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15 *J and J Purchasing LLC, The Judd Irrevocable Trust,*
16 *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 ///

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

**MOTION TO FIND AARON
GRIGSBY IN CONTEMPT FOR
FAILURE TO COMPLY WITH THIS
COURT'S ORDERS**

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 Find Aaron Grigsby in Contempt for Failure to Comply with This Court’s
4 Orders (the “Motion”).

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

9 DATED this 6th day of October 2023.

10 **GREENBERG TRAUIG, LLP**

11 By: /s/ Kara B. Hendricks

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26 **MEMORANDUM OF POINTS AND AUTHORITIES**

27 **I. INTRODUCTION**

28 Although not a defendant in this case, attorney Aaron Grigsby has appeared before this
Court on multiple occasions and ignored specific directives and requirements in multiple Court
orders. Up until September 19, 2023, Mr. Grigsby served as counsel for Paula Beasley, the now
ex-wife of Matthew Beasley—the father of the alleged Ponzi-scheme upon which this action is
based. Immediately after Mr. Beasley was taken into custody, Mr. Grigsby represented Mr. and

1 Mrs. Beasley in, what can only be deemed, a “fast track divorce,” reaching a final decree of divorce
2 a mere eighteen (18) days after Mr. Beasley’s standoff with the FBI. This case was initiated shortly
3 thereafter, and orders put in place to prevent the dissipation of assets.

4 After the appointment of the Receiver, it became clear that Mr. Grigsby was not complying
5 with this Court’s orders and even facilitated the sale of Receivership Property. Indeed, in the
6 weeks and months that followed his appointment, the Receiver learned that Mr. Grigsby was the
7 recipient of more than \$138,000 in attorney’s fees the source of which came from tainted funds.
8 Thereafter, Mr. Grigsby served as the “point guard” in Paula Beasley’s efforts to dispose of
9 Receivership assets, including those which Mr. Grigsby acknowledged to the SEC were under the
10 purview of the asset freeze order. As if this were not enough, following the sale of the vehicles in
11 question, Mr. Grigsby served as a pseudo administrative assistant to Mrs. Beasley, by transferring
12 large amounts of money to various third parties and by paying her personal bills from the funds
13 that were placed into his law firm’s IOLTA account.

14 After the Receiver’s attempts to resolve issues with Mr. Grigsby were virtually ignored,
15 the Receiver sought judicial intervention pertaining to Mr. Grigsby’s actions in this case by filing
16 a motion in October of last year. During a hearing held in December 2022, this Court found
17 remarkable concern with Mr. Grigsby’s conduct and ordered Mr. Grigsby to provide a clear set of
18 documents and information and further ordered Mr. Grigsby to turn over all funds remaining in
19 his possession. Yet, despite the Receiver providing significant extensions to his time to comply,
20 Mr. Grigsby chose not to. As a result, the Receiver came back to the Court in April 2023, seeking
21 an order to show cause why Mr. Grigsby should not be held in contempt. During an August 2023
22 hearing on the Receiver’s Motion for Order to Show Cause, the Court echoed the Receiver’s
23 sentiments and provided another clear order to Mr. Grigsby for compliance, setting a resolution
24 and compliance deadline of September 29, 2023. To be sure Mr. Grigsby understood what was in
25 front of him, the court stated:

26 “You can object...or you can comply. That’s your choice. But that
27 is the date by which that can be resolved. **If it is not, [] there will**
28 **be a contempt for the first order . . .**”

1 Despite this Court’s clear directive, the matter has yet to be resolved and Mr. Grigsby’s
2 only attempt to reach a resolution came via letter to the Receiver on September 29, 2023, which
3 failed to address the issues and made a feeble settlement offer. Indeed, the belated response
4 provided, did nothing to address this Courts concerns and, in reality, further demonstrated that the
5 funds received by Mr. Grigsby were tainted. In all aspects of this Court’s order, Mr. Grigsby has
6 fallen woefully short. As such, the Receiver now comes before this Court seeking a finding of
7 contempt.

8 **II. RELEVANT FACTUAL AND PROCEDURAL BACKGROUND**

9 Just shy of the one-year anniversary of the Receiver’s first motion concerning the conduct
10 of Mr. Grigsby, the Receiver is back before this Court seeking a finding of contempt. As discussed
11 herein, Mr. Grigsby has been given every conceivable opportunity to comply with this Court’s
12 orders but has repeatedly failed to do so.

13 On October 21, 2022, the Receiver first moved for an order to show cause why Aaron
14 Grigsby should not be held in contempt for failure to comply with this Court’s orders.
15 ECF No. 334. After briefing, the matter came before the Court on December 16, 2022 (the
16 “December 2022 Hearing”). During the December 2022 Hearing, this Court expressed grave
17 concern over the numerous misrepresentations made to the SEC, the Court and third parties
18 regarding Mrs. Beasley’s disposition of Receivership Property, including a 2020 Mercedes Benz
19 G-63 G-Wagon (the “G-Wagon”). ECF No. 498 at p. 4. Nevertheless, the Court granted
20 Mr. Grigsby reprieve by providing him “an opportunity to come totally clean.” ECF No. 498 at
21 p. 5.

22 Despite being given a second chance to comply, Mr. Grigsby again failed to adhere to this
23 Court’s orders and on April 13, 2023, the Receiver filed a Motion for Order to Show Cause why
24 Paula Beasley and Aaron Grigsby Should Not be Held in Contempt for Failure to Comply with
25 This Court’s Orders and Alternative Motion for Turnover (the “Motion for Order to Show Cause”).
26 ECF Nos. 498, 499. The Motion for Order to Show Cause laid out for the Court, in significant
27 detail the documents provided by Mr. Grigsby, advised the Court of what was missing, and further
28

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1 demonstrated that Mr. Grigsby and Mrs. Beasley had squandered hundreds of thousands of dollars
2 which should have been turned over to the Receiver.

3 The Motion for Order to Show Cause came before this Court on August 25, 2023 (the
4 “August 2023 Hearing”). During the August 2023 Hearing, the Court made it abundantly clear
5 that more was needed to demonstrate that the \$110,000 worth of attorney’s fees Mr. Grigsby
6 received, and the proceeds of the sale of the Ferrari, Aston Martin, and G-Wagon was something
7 other than Ponzi-scheme funds and not subject to turnover. ECF No. 568 at pp. 17:13-24; 19:10-
8 24; 23:8-16; 28:7-14. Should Mr. Grigsby be unable to comply with this directive, the Court
9 ordered Mr. Grigsby to negotiate with the Receiver for the resolution of this dispute or to turn over
10 the funds. ECF No. 568 at p. 28:7-14.¹

11 “I’m giving you now through [] September 29, nine full months to
12 do something I ordered back in December. No more extensions.
13 That’s it. *You’ve had plenty of time.*”

14 ECF No. 568 at p. 25:1-3 (emphasis added).

15 Shortly after the August 2023 hearing, counsel for the Receiver reached out to Mr. Grigsby
16 to discuss compliance with the Court’s orders and schedule a meeting to discuss the same.² At
17 Mr. Grigsby’s request, the meeting was scheduled for September 22, 2023.³ On September 18,
18 2023, Mr. Grigsby filed an Emergency Motion to Withdraw as Counsel for Paula Beasley
19 (ECF No. 573) which was granted on September 19, 2023.⁴ ECF No. 574. On September 20,
20 2023, Attorney Dean Kajioka contacted counsel for the Receiver and indicated that he would be
21 representing Mr. Grigsby on issues relating to the Order to Show Cause and requested the planned

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24
25 ¹ “Demonstrate the source of the funds to purchase the Mercedes was something other than the tainted
26 funds. Presuming the source of the funds are tainted, then no later than that date, you must negotiate with
the receiver regarding how the funds were used providing documentation. Not typed written on white
pieced of paper. Either bills or records that can be independently verified of how that money was used.”

27 ² **Exhibit 1**, Declaration of Kara Hendricks (the “Hendricks Decl.”) at ¶ 4.

28 ³ Exh. 1, Hendricks Decl. at ¶ 5.

⁴ *Id.* at ¶ 6.

1 meeting be rescheduled.⁵ Despite already having travel plans in place for the September 22, 2023
 2 meeting, the Receiver adjusted travel plans and scheduled a meeting for September 25, 2023.⁶ The
 3 morning of September 25, 2023, Mr. Kajioka informed counsel for the Receiver that he had tested
 4 positive for COVID and would not be able to attend the scheduled meeting.⁷ A Zoom meeting
 5 was then suggested so the parties could discuss a potential resolution, but neither Mr. Kajioka nor
 6 Mr. Grigsby appeared for the Zoom meeting.⁸ On September 29, 2023, counsel for the Receiver
 7 received correspondence from Mr. Kajioka purporting to be a response to the Court's order.⁹ The
 8 September 29, 2023 correspondence did very little to address this Court's concerns.¹⁰
 9 Additionally, the correspondence included, without reference or verification of any sort, apparent
 10 receipts for credit card payments received by the Grigsby Law Group.¹¹ Other than confirming
 11 that the payments were made on credit cards held by Matthew Beasley, the documents submitted
 12 with Mr. Grigsby's September 29, 2023 response fail to address any of the issues raised by this
 13 Court.¹² Instead, the September 29 Response asserted the very same arguments previously made
 14 by Mr. Grigsby, all of which had previously been rejected by the Court, and concluded with an
 15 apparent offer through which Mr. Grigsby would pay the Receiver \$27,781.57 in exchange for a
 16 release of all claims against Mr. Grigsby.¹³ In response, on October 2, 2023, counsel for the
 17 Receiver wrote to Mr. Kajioka wherein the Receiver rejected Mr. Grigsby's payment proposal,
 18 outlined for Mr. Grigsby the numerous ways in which his response was deficient and advised that

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21 ⁵ *Id.* at ¶ 7.

22 ⁶ *Id.* at ¶ 8.

23 ⁷ *Id.* at ¶ 9.

24 ⁸ Exh. 1, Hendricks Decl. at ¶ 10.

25 ⁹ Exh. 1, Hendricks Decl. at ¶ 11; *see also* **Exhibit 2**, September 29, 2022 Correspondence from Dean Kajioka (the "September 29 Response").

26 ¹⁰ Exh. 1, Hendricks Decl. at ¶ 12; *see also* Exh. 2, September 29 Response.

27 ¹¹ *Id.* at ¶ 13.

28 ¹² *Id.* at ¶ 14.

¹³ *Id.* at ¶ 15.

1 motions would be filed with the Court to address the outstanding issues.¹⁴ As of the date of this
 2 Motion, the Receiver has not received any response.¹⁵

3 III. LEGAL ARGUMENT

4 “Courts have inherent power to enforce compliance with their lawful orders through civil
 5 contempt.” *Shillitani v. United States*, 384 U.S. 364, 370 (1966). Indeed, Courts “are universally
 6 acknowledged to be vested, by their very creation, with power to impose silence, respect, and
 7 decorum, in their presence, and submission to their lawful mandates.” *Chambers v. NASCO, Inc.*,
 8 501 U.S. 32, 43, 111 S. Ct. 2123, 2132 (1991) (quoting *Anderson v. Dunn*, 19 U.S. 204, 5 L. Ed.
 9 242 (1821)) (emphasis added). “These powers are ‘governed not by rule or statute but by the
 10 control necessarily vested in courts to manage their own affairs so as to achieve the orderly and
 11 expeditions disposition of cases.’” *Id.* (quoting *Link v. Wabash R. Co.*, 370 U.S. 626, 630-631,
 12 8 L. Ed. 2d 734, 82 S. Ct. 1386 (1962)). The most prominent power is the contempt sanction,
 13 “which a judge must have and exercise in protecting the due and orderly administration of justice
 14 and in maintaining the authority and dignity of the court.” *Roadway Express, Inc. v. Piper*, 447
 15 U.S. 752, 764, 100 S. Ct. 2455 (1980). In exercising their inherent authority to enforce compliance,
 16 courts routinely find contempt in instances where a party fails to comply with turnover orders. *See*
 17 *e.g. Armstrong v. Guccione*, 470 F.3d 89, 100-02 (2d Cir. 2006) (incarcerating a corporate officer
 18 found to be in contempt of a court’s turnover order for failing and/or refusing to turnover corporate
 19 records and assets); *see also Commodity Futures Trading Comm’n ex rel. Kelley v. Skorupskas*,
 20 605 F. Supp. 923, 945, fn 23 (E.D. Mich. 1985) (In an action arising from a Ponzi scheme, the
 21 defendant was found to be in contempt of the court’s order and the receivership order because the
 22 defendant established a new operation in the basement of her parents’ home in which she
 23 developed clubs designed to circumvent the court’s order. Additionally, the Receiver permitted
 24 the defendant to retain a Mercedes Benz for her own personal use. However, immediately
 25 thereafter, the defendant used the Mercedes as collateral for a loan, in violation of the court order);
 26

27 ¹⁴ Exh. 1, Hendricks Decl. at ¶ 16; **Exhibit 3**, October 2, 2023 Correspondence from Kara Hendricks.

28 ¹⁵ Exh. 1, Hendricks Decl. at ¶ 17.

1 *see also SEC v. Res. Dev. Int'l*, 291 F. App'x 660, 661 (5th Cir. 2008) (In an action by the SEC
2 arising out of an illegal Ponzi scheme, a non-party was found in contempt of the court's order to
3 turn over assets to the receivership by refusing to either turn over the assets or to provide an
4 accounting of the same).

5 More specifically, contempt has been found in instances akin to this matter, in which a
6 related party and their counsel worked in concert to violate a freeze order and divert funds derived
7 from the disposition of receivership property to the defendant. *See SEC v. AmeriFirst Funding,*
8 *Inc.*, Civil Action No. 3:07-CV-1188-D, 2008 U.S. Dist. LEXIS 7510, at *5-6 (N.D. Tex. Feb. 1,
9 2008). In *AmeriFirst Funding*, as here, the defendants were accused of operating an investment
10 fraud, in violation of the Securities act of 1933. *Id.* Through the proceedings, as here, an asset
11 freeze was implemented and the court entered a receivership order requiring, among other things,
12 the turnover of receivership assets. *Id.* Following entry of the receivership order, the receiver
13 filed a motion for an order to show cause, seeking to establish defendants and their counsel should
14 be held in civil contempt for violating the court's receivership order and asset freeze through the
15 sale of a Picasso painting, among other misconduct. *Id.* Ultimately, the court held "although
16 [counsel] is not a defendant, the Freeze Order covers those 'in active concert or participating [with
17 defendants], who receive actual notice of this order by personal service or otherwise.'" *Id.* at 34.
18 The court ultimately concluded that the defendants' counsel was in active participation in the
19 disposition of receivership assets and ultimately found him in contempt. *Id.*

20 To hold a party in civil contempt, "the moving party has the burden of showing by clear
21 and convincing evidence that the [nonmoving party] violated a specific and definite order of the
22 court." *FTC v. Affordable Media, LLC*, 179 F.3d 1228, 1239 (9th Cir. 1999) (quoting *Stone v. City*
23 *and County of San Francisco*, 968 F.2d 850, 856 n. 9 (9th Cir, 1992)); *see also In re Dual-Deck*
24 *Video Cassette Recorder Antitrust Litig.*, 10 F.3d 693, 695 (9th Cir. 1993) ("Civil contempt . . .
25 consists of a party's disobedience to a specific and definite court order by failure to take all
26 reasonable steps within the party's power to comply."). In this context, "[c]lear and convincing
27 evidence means evidence sufficient to support a finding of 'high probability'". *Waits v. Frito-Lay,*
28 *Inc.*, 978 F.2d 1093, 1105 (9th Cir. 1992), *abrogated by Lexmark Int'l, Inc. v. Static Control*

1 *Components, Inc.*, 572 U.S. 118, 134 S. Ct. 1377 (2014). Upon a demonstration that a specific
 2 and definite order was violated, “[t]he burden then shifts to the contemnors” *Affordable Media*,
 3 179 F.3d at 1239.¹⁶

4 **a. Grigsby Violated the Specific and Definite Orders of this Court**

5 Given that this matter is now before this Court for the third time, the question of whether
 6 Grigsby violated a specific and definite order needs little consideration. Mr. Grigsby has, since
 7 the outset of this case, been aware of his obligations, has knowingly violated this Courts orders
 8 and, in the face of contempt, done nothing to rectify the issue.¹⁷

9 As recognized by this Court, the roots of Mr. Grigsby’s violations are traced back to the
 10 Beasley Divorce proceedings, through which Mr. Grigsby, as counsel for both parties, facilitated
 11 the payment to himself of \$110,000 on credit cards held by Matthew Beasley. ECF No. 416 at
 12 p. 28:3-29:22. Thereafter, the Court expressed its concern because Mr. Grigsby expressly stated
 13 his knowledge and understanding of the Asset Freeze through an April 26, 2022 email to the SEC
 14 wherein he purported to seek approval of the G-Wagon despite the apparent fact that the G-Wagon
 15 was already sold. ECF No. 416 at p. 28:20-29:12 (“and you say you know both these vehicles are
 16 subject to the TRO. One is the Range Rover. But the other is the Mercedes. You say that. And
 17 yet, four days later, you let her sign a bill of sale, sir. You have a problem. If she does not, you
 18 do. And I am concerned about that. These are violations – knowing violations of federal court
 19 orders for a licensed attorney. That’s a problem, sir, and I think you need to be really careful.”).

20 During the August 25, 2023, hearing on the Receiver’s Motion for Order to Show Cause,
 21 this Court noted the numerous violations of the Court’s previous order, but graciously afforded
 22 Mr. Grigsby one last chance to comply. In so doing, the Court cautioned:

23 “[September 29] is the date by which that can be resolved. If it is
 24 not [] there will be a contempt for the first order to which no
 25 objection was entered.”

26 _____
 27 ¹⁶ The Ninth Circuit has found contempt sanctions are not warranted when a party’s action (or inaction)
 28 “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).

¹⁷ The Receiver intends to file a separate motion seeking turnover related to the funds referenced herein.

1 ECF No. 568 at p. 24:14-18.

2 **i. The Orders**

3 As readily noted by this Court, Mr. Grigsby’s obligation traces back to the Court’s entry
4 of an Asset Freeze on April 13, 2022. ECF No. 416 at p. 6:4-13. The Court’s directive was further
5 clarified during the December 2022 Hearing and the August 25, 2023 Hearing, the transcripts of
6 which served as the Court’s order on the Receiver’s motions. The orders in question center on the
7 purchase and sale of (1) a Ferrari; (2) an Aston Martin; (3) a G-Wagon; and (4) the attorney’s fees
8 paid to Mr. Grigsby.

9 During the December 2022 Hearing, the Court ordered Mr. Grigsby to provide to the
10 Receiver a laundry list of items.¹⁸ As of the date of this filing, the Receiver believes that he has
11 all necessary information pertaining to the Schoofey property, as well as the Lake Tahoe Property,
12 and the Mt. Charleston property. As such, the Receiver’s Motion for Order to Show Cause, and
13 the subsequent August 2023 Hearing on the same, primarily focused on the lack of information
14 pertaining to the three vehicles and the attorney’s fees paid to Mr. Grigsby.

15 At the August 2023 Hearing the Court ordered, Mr. Grigsby to demonstrate the source of
16 funds as something other than Ponzi-scheme funds with respect to: the purchase of the Ferrari; the
17

18 ¹⁸ Items and information to be provided by Mr. Grigsby included: (1) Information about the sale of the
19 Mercedes Benz; (2) Evidence of the sale in Mr. Grigsby and/or Mrs. Beasley’s possession; (3) Copies of
20 any purchase or sale documents in Mr. Grigsby and/or Mrs. Beasley’s possession, custody, or control; (4) A
21 turnover of any proceeds that are still in – or an accounting of any proceeds that are still in Mr. Grigsby
22 and/or Mrs. Beasley’s possession or Mrs. Beasley’s possession from the \$170,000 that was paid, and no
23 dissipation of that money until there is a further court order; (5) An accounting down to the penny of where
24 the money that was paid, the \$170,000 was spent with supporting documentation; (6) Information regarding
25 the Aston Martin, the Ferrari and any other cars that were in Mr. Beasley’s and Mrs. Beasley’s possession
26 before the fast-track divorce and an accounting of what – of the sale of those cars and where the money
27 went that was received for those cars, whether it was to pay off a loan or to pay a gas bill, with receipts;
28 (7) Proof of insurance and payments made to date and maintenance records, if any, for the Range Rover;
(8) For the Schoofey property, all documentation showing payments made to date of taxes, HOA, insurance,
principal, and interest; (9) An accounting of all attorneys’ fees paid, including payments made through an
American Express card. If any payments have been made using the American Express card, those funds
are to be turned over. If payments have been made from any other source, all of that with a specific
accounting must be provided to the SEC; (10) An accounting of the property that was taken from the Ruffian
home upon Mrs. Beasley’s departure; and (11) any information about the Lake Tahoe property, the
Mt. Charleston property, or any other property which the Court is not as familiar with must be turned over
including any late notice or notices of sale or any other communication from the mortgage-holders on the
properties as well as whether the payments have been brought current and the source of those payments if
they have been made. *See*, ECF No. 416 at p. 42:14-45:1.

1 purchase of the Aston Martin; the purchase of the G-Wagon.; and the \$110,000¹⁹ he was paid in
2 attorney's fees. In the event Mr. Grigsby was unable to demonstrate the funds at issue as
3 something other than funds from the alleged Ponzi-scheme, Mr. Grigsby was ordered to negotiate
4 with the Receiver to resolve the dispute; or to turnover the funds. *See*, generally Transcript of the
5 August 2023 hearing.

6 In short, Mr. Grigsby was ordered to demonstrate that the funds in question were untainted
7 or required turnover the totality of the same. He failed to do either.

8 **ii. Grigsby's Response**

9 Here, the issue of non-compliance needs little consideration as this Court has previously
10 and plainly laid out Mr. Grigsby's existing failure to comply. This Court's August 25, 2023 order
11 consisted not of a question of whether Mr. Grigsby had complied, but rather, of a final opportunity
12 to come clean. On September 29, 2023, Mr. Grigsby, through newly retained counsel, submitted
13 a document purporting to address and/or respond to the issues noted by the Court. The document
14 consisted of little more than a regurgitation of Mr. Grigsby's prior arguments centering on his
15 belief that the attorney's fees he received were not Receivership Property and that the vehicles in
16 question were awarded to Mrs. Beasley through the Beasley Divorce and are therefore outside of
17 the Receivership.²⁰ This Court has already addressed each of the arguments made in Mr. Grigsby's
18 response and determined that each has no traction. Thus, for Mr. Grigsby to re-assert these
19 positions as his sole response to an order to show cause is an egregious violation of court orders
20 and can only be deemed as contempt.

21 The only new issue raised by Mr. Grigsby's counsel is that the funds he received via
22 Matthew Beasley's credit cards were never paid and are the subject of a debt collection action

23 _____
24 ¹⁹ The September 29 Response demonstrates that Mr. Grigsby, in fact, received \$110,500 as opposed to
the \$100,000.00 previously believed.

25 ²⁰ In his September 29, 2023 Response, Grigsby asserts that "The Clark County District Court Family
26 Division issued an Order dated March 28, 2022, awarding the Mercedes Benz and Ferrari vehicles to Paula
27 Beasley, and further ordered the sales proceeds from the Ferrari be used to pay Ms. Beasley's attorney's
28 fees due to Mr. Grigsby." This statement misrepresents the March 28, 2022 Stipulation entered in the
Beasley Divorce proceeding. The March 28, 2022 Stipulation does not award the Ferrari to Paula Beasley
but only provides that the proceeds are to be "evenly divided between the parties for their future legal
defense."

1 initiated by American Express in the Eighth Judicial District Court. In support of this statement,
2 Mr. Grigsby produced what appear to be digital receipts for charges made to Matthew Beasley’s
3 Visa and American Express cards, totaling \$110,500.00.²¹ From here, Mr. Grigsby inexplicably
4 jumps to the conclusion that because the payments were made on cards held by Matthew Beasley
5 and those amounts were not paid back, Mr. Grigsby is somehow entitled to retain those funds.
6 Indeed, Mr. Grigsby states:

7 “Thus, the attorney’s fees provided to Mr. Grigsby are not funds or
8 proceeds from the alleged Ponzi scheme asserted against Matthew
9 Beasley, do not constitute Receivership property, nor is the
10 Receivership at a loss as a result of these funds which are a debt
11 incurred by Matthew Beasley through the use of his Amex credit
12 card.” It appears that Mr. Grigsby is taking the position that,
13 because he and his two purported clients, agreed to charge Matthew
14 Beasley’s credit cards for more than \$110,000, with full knowledge
15 of Mr. Beasley’s inability to repay those debts, that the Receivership
16 was not harmed and Mr. Grigsby is therefore entitled to retain those
17 funds.”

18 *See*, Exh. 2, September 29 Response.

19 Setting aside, the indica of criminality²² in the foregoing, Mr. Grigsby cites to absolutely
20 no authority to support his preposterous position. The Receiver is aware of no valid case law,
21 statute, or other authority standing for the proposition that an individual may retain funds obtained
22 through a fraudulent use of a credit card simply because the only party damaged is the credit card
23 company. This is because no such authority exists.

24 _____
25 ²¹ Exh. 2, September 29 Response.

26 ²² *See e.g.*, NRS 205.610-810. NRS 205.760(2) provides, in pertinent part, “a person who, with the intent
27 to defraud, uses a credit card or debit card to obtain money, goods, property, services or anything of value
28 where the credit card or debit card was issued in his or her name and which the person knows is revoked or
expired, or when the person knows he or she does not have sufficient money or property with which to pay
for the extension of credit or to cover the debit from the account linked to his or her debit card, shall be
punished, where the amount of money or the value of the goods, property, services or other things of value
so obtained in any 6-month period is: (a) One hundred dollars or more, for a category D felony...”
Similarly, NRS 205.770 provides “A person who is authorized by an issuer to furnish money, goods,
services or anything else of value upon presentation of a credit card or debit card by the cardholder, or an
agent or employee of the authorized person, who, with the intent to defraud, furnishes money, goods,
property, services or anything else of value upon presentation of a credit card or debit card that the person,
employee or agent knows was obtained or retained in violation of NRS 205.690 to 205.750, inclusive, or is
forged, expired or revoked is guilty of a category D felony and shall be punished as provided in NRS
193.130. In addition to any other penalty, the court shall order the person to pay restitution.”

1 As set forth below, Mr. Grigsby has done nothing to alter this Court’s suspicions and has
 2 instead confirmed them. Over the course of more than nine (9) months, Mr. Grigsby has been
 3 unable to dig himself out of this hole and has repeatedly disobeyed this Court’s orders.
 4 Accordingly, the Court is left with only one viable option—a finding of contempt.

5 **iii. Attorney’s Fees**

6 **“Mr. Grigsby’s attorney’s fees. Mr. Grigsby, this is very troubling for the Court.”**
 7

8 Perhaps the most concerning matter for this Court involved the source of the attorney’s
 9 fees paid to Mr. Grigsby. ECF No. 568 at p. 17:9-20:19. Beginning with the December 2022
 10 Hearing, the Court recognized that any funds paid by a credit card belonging to Matthew Beasley
 11 must be turned over to the Receiver and ordered:

12 “an accounting of all attorney’s fees paid, payments made [] through
 13 the American Express card. **If there have been payments made to**
 14 **the America Express card, those need to be turned over.** If
 15 payments have been made from any other source, all of that with a
 specific accounting must be provided.”

16 ECF No. 416 at p. 43:12-15 (emphasis added).

17 Despite this order, Mr. Grigsby failed to turn over the funds and further failed to provide
 18 an adequate accounting of the same. ECF No. 498 at p. 17:6-19:23. Unfortunately, Mr. Grigsby
 19 clearly made no effort to comply with this Court’s order as he produced no information to
 20 demonstrate the funds he received were untainted nor did Mr. Grigsby attempt to negotiate or
 21 resolve this dispute in any manner. Indeed, Mr. Grigsby’s response does not even mention
 22 Mr. Ogata nor the funds Grigsby transferred to him from the sale of the Ferrari. Rather,
 23 Mr. Grigsby’s response avers (albeit erroneously²³) that the Ferrari was awarded to Paula Beasley
 24 in the Beasley Divorce and is therefore not within the reach of the Receivership. Again, re-hashing
 25 old arguments was not listed as one of Mr. Grigsby’s avenues of compliance. Thus, Mr. Grigsby
 26 undeniably failed to comply with this Court’s order and a finding of contempt is warranted.

27 _____
 28 ²³ *Supra* n. 14. The Beasley Divorce did not award the Ferrario to Paula Beasley but merely stated that the funds from the sale of the Ferrari would be split among Mr. and Mrs. Beasley for their legal representation.

1 Stepping back for a moment, and looking at the bigger picture, Mr. Grigsby has, in effect,
 2 conceded his intent to defraud during his representation of both Mr. and Mrs. Beasley in the
 3 Beasley Divorce. Specifically, Mr. Grigsby’s response demonstrates that he facilitated payment—
 4 to himself—of \$110,500.00 paid on credit cards held by Matthew Beasley, who was, and remains,
 5 incarcerated. Mr. Grigsby’s role in this cannot be understated. As counsel for both parties to the
 6 divorce, Mr. Grigsby crafted the payment plan, drafted and filed the stipulation establishing and
 7 accepted payments totaling \$110,500.00, constituting a debt which Mr. Grigsby knew Matthew
 8 Beasley had no means to repay. Thus, even if Mr. and Mrs. Beasley developed the plan for
 9 payment, Mr. Grigsby reviewed, agreed, and drafted the same.²⁴

10 Candidly, the Receiver cannot comprehend how Mr. Grigsby and his counsel can come
 11 before the Court and argue that he is entitled to retain the funds because the funds came from
 12 American Express and were not re-paid.²⁵ Taking such a position evinces an incomprehensible
 13 disregard for this Court, the parties and victims involved, and on a larger scale, the laws of the
 14 State of Nevada and the United States of America.²⁶

15 “The only inference the Court can make at this time, because there’s
 16 been nothing presented to the contrary given that Mrs. Beasley
 17 didn’t work during her marriage, is that the source of the funds to
 18 purchase the Ferrari and pay that \$110,000 was the Ponzi scheme,
 19 which means, Mr. Grigsby, you are not entitled to retain those funds
 unless the receiver allows you to do so.”

20 ²⁴ The exact circumstances of how the payments were processed have not been stated. However, the
 21 documentation provided with the September 29 Response indicates payment was processed via a Square
 22 payment portal using the chip on Matthew Beasley’s Visa and American Express. This should raise
 23 eyebrows as it is reasonable to conclude that either Mrs. Beasley presented the cards to Mr. Grigsby on
 24 each of those dates, or, Mr. Grigsby processed the payments on his own. While either scenario paints a less
 than wholesome scenario, the fact remains that Mr. Grigsby knowingly facilitated the payment of
 \$110,500.00 to himself, thereby imposing a debt upon Matthew Beasley who had no means of repaying
 that debt.

25 ²⁵ As stated in prior filings, Mr. Grigsby’s conduct and statements implicate, at a minimum, the rules of
 26 professional conduct. *See e.g.* Federal Rules of Professional Conduct 8.4 (Misconduct). At a minimum,
 27 Mr. Grigsby’s conduct appears to implicate the terms of FRPC 8.4(c)-(d) (“It is professional misconduct
 for a lawyer to:...(c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation;
 (d) engage in conduct that is prejudicial to the administration of justice.”). Additionally, Rules 3.3 (Candor
 28 Toward the Tribunal) and 4.1 (Truthfulness in Statements to Others) appear to have been breached by
 Mr. Grigsby.

²⁶ *See e.g. supra* n. 17.

1 ECF No. 568 at p. 18:21-19:2.

2 Mr. Grigsby's assignment was clear and the Court advised if he did not complete the
3 assignment, there would be a finding of contempt. ECF No. 568 at p. 24:14-18. Mr. Grigsby has
4 done nothing to demonstrate he is entitled to retain those funds but has further illustrated the
5 nefarious steps which have led to this proceeding. As a result, there should be no hesitation in a
6 finding of contempt as to the funds received by Mr. Grigsby as attorney's fees.

7 **iv. Mercedes Benz G-Wagon**

8 The G-Wagon was, for all intents and purposes, the starting point of this dispute, and has
9 remained a primary focus throughout. This Court needs little introduction to the facts surrounding
10 the G-Wagon as this Court has repeatedly emphasized its concern and disdain over the events
11 leading up to the sale of the G-Wagon and the disposition of the funds derived therefrom after.
12 After finding that the Receiver likely had all documentation that exists, this Court noted:

13 "[t]here just doesn't appear to be any other paper that explains that
14 sale. The records are far from perfect. And the Court is astounded
15 by the lack of documentation for the receipt of \$100,000 in cash.
16 But it is what it is."

17 ECF No. 568 at p. 25:6-12.

18 At this stage, the Court's focus turned on how the money received from the sale "was kept
19 and where it was kept [and] how exactly it was used." ECF No. 568 at p. 26:3-6. In an attempt to
20 adequately determine the path of the funds received from the sale of the G-Wagon, the Court
21 ordered:

22 "September 29th. Demonstrate the source of the funds to purchase
23 the Mercedes was something other than the tainted funds.
24 Presuming the source of the funds are tainted, then no later than that
25 date, you must negotiate with the receiver regarding how the funds
26 were used providing documentation. Not typed written on white
27 pieces of paper. Either bills or records that can be independently
28 verified of how that money was used"

29 ECF No. 568 at p. 28:7-14.

30 Unsurprisingly, Mr. Grigsby's response does nothing to address this issue but again points
31 to the Beasley Divorce proceedings to argue that the G-Wagon was Mrs. Beasley's sole property.

1 Mr. Grigsby thereafter concludes “a full breakdown of all of the payments provided through the
2 Grigsby IOLTA account was previously provided...”²⁷ Had Mr. Grigsby consulted the transcript
3 of the August 2023 Hearing, it would have been readily apparent to him that his previous
4 “breakdown” was insufficient.

5 After summarizing the few known facts surrounding the \$170,000 purportedly received
6 from the sale of the G-Wagon, this Court stated:

7 “None of that could be used the way it was without permission of the
8 receiver and permission of the Court. So it is subject to repayment.”

9 ECF No. 568 at p. 27:6-8.

10 On this ground, and in light of the fact that this Court is cognizant of the lack of information
11 surrounding the dissipation of these funds, the Court gave Mr. Grigsby two options. Mr. Grigsby
12 could demonstrate the source of the funds used to purchase the G-Wagon was something other
13 than the Ponzi scheme, or, Mr. Grigsby could provide a more detailed accounting of “exactly what
14 the money was used for.” ECF No. 568 at p. 27:16-22. The Court did not offer a third option for
15 Mr. Grigsby to double down on his already rejected position, yet, that is exactly what Mr. Grigsby
16 chose to do and a finding of contempt is warranted.

17 **Aston Martin**

18 Like the Ferrari and the G-Wagon, this Court found the Aston Martin, and the subsequent
19 funds derived therefrom, to fall under the Asset Freeze.

20 “The prior order required turnover of all amounts remaining in Mr. Grigsby’s or
21 Mrs. Beasley’s possession from the sale of the G-Wagon or the Aston Martin. The
22 Ferrari money was gone. That did not happen. There’s no explanation for why that
23 did not happen. There was no objection to the order. I, again, here, will – I will
24 reiterate the order as a report and recommendation that that amount be turned over
25 by September –all amounts that remain in the possession of Mr. Grigsby and/or
26 Mrs. Beasley from the sale of the G-Wagon or the Aston Martin be turned over to
27 the Receiver by the 29th of September.”

28 ECF No. 568 at p. 24:3-13.\

///

²⁷ Exh. 2, September 29 Response.

1 The above mandate was accompanied by the stern warning that in the event Mr. Grigsby
 2 chooses not to comply, “there will be a contempt for the first order to which no objection was
 3 entered.” ECF No. 568 at p. 24:14-18. Despite this, Mr. Grigsby did not come close to achieving
 4 compliance with respect to the Aston Martin. Indeed, Mr. Grigsby’s response merely concludes
 5 (in direct contradiction of this Court’s order) that “a full accounting of the disbursement of all of
 6 the Aston sales proceeds were provided.”²⁸

7 Again, Mr. Grigsby was advised of two possible means of compliance. First, Mr. Grigsby
 8 could provide a detailed accounting of the dissipation of the Aston Martin funds, or, Mr. Grigsby
 9 could demonstrate that the Aston Martin was purchased with untainted funds. Yet, Mr. Grigsby
 10 chose neither and instead sought to double down on his previous production—which this Court
 11 already found insufficient.

12 **b. The Receiver Should Be Awarded the Fees and Costs Incurred to Date**

13 In addition to a finding of contempt, the Receiver should be awarded attorney fees and
 14 costs. For more than a year, the Receiver has devoted significant time and effort toward
 15 coordinating a resolution of this dispute. However, Mr. Grigsby’s dilatory actions have forced the
 16 Receiver to expend significant resources sifting through haphazardly produced documents only to
 17 be forced to move this Court for intervention on three separate occasions. Having reached the end
 18 of its rope, this Court can see that Mr. Grigsby has played a significant role in the diminution of
 19 the Receivership Estate through his dealings with Paula Beasley and through his refusal to comply
 20 with this Court’s orders. As such, the Receiver requests, in addition to any other sanction the
 21 Court deems fit, an award of all attorney’s fees and costs incurred in pursuing this matter against
 22 Mr. Grigsby.²⁹

23 **IV. CONCLUSION**

24 The issues before this Court have been thoroughly briefed, argued, and ruled upon. The
 25 parties, and most specifically, the Receiver, have spent countless hours parsing through documents
 26

27 ²⁸ Exh. 2, September 29 Response.

28 ²⁹ Should this Court grant the Receiver’s requests, the Receiver requests an opportunity to supplementally
 submit a memorandum demonstrating the fees and costs actually incurred to date.

1 attempting to piece together the puzzle Mr. Grigsby created. But, to no avail. The Receiver—and
2 by virtue—this Court, are in no better position than they were on August 25, 2023 when
3 Mr. Grigsby was ordered to comply or be deemed in contempt. This Court’s mandate was
4 undeniably clear, and Mr. Grigsby failed to comply with the same.

5 Now that Mr. Grigsby has exhausted his last chance at compliance, the Receiver
6 respectfully requests, this Court enter an order:

- 7 1) Finding Mr. Grigsby in contempt of this Court’s orders;
- 8 2) Awarding the Receiver the attorney’s fees and costs incurred to date in pursuing
9 this matter against Mr. Grigsby; and
- 10 3) For such other and further relief this Court deems just and proper.

11 DATED this 6th day of October, 2023.

12 **GREENBERG TRAUIG, LLP**

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

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28

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CERTIFICATE OF SERVICE

I hereby certify that, on the **October 6, 2023**, a true and correct copy of the foregoing was filed electronically via the Court’s CM/ECF system. Notice of filing will be served on all parties by operation of the Court’s CM/ECF system, and parties may access this filing through the Court’s CM./ECF system; and by serving via email by United States first class mail, postage pre-paid on the parties listed below:

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INDEX OF EXHIBITS	
EXH.	DESCRIPTION
1	Declaration of Kara B. Hendricks
2	September 29, 2022 Correspondence from Dean Kajioka
3	October 2, 2023 Correspondence from Kara Hendricks

EXHIBIT 1

EXHIBIT 1

Declaration of Kara B. Hendricks

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

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

18 SECURITIES AND EXCHANGE
19 COMMISSION,

20 Plaintiff,

21 vs.

22 MATTHEW WADE BEASLEY et al.

23 Defendants;

24 THE JUDD IRREVOCABLE TRUST et al.

25 Relief Defendants.
26
27

28 ///

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

DECLARATION OF KARA B. HENDRICKS IN SUPPORT OF MOTION TO FIND AARON GRIGSBY 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 Find Aaron Grigsby in
8 Contempt for Failure to Comply With This Court’s Orders (the “Motion”).

9 4. Shortly after the August 2023 hearing, I reached out to Mr. Grigsby to discuss
10 compliance with the Court’s orders and schedule a meeting to discuss the same.

11 5. At Mr. Grigsby’s request, the meeting was scheduled for September 22, 2023.

12 6. On September 18, 2023, Mr. Grigsby filed an Emergency Motion to Withdraw as
13 Counsel for Paula Beasley (ECF No. 573) which was granted on September 19, 2023
14 (ECF No. 574).

15 7. On September 20, 2023, Attorney Dean Kajioka contacted me and indicated that
16 he would be representing Mr. Grigsby on issues relating to the Order to Show Cause and requested
17 the planned meeting be rescheduled.

18 8. Despite already having travel plans in place for the September 22, 2023 meeting,
19 the Receiver adjusted travel plans and scheduled a meeting for September 25, 2023.

20 9. The morning of September 25, 2023, Mr. Kajioka informed me that he had tested
21 positive for COVID and would not be able to attend the scheduled meeting.

22 10. I then suggested a Zoom meeting so the parties could discuss a potential resolution,
23 but neither Mr. Kajioka nor Mr. Grigsby appeared for the Zoom meeting.

24 11. On September 29, 2023, I received correspondence from Mr. Kajioka purporting
25 to be a response to the Court’s order.

26 12. The September 29, 2023 correspondence did very little to address this Court’s
27 concerns.

28 ///

EXHIBIT 2

EXHIBIT 2

September 29, 2023 Kajioka Correspondence



KAJIOKA & ASSOCIATES
ATTORNEYS AT LAW

VIA EMAIL hendricksk@gtlaw.com

September 29, 2023

Kara Hendricks
Greenberg Traurig LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135

RE: *Securities and Exchange Commission v. Matthew Beasley, et al.*
United States District Court, Case No. 2:22-CV-00612-CDS-EJY
Aaron Grigsby's Response to Outstanding Issues Due September 29, 2023

Ms. Hendricks:

As you know, last week I was retained by Aaron Grigsby, Esq. to assist in addressing the outstanding issues involving his law office's representation of Paula Beasley and related matters raised in the above referenced action. You are also aware from my office's communications with you earlier this week, that I have been out of the office this week due to being sick with covid. Notwithstanding this fact, you denied my office's request on my behalf for a brief continuance of both the meeting scheduled on Monday, September 25, 2023 to discuss these outstanding issues, and the September 29, 2023 deadline to respond to the outstanding issues in this matter. You provided me with your spreadsheet identifying the outstanding issues to me via email on September 25, 2023. This correspondence is provided to you on behalf of Aaron Grigsby, Esq., in response to and in an effort to address the outstanding issues as set forth in your spreadsheet.

As you know, Mr. Grigsby no longer represents Paula Beasley and, therefore, has no input regarding her actions and/or responses to the subject issues. Thus, Ms. Paula Beasley will either respond on her own behalf or through new counsel. As for Mr. Grigsby, the following responses are provided to address and hopefully resolve the issues raised in your spreadsheet.

Item 16. Ms. Beasley should be contacted to address the return of the Range Rover as it is our information that she is currently in possession of this vehicle.

Item 17-19. As you know, Mr. Grigsby disputes the ability of the Receiver to claim the proceeds from the sale of the Ferrari. The Clark County District Court Family Division issued an Order dated March 28, 2022, awarding the Mercedes Benz and Ferrari vehicles to Paula Beasley, and further ordered the sales proceeds from the Ferrari be used to pay

Kara Hendricks
September 29, 2023
Page Two

Ms. Beasley's attorney's fees due to Mr. Grigsby. The District Court Order also predates the Asset Freeze and appointment of the Receiver in this action. It is my understanding that no action has been taken either by the Receiver nor your office to seek a modification or other ruling to this District Court Order regarding the Ferrari sales proceeds. As such, Mr. Grigsby is entitled to retain the portion of Ferrari sales proceeds received by his law office. Notwithstanding Mr. Grigsby's position on this issue, and without waiving any rights, claims and defenses, he would be inclined to turn over to the Receiver the \$27,781.57 of Ferrari funds received by his law office if this will fully and completely resolve the Receiver's issues with Mr. Grigsby and his law firm.

Regarding the \$110,000 in attorney's fees claimed by the Receiver, Mr. Grigsby remains of the position that these funds are not receivership property. These attorney's fees were paid via credit cards charged prior to the filing of the subject action. The credit card charges were also paid prior to the issuance of the April 13, 2022 Asset Freeze Order, and the June 3, 2022 appointment of the Receiver. These attorney's fee credit card charges were paid and received pursuant to the terms of the Attorney Fee Retainer Agreement, which specifically stated to be a flat fee earned when paid fee agreement. A copy of the Retainer Agreement and billing statements have been previously provided to you by Mr. Grigsby as Exhibit 7 to the Paula Beasley Accounting. It is further our position that these funds paid via credit card, and which credit card(s) were never paid with any Receivership property or funds, do not constitute Receivership property which may be subject to forfeiture by Mr. Grigsby.

Specifically, Mr. Grigsby's office was paid the subject attorney's fees via Matthew Beasley's credit cards, charged as follows:

- March 11, 2022 - \$10,500 (VISA xx1540)
- March 14, 2022 - \$15,000 (Amex xx1005)
- March 16, 2022 - \$10,000 (Amex xx1005)
- March 17, 2022 - \$10,000 (Amex xx1005)
- March 18, 2022 - \$15,000 (Amex xx1005)
- March 23, 2022 - \$50,000 (Amex xx1005)

The Amex credit card used to pay these attorney's fees, have not been paid by or on behalf of Mr. Beasley to Amex with any Receivership funds. These credit card charges actually remain an outstanding debt of Matthew Beasley. In fact, on January 13, 2023, American Express filed a debt collection action against Matthew Beasley in American Express National Bank v. Matthew Beasley, Clark County District Court, Case No. A-23-863964-C, asserting a claim for unpaid credit card charges of \$100,090.75, for Amex credit card xx71005. It is this same Matthew Beasley Amex credit card xx1005, which was used to pay Mr. Grigsby's attorney's fees, as evidenced by the credit card transaction receipts. (A copy of these credit card transaction receipts are attached to this correspondence). Thus, the attorney's fees provided to Mr. Grigsby are not funds or proceeds from the alleged Ponzi scheme asserted against Matthew Beasley, do not

Kara Hendricks
September 29, 2023
Page Three

constitute Receivership property, nor is the Receivership at a loss as a result of these funds which are a debt incurred by Matthew Beasley through the use of his Amex credit card xx1005. Accordingly, the Receivership has no basis to claim the attorney's fees received by Mr. Grigsby, and he is entitled to retain his earned attorney's fees.

Item 23. Aston Martin Accounting. This vehicle was sold for a net \$69,239.25 after payoff of the encumbrance, with a check issued by Vegas Auto Gallery. A full accounting of the disbursement of all of the Aston sales proceeds were provided by Mr. Grigsby in the Paula Beasley Accounting, (Exhibits to Declaration of Paula Beasley regarding Aston Martin), which includes copies of all transaction statements illustrating the payments and distributions of the entirety of these sales proceeds to pay for Ms. Beasley's expenses from 3/21/22 through 6/19/22. As a result, there are no remaining Aston Martin sales proceeds to turn over to the Receiver.

Item 24. Mercedes Benz G-Wagon Accounting. On March 28, 2022, this vehicle was awarded to Paula Beasley by the Clark County District Court, Family Division, as her separate property. In turn, on about April 2, 2022, Ms. Beasley sold this vehicle to a private party for the sum of \$170,000. Payment of this sum was provided in three (3) installments.

On about April 2, 2022, \$100,000 cash was paid by the Buyer to Paula Beasley, and the vehicle was delivered to Buyer's possession. Buyer agreed to pay the balance when Ms. Beasley delivered the Certificate of Title to the vehicle.

In June 2022, the Certificate of Title was provided to the Buyer, and in turn a \$47,835 check was paid by Buyer and issued to the Dawson School. The check issuance to the Dawson School was done at the request of Ms. Beasley to pay for her children's school tuition. Also in June 2022, a \$22,165 check was provided by Buyer to Paula Beasley for the balance of the purchase of the Mercedes. (See Exhibit to Declaration of Paula Beasley regarding Mercedes Benz G wagon). Ms. Beasley provided this check to Mr. Grigsby and the same was deposited to the Grigsby IOLTA account.

On 8/10/22, Ms. Beasley provided \$52,500 in cash to Mr. Grigsby which was deposited to the Grigsby IOLTA account. Then on 8/12/22, payment via IOLTA check in the amount of \$50,478.72 was paid to Nevada Trust Deeds for the Ruffian property, for the past due Mortgage loan payments. (See Exhibit 6M). In addition to the Ruffian property mortgage payment, these Mercedes sales proceeds were disbursed and applied to Ms. Beasley's ongoing expenses, including a property tax bill for the Shoofey property (See Exhibit W to Declaration of Paula Beasley regarding Mercedes Benz G wagon) and her various credit card obligations. (See Exhibit A-FF to Declaration of Paula Beasley regarding Mercedes Benz G wagon). Verification of these payments made from the Grigsby IOLTA account is reflected in the Chase Bank account statements for the periods March 2022 through November 2022. (See IOLTA Statements, Exhibit 3). Further, a full breakdown of all of the payments provided through the Grigsby IOLTA account was

Kara Hendricks
September 29, 2023
Page Four

previously provided to you by Mr. Grigsby in the Paula Beasley Accounting. If there are any cash proceeds remaining from the Mercedes in Paula Beasley's possession, that is for Ms. Beasley to address.

In closing and in an effort to resolve this matter, Mr. Grigsby is prepared to return the sum of \$27,781.57 of attorney's fees earned and received, as and for full and complete resolution of all issues, including a full waiver of all claims by your client, related to Aaron Grigsby, Esq. and the Grigsby Law Group. In addition, there remains \$20.88 of Paula Beasley funds in the Grigsby IOLTA account, which Mr. Grigsby is prepared to issue to the Receiver. Please let me know if you are in agreement with this resolution so we can proceed with the drafting of a settlement agreement.

I look forward to your attention and response to the foregoing.

Respectfully submitted,

KAJIOKA & ASSOCIATES



Dean Y. Kajioka, Esq.

Cc: Aaron Grigsby, Esq.

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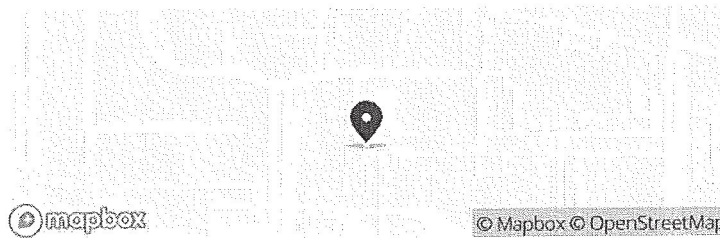


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\$10,500.00


Custom Amount \$10,500.00

Total \$10,500.00



Grigsby Law Group
2880 West Sahara Ave
Las Vegas, NV 89102

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	Mar 11
	2022 at
	2:05
Visa 1540 (Chip)	PM
	#BMGu
MATTHEW BEASLEY	Auth
	code:
	05266B



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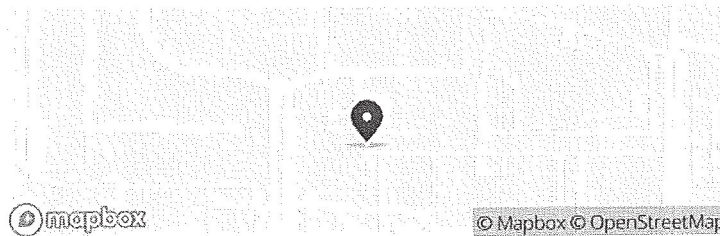


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\$15,000.00

Custom Amount \$15,000.00

Total \$15,000.00



Grigsby Law Group
2880 West Sahara Ave
Las Vegas, NV 89102

702-202-5235

AMEX 1005 (Chip)

MASTERCARD
EMV

MATTHEW BEASLEY

Mar 14
2022 at
8:33
PM
#bJY3
Auth
code:
860496



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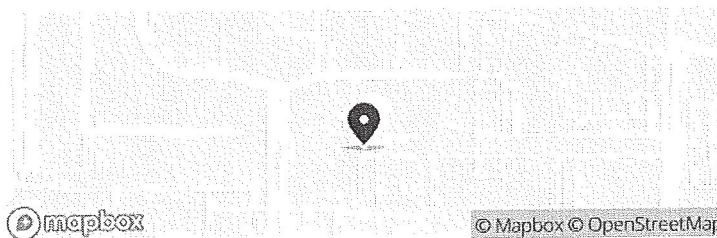


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\$10,000.00

Custom Amount \$10,000.00

Total \$10,000.00



Grigsby Law Group
2880 West Sahara Ave
Las Vegas, NV 89102

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AMEX 1005 (Chip)
AMERICAN EXPRESS
MATTHEW BEASLEY

Mar 16
2022 at
10:32
AM
#z5E8
Auth
code:
863948



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\$10,000.00

.....
Custom Amount \$10,000.00

.....
Total \$10,000.00



Grigsby Law Group
2880 West Sahara Ave
Las Vegas, NV 89102

702-202-5235

AMEX 1005 (Chip)
AMERICAN EXPRESS
MATTHEW BEASLEY

Mar 17
2022 at
10:40
AM
#t2ax
Auth
code:
802798



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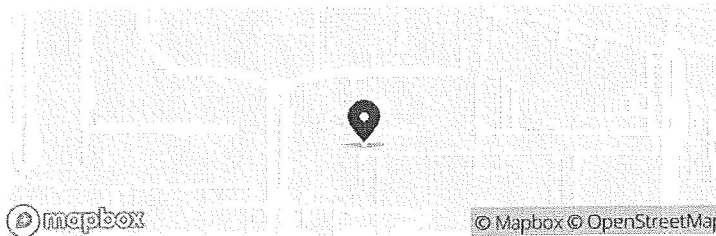


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\$15,000.00

Custom Amount \$15,000.00

Total \$15,000.00



Grigsby Law Group
2880 West Sahara Ave
Las Vegas, NV 89102

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AMEX 1005 (Chip)
AMERICAN EXPRESS
MATTHEW BEASLEY

Mar 18
2022 at
8:55
AM
#L3tC
Auth
code:
825102



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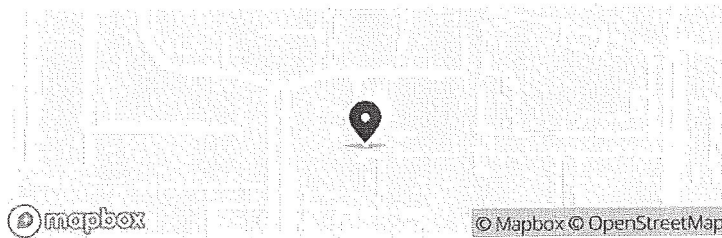


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\$50,000.00

Custom Amount \$50,000.00

Total \$50,000.00



Grigsby Law Group
2880 West Sahara Ave
Las Vegas, NV 89102

702-202-5235

AMEX 1005 (Chip)
AMERICAN EXPRESS
MATTHEW BEASLEY

Mar 23
2022 at
8:22
AM
#LX5s
Auth
code:
825790



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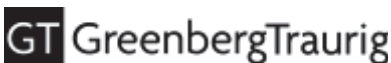
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From: [Hendricks, Kara \(Shld-LV-LT\)](#)
To: [Escobar-Gaddi, Evy \(LSS-LV-LT\)](#)
Subject: FW: SECURITIES AND EXCHANGE COMMISSION v. MATTHEW BEASLEY - GRIGSBY'S RESPONSE
Date: Friday, September 29, 2023 3:58:53 PM
Attachments: [Hendricks.GrigsbyResponseOutstandingIssues.pdf](#)
[image001.png](#)

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](#)



From: Attorneys Office <attorneys@kajiokalawlv.com>
Sent: Friday, September 29, 2023 1:13 PM
To: Hendricks, Kara (Shld-LV-LT) <hendricksk@gtlaw.com>
Subject: SECURITIES AND EXCHANGE COMMISSION v. MATTHEW BEASLEY - GRIGSBY'S RESPONSE

EXTERNAL TO GT

Please find attached herein Mr. Aaron Grigsby's Response to Outstanding Issues in the above-referenced matter.

Thank you.

KAJIOKA & ASSOCIATES

8350 West Sahara Avenue, Suite 110
Las Vegas, Nevada 89117
Telephone: (702) 776-7676
Fax: (702) 366-1653

EXHIBIT 3

EXHIBIT 3

October 2, 2023 Hendricks Correspondence



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

October 2, 2023

VIA FIRST CLASS UNITED STATES MAIL & EMAIL

Dean Kajioka, Esq.
attorneys@kajiokalaw.com
KAJIOKA & ASSOCIATE
8350 W. Sahara Avenue
Suite 110
Las Vegas, Nevada 89117

Re: **Securities and Exchange Commission v. Matthew Wade Beasley, et al.**
Case No. 2:22-CV-00612-CDS-EJY
Subject: **Motion to Showcase and Motion for Turnover re: Aaron Grigsby**

Dear Mr. Kajioka:

We are in receipt of your September 29, 2023, correspondence and are disappointed by the same as it falls woefully short of what was ordered by the Court. Further, Mr. Grigsby's offer to resolve this matter for \$27,781.57 does not consider the Court's prior orders and is thus rejected.

As a preliminary matter, it is disingenuous to suggest that my office and/or the Receiver have not attempted to cooperate and work with you and Mr. Grigsby. Indeed, we moved the meeting we had requested just days after the hearing with Mr. Grigsby to accommodate your schedule. This required Mr. Winkler to change his flight plans and he flew into Las Vegas Monday morning to meet with you and Mr. Grigsby. Then, after learning you had tested positive for COVID, I suggested a Zoom meeting where we could discuss the issues in advance of the upcoming Court deadline. Additionally, although it was clear from your email correspondence that there was a lack of knowledge regarding the facts of the case, I provided you additional case background as well as a chart that identified the items the Court specified had to be resolved by September 29, 2023. The chart also listed the specific page number from the transcript of the last hearing in which the Court discussed in detail what was required of Mr. Grigsby. Despite such efforts to work with you, after trying to resolve and work through the same issues with Mr. Grigsby for over a year, it was not until the afternoon of September 29, 2023, that we received your letter with a purported settlement offer.

Greenberg Traurig, LLP | Attorneys at Law

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Dean Kajioka, Esq.
KAJIOKA & ASSOCIATE
October 2, 2023
Page 2

ATTORNEY RETAINER AND FUNDS FROM FERRARI

In addressing what you identify as items 17-19 (this issue was actually addressed by the Court on pages 17-19 of the transcript from the August 25, 2023 hearing), the information provided is insufficient. Indeed, the Court made it clear that Mr. Grigsby was not entitled to retain the \$110,000 retainer or the funds from the sale of the Ferrari. The arguments you make in the letter regarding the sale of the Ferrari being justified because of the family court order have been extensively briefed and rejected by the Receivership Court.

In regard to the \$110,000 in credit card payments that Mr. Grigsby received, the information you provided does not resolve the issues outlined by the Court. The Court made it clear that if Mr. Grigsby could not demonstrate that the source of the funds was something other than funds from the Ponzi scheme, those funds were subject to disgorgement. You have provided no evidence to suggest that Mrs. Beasley and/or Mr. Beasley paid Mr. Grigsby with funds that were unrelated to the alleged Ponzi scheme, thus the full amount must be turned over to the Receiver. Your suggestion that the credit card charges were made prior to the asset freeze and receivership do not change the inquiry or resolve the issue.

The only new argument made in your letter is that American-Express has filed a lawsuit relating to lack of payment on the American Express card utilized by Mr. Beasley. However, your suggestion that the lawsuit entitles Mr. Grigsby to keep the funds is nonsensical.

ASTON MARTIN

In addressing what you identify as item 23 (this issue was actually addressed by the Court on page 23 of the transcript from the August 25, 2023 hearing), your letter does not comply with the directive from the Court. Indeed, the Court stated that Mr. Grigsby was to demonstrate how the funds were used and could also attempt to demonstrate that the Aston Martin was purchased from funds other than the Ponzi-scheme. Although you conclude that all the funds were used to pay Mrs. Beasley's bills, no additional documents or information was provided. This violates the Court's order.

The Court further ordered Mr. Grigsby to turnover any amounts in his possession relating to the sale of the Aston Martin by the 29th of September. No funds were turned over to the Receiver.

MERCEDES G-WAGON

In addressing what you identify as item 24 (this issue was actually addressed by the Court beginning on page 24 of the transcript from the August 25, 2023 hearing), once again there is a total lack of compliance with the Court Order. Notably, your recitation of the "facts" relating to the sale of the G-Wagon have been fully briefed and the Receiver has provided information to the Court that shows willful violation of prior orders relating to the same. Moreover, at the August 25th hearing the Court noted there were primarily two ways Mr. Grigsby could work through this issue. First, he could prove that the source of funds used to initially purchase the G-Wagon were not

Dean Kajioka, Esq.
KAJIOKA & ASSOCIATE
October 2, 2023
Page 3

related to the Ponzi-scheme. Second, Mr. Grigsby was to provide a more robust accounting of what the money was used for other than the two distinct large payments. You have failed to address either of these issues. Moreover, the Court ordered that any funds left from the sale of the G-Wagon be turned over to the Receiver by September 29, 2023. That also did not occur.

Mr. Grigsby has had multiple opportunities to work through the issues identified herein with the Receiver and has failed to do so. It is not clear from your correspondence how or why Mr. Grigsby believes \$27,781.57 is an appropriate amount to resolve this dispute. Further, such an amount would not even cover the attorney fees that have been expended due to Mr. Grigsby's gamesmanship. Based on Mr. Grigsby's noncompliance, we will be notifying the Court that a resolution could not be reached on any of the issues identified. We will also be filing a motion for contempt and a motion for turnover of the full amount Mr. Grigsby received in payments relating to his representation of Paula and/or Matthew Beasley as well as funds received for all the vehicles sold. We will additionally be renewing our request for attorney fees.

Best regards,

GREENBERG TRAUIG, LLP



KARA B. HENDRICKS, ESQ.

Shareholder

KBH:eg

From: [Escobar-Gaddi, Evy \(LSS-LV-LT\)](#)
To: attorneys@kajiokalawlv.com
Cc: [Hendricks, Kara \(Shld-LV-LT\)](#); [Spaulding, Christian \(Assoc-LV-LT\)](#); [Levin, Akke \(OfCnl-LV-LT\)](#); [Morrill, Steph \(Para-LV-LT\)](#); [Escobar-Gaddi, Evy \(LSS-LV-LT\)](#)
Subject: SEC v. Matthew Beasley, USDC Case No. 2:22-cv-00612-CDS-EJY
Date: Monday, October 2, 2023 7:30:28 PM
Attachments: [20231002 LETT KBH to Kajioka re Grigsby\(690644890.1\).pdf](#)
[image001.png](#)

Enclosed please find correspondence from Kara B. Hendricks, Esq. in the above-referenced matter.

Hard copy to follow via first class mail. Thank you.

Evy Escobar-Gaddi
Legal Support Specialist

Greenberg Traurig, LLP
10845 Griffith Peak Drive | Suite 600 | Las Vegas, Nevada 89135
T +1 702.938.6889 | C 702 985 3236
escobargaddie@gtlaw.com | www.gtlaw.com



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Las Vegas, Nevada 89117