

1 JONATHAN D. BLUM, ESQ.
Nevada Bar No. 9515
2 **WILEY PETERSEN**
1050 Indigo Drive, Suite 200B
3 Las Vegas, Nevada 89145
Telephone: (702) 910-3329
4 Facsimile: (702) 702-553-3467
jblum@wileypetersenlaw.com
5

6 SIDHARDHA KAMARAJU, ESQ.
New York Bar No. 4529392
7 JOHN GIARDINO, ESQ.
New York Bar No. 1838671
8 **PRYOR CASHMAN LLP**
7 Times Square
9 New York, New York 10036
skamaraju@pryorcashman.com
10

11 *Attorneys for Defendant*
Christopher M. Madsen

12 **UNITED STATES DISTRICT COURT**
13 **DISTRICT OF NEVADA**

14 SECURITIES AND EXCHANGE
15 COMMISSION,

16 Plaintiff,

17 v.

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

24 Defendants

25 THE JUDD IRREVOCABLE TRUST; PAJ
26 CONSULTING INC; BJ HOLDINGS LLC;
STIRLING CONSULTING, L.L.C.; CJ
27 INVESTMENTS, LLC; JL2 INVESTMENTS,
LLC; ROCKING HORSE PROPERTIES, LLC;
28 TRIPLE THREAT BASKETBALL, LLC;

CASE NO.: 2:22-cv-00612-CDS-EJY

DEFENDANT CHRISTOPHER MADSEN'S

- a) **OPPOSITION TO ECF NO. [525] MOTION TO COMPEL OR ALT. 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;**
- b) **OPPOSITION TO ECF NO. [526] MOTION TO COMPEL OR ALT. MOTION FOR ORDER TO SHOW CAUSE WHY CHRISTOPHER MADSEN SHOULD NOT BE HELD IN CONTEMPT FOR FAILURE TO COMPLY WITH THIS COURT'S ORDERS;**
- AND-
- c) **CROSS MOTION FOR A STAY OF ALL ACTIONS AND PROCEEDINGS OF THE RECEIVER AGAINST CHRISTOPHER MADSEN PENDING**

1 ACAC LLC; ANTHONY MICHAEL
2 ALBERTO, JR.; and MONTY CREW LLC;

**FINAL SETTLEMENT OF THIS
ACTION**

3 Relief Defendants.

ORAL ARGUMENT REQUESTED

4 Defendant Christopher Madsen respectfully submits this Memorandum in:

5 (1) opposition to the Receiver’s *Motion to Compel or Alternative Motion for Order to Show*
6 *Cause Why Christopher M. Madsen Should Not Be Held in Contempt for Failure to Comply with this*
7 *Court’s Orders* [ECF No. 525],

8 (2) opposition to the Receiver’s *Motion to Compel or Alternative Motion for Order to Show*
9 *Cause Why Christopher M. Madsen Should Not Be Held in Contempt for Failure to Comply with this*
10 *Court’s Orders* [ECF No. 526], and

11 (3) support of Defendant Christopher Madsen’s *Cross Motion for Stay of all actions and*
12 *Proceedings of Receiver against Christopher Madsen pending Final Settlement of this Action.*

13 **I. INTRODUCTION**

14 The Receiver’s motions brought against Christopher Madsen are completely unnecessary and
15 substantially misrepresent the record of Mr. Madsen’s nearly yearlong record of cooperation with the
16 Plaintiff, Securities and Exchange Commission (“SEC”), and the Receiver. As set forth in detail
17 below, Mr. Madsen has cooperated fully with the SEC and the Receiver since early August, 2022.
18 Furthermore, as set forth in the Affirmation of John Giardino, Mr. Madsen has reached a
19 comprehensive settlement in principle with the SEC of all claims against him (hereafter referred to as
20 “the Madsen settlement”).

21 The Receiver is well aware, and has been since September of 2022, of the pending Madsen
22 settlement which resolves all claims and liabilities of Mr. Madsen associated with the Beasley
23 transactions. The pending settlement includes substantial payments by Mr. Madsen for the benefit of
24 investors.

25 The Receiver is also well aware that Mr. Madsen, after disclosing his assets to the Receiver,
26 has preserved all of his assets in keeping with the Order of this Court and has cooperated fully with
27 the SEC and Receiver.

28 //

1 The Receiver's motions are predicated upon the assertions that Mr. Madsen has not turned over
2 assets to the Receiver. In fact, as set forth in his affidavit, Mr. Madsen has previously turned over
3 \$134,252.35 and is prepared to fund the Madsen settlement upon receiving final approval from the
4 SEC which counsel for the SEC estimates to be thirty (30) days from now. Mr. Madsen's simple
5 request to both the SEC and Receiver, which the Receiver characterizes as "gamesmanship," is that
6 any further payments be consistent with the terms of the Madsen settlement.

7 As demonstrated herein, there is absolutely no basis for contempt against Mr. Madsen. The
8 Receiver's motions are simply vexatious and improper.

9 **II. PROCEDURAL STATEMENT**

10 The Receiver has filed two (2) separate motions¹ seeking, in essence, the same relief and are
11 redundant of each other. Defendant Christopher Madsen responds to both motions in this opposition
12 and requests that this Court enter a stay of further proceedings against him by the Receiver pending
13 final approval of the Madsen settlement which is anticipated within thirty (30) days.

14 **III. RELEVANT FACTUAL BACKGROUND**

15 Presented below is a recitation, without limitation, of significant interactions and
16 communications between Mr. Madsen, the SEC, and the Receiver evidencing Mr. Madsen's ongoing
17 cooperation and the status of the pending Madsen settlement:

- 18 A. Early August: Established agreement of cooperation with SEC which included general
19 extension of time to file answer or other pleadings in the civil action and stand-still on
20 proceedings pending successful settlement negotiations.
- 21 B. August 11, 2022: Provided Receiver with Christopher Madsen's bank account records
22 and requested the Receiver consent to the release of these accounts from the freeze
23 order, a request which the Receiver granted.
- 24 C. August 17, 2022: Attended Teams meeting with Receiver to discuss Christopher
25 Madsen's assets, a proposed site visit, and the release of bank accounts.

26

¹ECF No. [525] Motion to Compel or Alt. Motion for Order to Show Cause Why Christopher M.
27 Madsen Should Not Be Held in Contempt for Failure to Comply with This Court's Orders; ECF
28 No. [526] Motion to Compel or Alt. Motion for Order to Show Cause Why Christopher Madsen
Should Not Be Held in Contempt For Failure to Comply with This Court's Orders.

- 1 D. August 18, 2022: Confirmed Receiver's consent to release bank accounts, forwarded
2 consent to SEC counsel.
- 3 E. August 18, 2022: Arranged for Receiver's site visit to inventory Madsen's assets.
- 4 F. August 22, 2022: Provided further information regarding Madsen's assets and
5 confirmed arrangements for Receiver's site visit.
- 6 G. August 23, 2022: Attended site visit with receiver and provided all documentation
7 requested by Receiver regarding Madsen's assets.
- 8 H. August 31, 2022: Communication with Receiver regarding ownership of a
9 development site known as Grand Desert Behavior Hospital (hereafter the "hospital
10 site").
- 11 I. September 1, 2022: Conference call with Receiver to discuss the valuation of the
12 hospital site, the possible restructuring of the ownership of the hospital site, the possible
13 sale of the hospital site, the terms of a settlement proposal to be submitted to the SEC,
14 and treatment of Christopher Madsen's restitution claim for monies lost in the Beasley
15 scheme.
- 16 J. September 2, 2022: Followed up with Receiver about hospital site ownership
17 restructuring, possible sale, and turnover of partial proceeds.
- 18 K. September 22, 2022: Correspondence with Receiver to release additional Madsen
19 accounts from the freeze order and the Receiver's consent to the SEC to release
20 accounts.
- 21 L. September 22, 2022: Correspondence to SEC counsel to discuss terms of settlement
22 and continued standstill, proposed settlement conference for first week of October.
- 23 M. October 4, 2022: Conference call with Receiver to review terms of settlement proposal.
- 24 N. October 5, 2022: Follow up with Receiver to restructure ownership of the hospital site.
- 25 O. October 7, 2022: Conference call with Receiver and Receiver's counsel regarding
26 additional financial disclosures, provided to Receiver and Receiver's counsel detailed
27 schedule of investors, investor contact information, investor accounts, and investor
28 distribution amounts.
- P. October 18, 2022: Communication with Receiver regarding withdrawals from
Christopher Madsen's bank accounts.
- Q. November 11, 2022: Conference call with SEC counsel regarding terms of settlement
and standstill agreement.
- R. November 16, 2022: Correspondence with SEC counsel to schedule meeting in the
SEC Salt Lake office to finalize settlement agreement.

- 1 S. December 5, 2022: Meeting in Salt Lake City with SEC counsel to finalize settlement
2 agreement.
- 3 T. December 19, 2022: Forward revised settlement agreement incorporating SEC counsel
4 comments together with supporting documents to SEC counsel.
- 5 U. January 26, 2022: Conference call with SEC counsel to discuss comments made by
6 Washington Office of SEC regarding treatment of Madsen restitution claim.
- 7 V. January 29, 2023: Revision to settlement agreement modifying treatment of Madsen's
8 restitution claim, submit settlement agreement to SEC counsel.
- 9 W. March 9, 2023: Receive further comment from SEC counsel regarding treatment of
10 Madsen's restitution claim, finalize settlement, and submit executed offer of settlement
11 to SEC counsel.
- 12 X. March 13, 2023: Correspondence to counsel for the Receiver providing reconciliation
13 of the funds received from the Beasley IOLTA account and disbursed from the ACAC,
14 LLC account.
- 15 Y. March 21, 2023: Receipt of request from Receiver for Christopher Madsen's bank
16 accounts.
- 17 Z. March 24, 2023: Forward bank account records pursuant to Receiver's request.
- 18 AA. April 18, 2023: Conference call with SEC counsel, the Receiver, counsel for Receiver
19 and counsel for Madsen to discuss status of Madsen settlement and Receiver request for
20 payment.
- 21 BB. April 21, 2023: Correspondence forwarding final Madsen settlement document to
Receiver on a confidential basis, confirming sixty (60) to ninety (90) days for final
approval, and offering two (2) alternative transactions consistent with the terms of the
Madsen settlement.

22 **IV. DISCUSSION OF RELEVANT FACTS**

23 As evidenced above, in early August 2022, Mr. Madsen began cooperating with the SEC and
24 the Receiver in order to reach a resolution of his involvement in the Beasley Scheme. Mr. Madsen
25 immediately initiated settlement discussions and reached a standstill agreement with counsel for the
26 SEC. Pursuant to that standstill agreement, Mr. Madsen has not been required to interpose pleadings
in this matter, participate in discovery proceedings, or join in any motion practice.

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1 Mr. Madsen has provided the SEC and the Receiver with all financial records relating to the
2 Beasley transactions including a detailed accounting of all investor contributions and distributions.
3 Mr. Madsen has also provided the Receiver with detailed documentation identifying his assets.

4 After discussions with counsel for the SEC and with the Receiver, Mr. Madsen tendered a
5 settlement proposal to the SEC in early September 2022 and settlement discussions led to a meeting
6 in the Salt Lake office of the SEC on December 5, 2022.

7 As a result of that meeting, three (3) administrative changes were made to the proposed Madsen
8 settlement and the agreement was submitted for approval by the SEC's Washington Office in January,
9 2023. Thereafter, further discussions were had between counsel for the SEC and counsel for Madsen
10 regarding the treatment of Madsen's restitution claim arising from financial losses he suffered as a
11 result of his participation in the Beasley scheme. Those discussions led to the final form of the Madsen
12 settlement which was executed and delivered to counsel for the SEC on March 9, 2023. That
13 agreement, as revised, is awaiting final approval.

14 In a conference call which included counsel for the SEC, the Receiver, counsel for the
15 Receiver, and counsel for Mr. Madsen, counsel for the SEC reported that he expected the Madsen
16 settlement to receive final approval in sixty (60) to ninety (90) days or mid-July.

17 The Receiver is well aware of the settlement agreement and its pending approval. Nonetheless,
18 the Receiver, through its counsel, has made demands upon Mr. Madsen that are arguably inconsistent
19 with the terms of the settlement. On April 18, 2023, counsel for the SEC arranged for a conference
20 call for the Receiver, Receiver's counsel and Madsen's counsel to coordinate the efforts of all parties
21 to reach a conclusion to these matters. During that call, counsel for the SEC confirmed the pending
22 Madsen settlement, the terms of which are confidential, and the parties agreed to provide the
23 agreement to the Receiver on a confidential basis. Counsel for the SEC estimated the time to obtain
24 final approval of the settlement agreement to be sixty (60) to ninety (90) days. Mr. Madsen continues
25 to await that final approval of the settlement and has consistently followed up on its approval.

26 By letter dated April 21, 2023, Mr. Madsen, through his counsel, offered two (2) separate
27 undertakings which are consistent with the terms of the Madsen settlement. (*see* Exhibit "A," Aff. of
28 J. Giardino). Neither counsel for the SEC nor counsel for the Receiver responded to this proposal.

1 As with the SEC, Mr. Madsen has cooperated fully with the Receiver. The Receiver requested
2 an inspection of the vehicle assets listed in the Receiver's motion papers. Mr. Madsen immediately
3 arranged for a site visit and provided full access together with access to all title and registration
4 evidence. The Receiver requested information regarding certain real property in which Mr. Madsen
5 has an ownership interest. Mr. Madsen immediately provided that information to the Receiver and
6 has updated the Receiver about the prospects for sale of the property.

7 Mr. Madsen has previously paid the sum of \$134,252.35 and is prepared to pay the sums
8 required by the Madsen settlement to either the Receiver or the SEC upon final approval which is now
9 approximately thirty (30) days from now. Given these facts and circumstances, the Receiver's motions
10 should be denied and a stay granted pending that final approval.

11 **V. LEGAL ARGUMENT**

12 **POINT I: THERE IS NO BASIS FOR A FINDING OF CONTEMPT**

13 Although this Court has the power to enforce its Order by a finding of contempt, such power
14 should not be exercised here. As the record demonstrates, Mr. Madsen has diligently exercised his
15 best efforts to reach a financial resolution of the issues in this case. Such a resolution involves
16 payments that will benefit investors of the Beasley fraud. The terms of the Madsen settlement were
17 finalized in early March and upon final approval by the SEC – expected in thirty (30) days – Mr.
18 Madsen will tender the settlement payments to either the Receiver or the SEC as directed.

19 Furthermore, Mr. Madsen has provided both the SEC and the Receiver bank records,
20 accounting records detailing transactions with investors, and documents evidencing his ownership of
21 vehicles and real property.

22 There has been no willful or other violation of any kind of this Court's Orders.

23 In support of its motions, the Receiver relies upon cases involving a city's failure to reduce its
24 prison population in the presence of an eight year consent order requiring the same, the acts of trustees
25 who willfully misrepresented their control of overseas funds as a means of avoiding enforcement of
26 seizure order, and a corporate officer who knowing and purposefully absconded with and subsequently
27 refused to turn over specific corporate records ordered by the Court. The cases all relate to knowing,
28 willful violations of court orders.

1 The Court in *Chambers v. Nasco, Inc.*, 501 U.S. 32 (1991), sets the standard: “*a party acting*
2 *in bad faith, vexatiously, wantonly, or for oppressive reasons.*” (emphasis added.) Clearly no such
3 conduct can be found in this case where from the outset, Mr. Madsen has voluntarily provided financial
4 records and put forward a substantial financial settlement which has, in fact, been accepted for final
5 approval by the SEC and resolves all of Mr. Madsen’s obligations and liabilities in this case.

6 Mr. Madsen is simply waiting for the Plaintiff to issue final approval of which he has agreed
7 to do. To the extent the Receiver has requested a “turn-over” of assets in advance of that final approval,
8 Mr. Madsen, through his counsel, has simply requested that any transaction with the Receiver be
9 consistent with the terms of the Madsen settlement agreement.

10 For these reasons, the Receiver’s motions should be denied.

11 **POINT II: A STAY SHOULD BE GRANTED PENDING FINAL APPROVAL OF**
12 **THE MADSEN SETTLEMENT AGREEMENT**

13 A final dispositive settlement agreement, the “Madsen settlement,” has been circulated among
14 the parties. The Madsen settlement is awaiting final approval which is expected within the next thirty
15 (30) days. Mr. Madsen has cooperated with the SEC, has not engaged in litigation over the claims in
16 this matter, and has not withheld information.

17 If the Madsen settlement had received final approval in March, April, or even May, Mr.
18 Madsen should not be subject to the present motion practice by the Receiver. Under these
19 circumstances, a stay of these proceedings should be granted in favor of Mr. Madsen pending final
20 approval of the Madsen settlement.

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VI. CONCLUSION

On the basis of the foregoing, the Receiver's motions should be denied and the cross-motion for a stay granted.

DATED this 16th day of June, 2023.

WILEY PETERSEN

By: 

JONATHAN D. BLUM, ESQ.
Nevada Bar No. 9515
1050 Indigo Drive, Suite 200B
Las Vegas, Nevada 89145
Ph: 702.910.3329
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SIDHARDHA KAMARAJU, ESQ.
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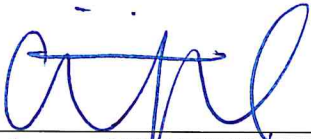
*Attorneys for Defendant
Christopher M. Madsen*

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of Wiley Petersen, and that on the 16th day of June, 2023, I caused to be served a true and correct copy of the foregoing **DEFENDANT CHRISTOPHER MADSEN'S a) OPPOSITION TO ECF NO. [525] MOTION TO COMPEL OR ALT. 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; b) OPPOSITION TO ECF NO. [526] MOTION TO COMPEL OR ALT. MOTION FOR ORDER TO SHOW CAUSE WHY CHRISTOPHER MADSEN SHOULD NOT BE HELD IN CONTEMPT FOR FAILURE TO COMPLY WITH THIS COURT'S ORDERS; - AND- c) CROSS MOTION FOR A STAY OF ALL ACTIONS AND PROCEEDINGS OF THE RECEIVER AGAINST CHRISTOPHER MADSEN PENDING FINAL SETTLEMENT OF THIS ACTION**

in the following manner:

(ELECTRONIC SERVICE) Pursuant to Rule 5-4 of the Local Rules of Civil Practice of the United States District Court for the District of Nevada, the above-referenced document was electronically filed on the date hereof and served through the Notice of Electronic Filing automatically generated by that Court's facilities.


An Employee of WILEY PETERSEN

1 JONATHAN D. BLUM, ESQ.
Nevada Bar No. 9515
2 **WILEY PETERSEN**
1050 Indigo Drive, Suite 200B
3 Las Vegas, Nevada 89145
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6 *Attorneys for Defendant*
7 *Christopher M. Madsen*

8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**

10 SECURITIES AND EXCHANGE
COMMISSION,

CASE NO.: 2:22-cv-00612-CDS-EJY

11 Plaintiff,

AFFIRMATION OF JOHN GIARDINO

12 v.

13 MATTHEW WADE BEASLEY; BEASLEY
LAW GROUP PC; JEFFREY J. JUDD;
14 CHRISTOPHER R. HUMPHRIES; J&J
CONSULTING SERVICES, INC., an Alaska
15 Corporation; J&J CONSULTING SERVICES,
INC., a Nevada Corporation; J AND J
16 PURCHASING LLC; SHANE M. JAGER;
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19 MURPHY; CAMERON ROHNER; AND
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a) **IN OPPOSITION TO ECF NO. [525]
MOTION TO COMPEL OR ALT.
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TRIPLE THREAT BASKETBALL, LLC;
24 ACAC LLC; ANTHONY MICHAEL
ALBERTO, JR.; and MONTY CREW LLC;

-AND-

25 Relief Defendants.

c) **IN SUPPORT OF CROSS MOTION
FOR A STAY OF ALL ACTIONS AND
PROCEEDINGS OF THE RECEIVER
AGAINST CHRISTOPHER MADSEN
PENDING FINAL SETTLEMENT OF
THIS ACTION**

1 JOHN GIARDINO, an attorney duly admitted to practice law in the Courts of the State of New
2 York, affirms the following to be true under penalties of perjury:

3 1. I am a partner at the law firm Pryor Cashman LLC, co-counsel to Defendant
4 Christopher Madsen in this action. I am fully familiar with the facts and circumstances set forth herein.

5 2. I submit this affirmation:

6 a. in opposition to *Motion to Compel or Alternative Motion for Order to Show*
7 *Cause Why Christopher M. Madsen Should Not Be Held in Contempt for*
8 *Failure to Comply with this Court's Orders* [ECF No. 525],

9 b. in opposition to *Motion to Compel or Alternative Motion for Order to Show*
10 *Cause Why Christopher M. Madsen Should Not Be Held in Contempt for*
11 *Failure to Comply with this Court's Orders* [ECF No. 526] filed by Geoff
12 Winkler, Receiver for J&J Consulting Services, Inc., J and J Purchasing LLC,
13 The Judd Irrevocable Trust, and BJ Holdings LLC (the "Receiver"), and

14 c. in support of Defendant Christopher Madsen's *Cross Motion for Stay of*
15 *Proceedings*.

16 3. Contrary to the representations made in the Receiver's Motions, Mr. Madsen has
17 cooperated fully throughout these proceedings with both the SEC and the Receiver.
18

19 4. I have personal knowledge and participated in the following significant events
20 beginning in August, 2022:
21

22 A. Early August: Established agreement of cooperation with SEC which included general
23 extension of time to file answer or other pleadings in the civil action and stand-still on
24 proceedings pending successful settlement negotiations.

25 B. August 11, 2022: Provided Receiver with Christopher Madsen's bank account records
26 and requested the Receiver consent to the release of these accounts from the freeze
order, a request which the Receiver granted.

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28 Madsen's assets, a proposed site visit, and the release of bank accounts.

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9 development site known as Grand Desert Behavior Hospital (hereafter the "hospital
10 site").
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12 hospital site, the possible restructuring the ownership of the hospital site, the possible
13 sale of the hospital site, the terms of a settlement proposal to be submitted to the SEC,
14 and treatment of Christopher Madsen's restitution claim for monies lost in the Beasley
15 scheme.
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26 additional financial disclosures, provided to Receiver and Receiver's counsel detailed
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2 SEC Salt Lake office to finalize settlement agreement.
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10 restitution claim, submit settlement agreement to SEC counsel.
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12 Madsen's restitution claim, finalize settlement, and submit executed offer of settlement
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15 providing reconciliation of the funds received from the Beasley IOLTA account and
16 disbursed from the ACAC, LLC account. (See **Exhibit "A"**).
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18 accounts.
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21 and counsel for Madsen to discuss status of Madsen settlement and Receiver request for
22 payment.
- 23 BB. April 21, 2023: Correspondence forwarding final Madsen settlement document to
24 Receiver on a confidential basis, confirming sixty (60) to ninety (90) days for final
25 approval, and offering two (2) alternative transactions consistent with the terms of the
26 Madsen settlement. (See **Exhibit "B,"** redacted as per the confidentiality provisions of
27 the settlement agreement).

28 5. At this time, Mr. Madsen is simply awaiting final SEC approval of the fully negotiated
settlement agreement.

6. The terms of the settlement agreement resolve any and all issues raised by the Receiver
in his motions and render these motions moot.

7. There is absolutely no need for a "turnover" order.

1 8. Mr. Madsen should have the benefit of the agreement he reached with the SEC and
2 further proceedings against him brought by the Receiver should be stayed.

3 WHEREFORE, for the forgoing reasons, I respectfully request that Receiver's Motions be
4 denied, that the Court grant to Christopher Madsen a stay of all actions and proceedings of the
5 Receiver, and other further relief as it deems just and proper.

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9 _____
JOHN GIARDINO

10 Sworn to and subscribed before me
11 this 16th day of June, 2023

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13 _____
Notary Public

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| EMILY CARLINO Notary Public, State of New York Registration #01CA6273649 Qualified In Nassau County <i>Kings County</i> Commission Expires December 17, 20 <u>24</u> |
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EXHIBIT A



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

EXHIBIT B



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

April 21, 2023

Via Electronic Mail

Casey R. Fronk
Securities and Exchange Commission
Salt Lake Regional Office
351 South West Temple, Suite 6.100
Salt Lake City, Utah 84101
Email: fronkc@sec.gov

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 Casey and Kara:

Pursuant to our discussion on April 18th, we are providing, on a confidential basis, our client's offer of settlement dated March 9, 2023 (the "Settlement Offer.") The Settlement Offer and this communication remain subject to FRE 408.

Furthermore, we request that this settlement document not be circulated to any party or utilized for any purpose other than to confirm the extent of financial exposure to Mr. Madsen under the terms of the Settlement Offer. We acknowledge that the terms of settlement remain subject to confirmation by the SEC of the distribution amounts set forth in Schedule "A" of the Settlement Offer.

In response to the Receiver's request to "secure" Mr. Madsen's financial responsibilities under the settlement, we propose the following:



Casey R. Fronk
Kara B. Hendricks
April 21, 2023
Page 2

1. Payment of [REDACTED] on or before May 1, 2023. Mr. Madsen will receive full credit for this payment under the terms of the settlement agreement; or, in the alternative,
2. Pledge of Mr. Madsen's ownership interest in the property located at 2080 West Cheyenne Avenue North. The Receiver is in possession of valuation documentation for this property [REDACTED]

As discussed, we expect final approval of the Settlement Offer within 60-90 days. Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Giardino", written over the typed name.

John Giardino

JG:ec

cc: Christopher Madsen
Sid Kamaraju