: FW: SEC v. J&J Consulting Services, Inc. et al.
Date: Tuesday, March 21, 2023 1:58:24 PM
Attachments: [C Madsen Compliance Request 03.21.2023.pdf](#)

Kara Hendricks
Shareholder

T 702.938.6856

From: Geoff Winkler <geoff@americanfiduciaryservices.com>
Sent: Tuesday, March 21, 2023 12:14 PM
To: Chris Madsen <chris@allamericanbuilders.com>; Giardino, John <jgiardino@pryorcashman.com>
Cc: Anna Priebe <anna@americanfiduciaryservices.com>; Hendricks, Kara (Shld-LV-LT) <hendricksk@gtlaw.com>
Subject: SEC v. J&J Consulting Services, Inc. et al.

EXTERNAL TO GT

Chris & John-

Please see the attached correspondence and reach out if you have any questions.

Sincerely,

Geoff Winkler, JD, MBA, CFE, CIRA
American Fiduciary Services LLC
715 NW Hoyt Street #4364
Portland, Oregon 97208
2300 W Sahara Avenue, Suite 822
Las Vegas, NV 89102
Office: (855) 880-0100
Cell: (702) 857-0404 (please note my new cell phone number)
geoff@americanfiduciaryservices.com
www.americanfiduciaryservices.com

EXHIBIT 8

EXHIBIT 8

March 31, 2023 Email from Kara Hendricks to
John Giardino

From: Hendricks, Kara (Shld-LV-LT) <hendricksk@gtlaw.com>
Sent: Friday, March 31, 2023 10:55 AM
To: Giardino, John
Cc: geoff@americanfiduciaryservices.com; Escobar-Gaddi, Evy (LSS-LV-LT)
Subject: Chris Madsen Records and Asset Turnover

Follow Up Flag: Follow up
Flag Status: Flagged

John,

Thank you for your time today. This email will serve to confirm that although we received the spreadsheet you compiled of investors that Chris has indicated invested through ACAC LLC, we have not received the back-up documentation. Additionally, we do not have information regarding how much Mr. Madsen thinks he personally received and/or invested and ask the same be provided. Based on prior correspondence and our discussion today, we understand that you have at least two banker boxes that contain ACAC bank records and contemporaneous notations Chris placed on various on e-mail communications and other transaction records. We renew our request that such back up documentation be provided forthwith. To facilitate the same we are happy to provide you with a link that can be utilized to provide us with electronic copies of the documents through our secure file transfer system.

We also discussed today the Receiver's desire for turnover of assets belonging to Mr. Madsen as required by the Receivership Order. Although I provided you a list of assets with my February 28th letter, you indicated you had not talked to Chris about what assets he would voluntarily turnover.

You indicated you will provide the requested information regarding the assets Mr. Madsen will voluntarily turnover and documents by April 7, 2023. We appreciate your cooperation in this regard and would prefer not to involve the court. However, we will file a motion to compel if the information is not provided on the date specified.

Best,
Kara

Kara Hendricks
Shareholder

Greenberg Traurig, LLP
10845 Griffith Peak Drive | Suite 600 | Las Vegas, NV 89135
T +1 702.938.6856
hendricksk@gtlaw.com | www.gtlaw.com | [View GT Biography](#)



EXHIBIT 9

EXHIBIT 9

April 18, 2023 Email from Kara Hendricks to
John Giardino

From: Hendricks, Kara (Shld-LV-LT) <hendricksk@gtlaw.com>
Sent: Tuesday, April 18, 2023 11:54 AM
To: Giardino, John
Cc: geoff@americanfiduciaryservices.com; Escobar-Gaddi, Evy (LSS-LV-LT)
Subject: RE: Chris Madsen Records and Asset Turnover

My apologies, on the incorrect date in the email below...

Based on the call today, you indicated that you will provide bank statements and a proposal relating to turnover of assets by **Friday, April 21st**. We understand that your proposal will be in line with your settlement discussions with the SEC. You also indicated that you will provide us an update by then on the bates stamping of the additional background documents we requested and a date they will be produced.

Kara Hendricks
Shareholder

T 702.938.6856

From: Hendricks, Kara (Shld-LV-LT)
Sent: Tuesday, April 18, 2023 11:51 AM
To: 'Giardino, John' <jgiardino@pryorcashman.com>
Cc: 'geoff@americanfiduciaryservices.com' <geoff@americanfiduciaryservices.com>; 'Escobar-Gaddi, Evy (LSS-LV-LT)' <escobargaddie@gtlaw.com>
Subject: RE: Chris Madsen Records and Asset Turnover

John,

As you know, we did not receive any additional documents or information from you on April 7th despite your previous representations they would be provided.

We appreciate you conferring with us again today. Based on the call today, you indicated that you will provide bank statements and a proposal relating to turnover of assets by Friday, April 18th. We understand that your proposal will be in line with your settlement discussions with the SEC. You also indicated that you will provide us an update by then on the bates stamping of the additional background documents we requested and a date they will be produced.

As you know, the Receiver's has obligations to the Court to secure assets in this matter. Mr. Madsen is one of the few defendant who has yet to turnover assets for the benefit of the Receivership Estate other than what was in frozen bank accounts. We sincerely hope the information you provide on Friday will be made in good faith and allow the turnover process to begin in earnest. To aid this process I am reattaching the letter I sent you on February 28th, which includes a list of initial assets the Receiver identified.

Lastly, we appreciate you confirming today that Chris has complied with the asset freeze and has not disposed of assets.

Best,
Kara

Kara Hendricks
Shareholder

T 702.938.6856

From: Hendricks, Kara (Shld-LV-LT) <hendricksk@gtlaw.com>
Sent: Friday, March 31, 2023 10:55 AM
To: Giardino, John <jgiardino@pryorcashman.com>
Cc: geoff@americanfiduciaryservices.com; Escobar-Gaddi, Evy (LSS-LV-LT) <escobargaddie@gtlaw.com>
Subject: Chris Madsen Records and Asset Turnover

John,

Thank you for your time today. This email will serve to confirm that although we received the spreadsheet you compiled of investors that Chris has indicated invested through ACAC LLC, we have not received the back-up documentation. Additionally, we do not have information regarding how much Mr. Madsen thinks he personally received and/or invested and ask the same be provided. Based on prior correspondence and our discussion today, we understand that you have at least two banker boxes that contain ACAC bank records and contemporaneous notations Chris placed on various on e-mail communications and other transaction records. We renew our request that such back up documentation be provided forthwith. To facilitate the same we are happy to provide you with a link that can be utilized to provide us with electronic copies of the documents through our secure file transfer system.

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You indicated you will provide the requested information regarding the assets Mr. Madsen will voluntarily turnover and documents by April 7, 2023. We appreciate your cooperation in this regard and would prefer not to involve the court. However, we will file a motion to compel if the information is not provided on the date specified.

Best,
Kara

Kara Hendricks
Shareholder

Greenberg Traurig, LLP
10845 Griffith Peak Drive | Suite 600 | Las Vegas, NV 89135
T +1 702.938.6856
hendricksk@gtlaw.com | www.gtlaw.com | [View GT Biography](#)



EXHIBIT 10

EXHIBIT 10

May 11, 2023 Email from Kara Hendricks to
John Giardino

From: Hendricks, Kara (Shld-LV-LT) <hendricksk@gtlaw.com>
Sent: Thursday, May 11, 2023 1:14 PM
To: Giardino, John
Cc: geoff@americanfiduciaryservices.com; Ewing, Kyle (Assoc-LV-LT)
Subject: Chris Madsen

John,

We are in receipt of your 4/21/23 correspondence regarding Chris Madsen and your proposal to the SEC. Our understanding is that the SEC is currently evaluating your proposal and the information provided to determine next steps. However, your discussions with the SEC cannot be utilized to delay and prevent the Receiver from marshalling assets as required by the Court. At this juncture, we believe it is prudent that Mr. Madsen turnover assets with a value up to the \$1.8 million. I provided your office a list of assets the Receiver identified with my February 28th correspondence and have asked on multiple times that you review the same with your client and we discuss the turnover process. To date, you have refused to so. Please let us know by no later than May 19th what assets Mr. Madsen is willing to turnover. In your letter you mentioned that he may also have available cash, that would work as well. If Mr. Madsen is not willing to turnover assets and work with us in this regard we will seek his compliance from the court.

Best,
Kara

Kara Hendricks
Shareholder

Greenberg Traurig, LLP
10845 Griffith Peak Drive | Suite 600 | Las Vegas, NV 89135
T +1 702.938.6856
hendricksk@gtlaw.com | www.gtlaw.com | [View GT Biography](#)



EXHIBIT 11

EXHIBIT 11

May 23, 2023 Email from John Giardino to
Kara Hendricks

From: Giardino, John <jgiardino@pryorcashman.com>
Sent: Tuesday, May 23, 2023 8:21 AM
To: Hendricks, Kara (Shld-LV-LT)
Cc: geoff@americanfiduciaryservices.com; Ewing, Kyle (Assoc-LV-LT); Carlino, Emily
Subject: RE: Chris Madsen

Follow Up Flag: Follow up
Flag Status: Flagged

EXTERNAL TO GT

Kara-

I will send you our proposal tomorrow.

John

JOHN GIARDINO

Partner

PRYOR CASHMAN LLP

7 Times Square, New York, NY 10036-6569

jgiardino@pryorcashman.com

Direct Tel: 212-326-0829

Direct Fax: 212-326-0806

www.pryorcashman.com

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From: hendricksk@gtlaw.com <hendricksk@gtlaw.com>
Sent: Thursday, May 11, 2023 4:14 PM
To: Giardino, John <jgiardino@pryorcashman.com>
Cc: geoff@americanfiduciaryservices.com; ewingk@gtlaw.com
Subject: Chris Madsen

John,

We are in receipt of your 4/21/23 correspondence regarding Chris Madsen and your proposal to the SEC. Our understanding is that the SEC is currently evaluating your proposal and the information provided to determine next steps. However, your discussions with the SEC cannot be utilized to delay and prevent the Receiver from marshalling assets as required by the Court. At this juncture, we believe it is prudent that Mr. Madsen turnover assets with a value up to the \$1.8 million. I provided your office a list of assets the Receiver identified with my February 28th correspondence and have asked on multiple times that you review the same with your client and we discuss the turnover process. To date, you have refused to so. Please let us know by no later than May 19th what assets Mr. Madsen is willing to turnover. In your letter you mentioned that he may also have available cash, that would work as

well. If Mr. Madsen is not willing to turnover assets and work with us in this regard we will seek his compliance from the court.

Best,
Kara

Kara Hendricks
Shareholder

Greenberg Traurig, LLP
10845 Griffith Peak Drive | Suite 600 | Las Vegas, NV 89135
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hendricksk@gtlaw.com | www.gtlaw.com | [View GT Biography](#)



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