

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

1 KARA B. HENDRICKS, Bar No. 07743  
hendricksk@gtlaw.com  
2 KYLE A. EWING, Bar No 014051  
ewingk@gtlaw.com  
3 CHRISTIAN T. SPAULDING, Bar No. 014277  
4 **GREENBERG TRAURIG, LLP**  
10845 Griffith Peak Drive, Suite 600  
5 Las Vegas, Nevada 89135  
Telephone: (702) 792-3773  
6 Facsimile: (702) 792-9002

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

13 *Attorneys for Geoff Winkler Receiver for*  
14 *J&J Consulting Services, Inc., J&J Consulting Services, Inc.,*  
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 ///

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

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

**MOTION FOR ORDER DIRECTING  
THE TURNOVER OF  
RECEIVERSHIP PROPERTY  
FROM AARON GRIGSBY**

1 Comes now, Geoff Winkler, the Court-appointed Receiver (the “Receiver”), by and through  
2 his counsel of record the law firm of Greenberg Traurig, LLP, and hereby submits the following  
3 Motion for Order Directing the Turnover of Receivership Property From Aaron Grigsby (the  
4 “Motion”).

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

9 DATED this 9th day of October 2023.

10 **GREENBERG TRAURIG, LLP**

11 By: /s/ Kara B. Hendricks

12 KARA B. HENDRICKS, Bar No. 07743  
13 KYLE A. EWING, Bar No. 014051  
14 CHRISTIAN T. SPAULDING, Bar No.  
15 014277

16 JARROD L. RICKARD, Bar No. 10203  
17 KATIE L. CANNATA, Bar No. 14848  
18 **SEMENZA KIRCHER RICKARD**

19 DAVID R. ZARO\*  
20 JOSHUA A. del CASTILLO\*  
21 MATTHEW D. PHAM\*  
22 \*admitted pro hac vice  
23 **ALLEN MATKINS LECK GAMBLE**  
24 **MALLORY & NATSIS LLP**  
25 *Attorneys for Receiver Geoff Winkler*

26 **MEMORANDUM OF POINTS AND AUTHORITIES**

27 **I. INTRODUCTION**

28 Aaron Grigsby, a Nevada licensed attorney has been the focus of multiple proceedings  
before this Court concerning his role in Paula Beasley’s disposition of hundreds of thousands of  
dollars of Receivership Assets and his failure to turnover attorney fees he received that were sourced  
from tainted funds. Most recently, Mr. Grigsby was ordered to show cause why this Court should  
not find him in contempt for failure to comply with Court orders. Despite being granted every

1 conceivable opportunity to prove he did not violate prior orders and to voluntarily turnover funds  
2 to the Receiver, he has failed to do so.

3 As demonstrated herein, despite admitted knowledge of the alleged Ponzi scheme and the  
4 Asset Freeze controlling the assets in this case, Mr. Grigsby not only facilitated the sale of a vehicle  
5 worth more than \$250,000 but also single handedly orchestrated the disposition of all proceeds  
6 derived from Mrs. Beasley's sale of three vehicles. Moreover, as counsel for both parties to the  
7 Beasley Divorce, Mr. Grigsby facilitated and accepted payment of \$110,500 from Matthew  
8 Beasley's credits cards despite Mr. Grigsby's knowledge of Mr. Beasley's incarceration and  
9 inability to repay those debts.

10 Now, Mr. Grigsby has squandered all of his Court offered chances to redeem himself and is  
11 the subject of a pending Motion to Find Aaron Grigsby in Contempt. In conjunction therewith, the  
12 Receiver now comes before this Court seeking an order directing the immediate turnover of the  
13 equivalent value of all tainted funds which flowed into Mr. Grigsby's account and those funds of  
14 which he facilitated the disposition of.

## 15 **II. RELEVANT FACTUAL AND PROCEDURAL BACKGROUND**

16 This Motion is the result of the Receiver's efforts to locate and recover substantial  
17 Receivership assets that were transferred to and/or received by attorney Aaron Grigsby. As set  
18 forth more fully herein, Mr. Grigsby played an instrumental role in the transfer and dissipation of  
19 hundreds of thousands of dollars of Receivership assets despite his full knowledge and  
20 understanding of the Asset Freeze in place in this case. Moreover, Mr. Grigsby was the knowing  
21 recipient of \$110,500.00 paid to him via charges on the credit cards of Matthew Beasley, after his  
22 arrest.

23 Initially, the Receiver sought to recover the funds in question without court involvement  
24 but, after being stonewalled, the Receiver was compelled to move this Court for an order compelling  
25 Mr. Grigsby's compliance with the terms of the Temporary Restraining Order and Preliminary  
26 Injunction (collectively, the "Asset Freeze") (ECF No. 56) as well as the terms of the Order  
27 Appointing Receiver (the "Appointment Order") (ECF No. 88). In April, 2023, after Mr. Grigsby  
28 failed to satisfy the Court's orders, the Receiver returned to this Court seeking an order to show

1 cause and, in August 2023, Mr. Grigsby was ordered to turn over the funds he had received or  
2 demonstrate the source of the funds to be from something other than the Ponzi-scheme.  
3 Mr. Grigsby was given one month to meet this mandate or face contempt. On September 29, 2023,  
4 Mr. Grigsby, through newly retained counsel, submitted a response to the Court's order which did  
5 nothing but re-argue positions already rejected by the Court. As a result, on October 6, 2023, the  
6 Receiver filed a Motion to Find Aaron Grigsby in Contempt for Failure to Comply With This  
7 Court's Orders (the "Motion for Contempt"). In conjunction with the Motion for Contempt, the  
8 Receiver now seeks an order directing the turnover of \$405,302.40, representing the value of the  
9 receivership assets squandered and the attorney's fees received by Mr. Grigsby.

#### 10 **A. Summary Of Prior Proceedings**

11 On October 21, 2022, the Receiver filed a Motion to Compel or Alternative Motion for  
12 Order to Show Cause Why Paula Beasley and Aaron Grigsby Should Not be Held in Contempt for  
13 Failure to Comply With This Court's Orders and Request for Turnover of Mercedes G-Wagon or  
14 Value of the Same (the "Motion to Compel"). ECF No. 333. The Motion to Compel centered on  
15 a number of violations of the Court's orders and a general failure to provide the Receiver with  
16 information related to the location and status of assets belonging to the Receivership Estate. The  
17 crux of the Motion to Compel involved significant questions regarding the factual background  
18 related to Mrs. Beasley's apparent disposition of various vehicles, including a 2020 Mercedes Benz  
19 G-63 (the "G-Wagon")<sup>1</sup>, a 2016 Ferrari 488 GTB (the "Ferrari"), and a 2020 Aston Martin Vantage  
20 (the "Aston Martin").<sup>2</sup> Each of the vehicles in question were purchased with funds derived from  
21 the alleged Ponzi scheme.

#### 22 **B. The Hearing on the Motion to Compel**

23 The Motion to Compel came on for hearing on December 16, 2022 (the "December 2022  
24 Hearing") before Magistrate Youchah. ECF No. 416.<sup>3</sup> During the hearing, the Court focused on  
25

26 <sup>1</sup> The Asset Freeze expressly listed the G-Wagon as an asset that could not be transferred, assigned or sold.  
ECF No. 3 at 10.

27 <sup>2</sup> The Motion to Compel discussed other matters, including the lack of information surrounding various  
properties that have since become moot.

28 <sup>3</sup> The transcript of the December 16, 2022 Hearing served as the order on the Motion to Compel.

1 the lack of information surrounding Mrs. Beasley’s disposition of the three vehicles, material  
2 misrepresentations made to third parties, including the Court, and a lack of information related to  
3 attorney’s fees paid to Mr. Grigsby. Of particular concern to the Court was the lack of evidence  
4 demonstrating the location and/or status of approximately \$173,000 that should have been turned  
5 over to the Receiver following the sale of the three vehicles.

6 “I don’t understand where that money went and the receiver has a right to  
7 know where it went.”

8 ECF No. 416 at p. 21:11-12.

9 The Court also raised significant concern over an April 26, 2022 email from Mr. Grigsby to  
10 the SEC, wherein Mr. Grigsby expressly acknowledged that the G-Wagon was subject to the TRO  
11 and advised “*[i]n all candor, Ms. Beasley is hoping to sell the 2020 Mercedes and apply the*  
12 *proceeds to living and litigation expenses.*” ECF No. 416 at p. 28:20-29:22. The Court noted in  
13 the April 26, 2022 email that Mr. Grigsby represented to the SEC that Mrs. Beasley intended to sell  
14 the vehicle when, in fact, the vehicle had already been sold.

15 “You made a material misrepresentation to the SEC in writing that you  
16 provided to the Court . . . Your problem is misrepresentation in writing to  
17 the SEC and misrepresentations to the Court about what happened. And I  
18 don’t hear you trying to explain that at all and that genuinely concerns me.”

19 ECF No. 416 at p. 28:20-29:22.

20 Despite the clear violations of court orders, the Court gave Mr. Grigsby an opportunity to  
21 come clean with the SEC and reverse the course of action to avoid potential sanctions. ECF No. 416  
22 at p. 42:3-6. The Court ultimately ordered Mr. Grigsby to produce evidence and information  
23 pertaining to the sale of the G-Wagon, the Ferrari, and the Aston Martin as well as an accounting  
24 “down to the penny” of the proceeds of each sale. ECF No. 416 at 42:14-45:1. Additionally, the  
25 Court ordered Mr. Grigsby to provide a full accounting of all attorney’s fees he had received and,  
26 if any of those fees, came from credit cards belonging to Matthew Beasley, those funds were to be  
27 turned over. *Id.*

28 Mr. Grigsby’s initial production, received January 20, 2023, fell woefully short of satisfying  
the Court’s order. ECF No. 498 at pp. 6-19. However, because Mr. Grigsby appeared to have

1 devoted some effort to complying, the receiver corresponded with Mr. Grigsby, ultimately agreeing  
 2 to a March 24, 2023 deadline for a supplemental response from Mr. Grigsby. ECF No. 498 at  
 3 p. 6:10-17. However, Mr. Grigsby's second production likewise failed to meet this Court's order.

#### 4 **C. The Motion for Order to Show Cause**

5 Following Mr. Grigsby's insufficient response to the Court's December 2022 order, the  
 6 Receiver filed a Motion for Order to Show Cause Why Paula Beasley and Aaron Grigsby Should  
 7 Not be Held in Contempt for Failure to Comply With This Court's Orders and Alternative Motion  
 8 for Turnover (the "Motion for Order to Show Cause"). ECF Nos. 498, 499. The Motion for Order  
 9 to Show Cause laid out for the Court, in significant detail the documents provided by Mr. Grigsby,  
 10 advised the Court of what was missing, and further demonstrated that Mr. Grigsby and Mrs. Beasley  
 11 had squandered hundreds of thousands of dollars which should have been turned over to the  
 12 Receiver.

#### 13 **D. The Hearing on the Motion for Order to Show Cause**

14 The Motion for Order to Show Cause came before this Court on August 25, 2023 (the  
 15 "August 2023 Hearing"). During the August 2023 Hearing, the Court made it abundantly clear that  
 16 more was needed to demonstrate that the \$110,000 worth of attorney's fees Mr. Grigsby received  
 17 and the proceeds of the sale of the Ferrari, Aston Martin, and G-Wagon was something other than  
 18 Ponzi-scheme funds and not subject to turnover. ECF No. 568 at pp. 17:13-24; 19:10-24; 23:8-16;  
 19 28:7-14. Should Mr. Grigsby be unable to satisfy this directive, the Court ordered Mr. Grigsby to  
 20 negotiate with the Receiver for the resolution of this dispute or to turn over the funds. ECF No.  
 21 568 at p. 28:7-14.<sup>4</sup>

22 "I'm giving you now through [] September 29, nine full months to do  
 23 something I ordered back in December. No more extensions. That's it.  
 24 **You've had plenty of time.**"

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

26 \_\_\_\_\_  
 27 <sup>4</sup> "Demonstrate the source of the funds to purchase the Mercedes was something other than the tainted funds.  
 28 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."

1 During the August 2023 Hearing, the Court cautioned, in the event Mr. Grigsby failed to  
2 comply by September 29, contempt would follow and the Receiver could seek turnover of the assets  
3 in question.

4 “If the parties either refuse or—to negotiate or no resolution is reached by  
5 the close of business on the 29<sup>th</sup>, the receiver may renew a turnover motion  
6 with Judge Silva, a motion for contempt with me (Magistrate Youchah), and  
7 any other motions such as disgorgement that the court – that the receiver  
deems appropriate. That is the order of the Court.”

8 ECF No. 568 at p. 28:15-20.

9 On September 29, 2023, the Receiver received correspondence from Mr. Grigsby, through  
10 counsel Dean Kajioka, which purported to respond to the Court’s order from the August 2023  
11 Hearing.<sup>5</sup> However, the September 29, 2023 correspondence did very little to address the Court’s  
12 concerns.<sup>6</sup> Additionally, the correspondence included, without reference or verification of any sort,  
13 apparent receipts for \$110,500<sup>7</sup> in credit card payments made on credit cards held by Matthew  
14 Beasley which were received by the Grigsby Law Group.<sup>8</sup> Other than confirming that the payments  
15 were made on Mr. Beasley’s credit cards, the documents submitted with Mr. Grigsby’s  
16 September 29 Response failed to address any of the issues raised by the Court.<sup>9</sup> Instead, the  
17 September 29 Response asserted the very same arguments previously made by Mr. Grigsby, all of  
18 which had previously been rejected by the Court, and concluded with an apparent offer through  
19 which Mr. Grigsby would pay the Receiver \$27,781.57 in exchange for a release of all claims  
20 against Mr. Grigsby.<sup>10</sup> In response, on October 2, 2023, counsel for the Receiver wrote to  
21 Mr. Kajioka wherein the Receiver rejected Mr. Grigsby’s payment proposal, outlined for  
22

23 <sup>5</sup> **Exhibit 1**, Declaration of Kara Hendricks (the “Hendricks Decl.”) at ¶ 10; **Exhibit 2**, September 29, 2023  
Correspondence From Dean Kajioka (the “September 29 Response”).

24 <sup>6</sup> Exh. 1, Hendricks Decl. at ¶ 11.

25 <sup>7</sup> Notably, the March 28, 2022 Stipulation called for \$110,000 to be charged on Matthew Beasley’s  
26 American Express Card. Yet, the documents produced with Mr. Grigsby’s September 29 Response  
demonstrate that \$100,000 was charged to Mr. Beasley’s American Express and \$10,500 was charged to a  
27 Visa card held by Mr. Beasley.

28 <sup>8</sup> Exh. 1, Hendricks Decl. at ¶ 12.

<sup>9</sup> Exh. 1, Hendricks Decl. at ¶ 13.

<sup>10</sup> Exh. 1, Hendricks Decl. at ¶ 14.

1 Mr. Grigsby the numerous ways in which his response was deficient and advised that motions  
 2 would be filed with the Court to address the outstanding issues.<sup>11</sup> As of the date of this Motion, the  
 3 Receiver has not received any response.<sup>12</sup>

4 Given Mr. Grigsby's failure to comply with the Court's orders, the Receiver thereafter filed  
 5 a Motion to Find Aaron Grigsby in Contempt for Failure to Comply With This Court's Orders (the  
 6 "Motion for Contempt"). This Motion follows.

### 7 III. LEGAL ARGUMENT

8 After finding Mr. Grigsby's role in the conveyance of Receivership assets concerning, this  
 9 Court ordered Mr. Grigsby to demonstrate for the court that the funds he Received and the proceeds  
 10 he distributed from the sale of the three vehicles to be something other than Receivership Assets.  
 11 However, Mr. Grigsby has unquestionably failed to do so. Now, in conjunction with the Receiver's  
 12 pending Motion for Contempt, the Receiver comes before this Court seeking turnover of (a) all  
 13 amounts received by Mr. Grigsby as attorney's fees; (b) an amount equal to the value of the  
 14 proceeds of the sale of the G-Wagon; (c) an amount equal to the proceeds from the sale of the  
 15 Ferrari; and (d) an amount equal to the funds received from the sale of the Aston Martin. In total,  
 16 the Receiver requests this Court order the turnover of \$405,302.40 as set forth below:

Vehicle	Purported Proceeds
2020 Mercedes G63 G-Wagon	\$170,000.00
2016 Ferrari 488 GTB	\$55,563.15
2020 Aston Martin Vantage	\$69,239.25
Attorney's Fees Source	Amount
American Express 1005	\$100,000.00
Visa 1540	\$10,500.00
<b>TOTAL</b>	<b>\$405,302.40</b>

24  
 25 "Courts have inherent power to enforce compliance with their lawful orders through civil  
 26 contempt." *Shillitani v. United States*, 384 U.S. 364, 370 (1966). Indeed, Courts "are universally  
 27

28 <sup>11</sup> Exh. 1, Hendricks Decl. at ¶ 15.

<sup>12</sup> Exh. 1, Hendricks Decl. at ¶ 16.



1 acknowledged to be vested, by their very creation, with power to impose silence, respect, and  
2 decorum, in their presence, and submission to their lawful mandates.” *Chambers v. NASCO, Inc.*,  
3 501 U.S. 32, 43, 111 S. Ct. 2123, 2132 (1991) (quoting *Anderson v. Dunn*, 19 U.S. 204, 5 L. Ed.  
4 242 (1821)) (emphasis added). “These powers are ‘governed not by rule or statute but by the control  
5 necessarily vested in courts to manage their own affairs so as to achieve the orderly and expeditious  
6 disposition of cases.’” *Id.* (quoting *Link v. Wabash R. Co.*, 370 U.S. 626, 630-631, 8 L. Ed. 2d 734,  
7 82 S. Ct. 1386 (1962)). The most prominent power is the contempt sanction, “which a judge must  
8 have and exercise in protecting the due and orderly administration of justice and in maintaining the  
9 authority and dignity of the court.” *Roadway Express, Inc. v. Piper*, 447 U.S. 752, 764, 100 S. Ct.  
10 2455 (1980). In exercising their inherent authority to enforce compliance, courts routinely find  
11 contempt in instances where a party fails to comply with turnover orders. *See e.g. Armstrong v.*  
12 *Guccione*, 470 F.3d 89, 100-02 (2d Cir. 2006) (incarcerating a corporate officer found to be in  
13 contempt of a court’s turnover order for failing and/or refusing to turnover corporate records and  
14 assets); *see also Commodity Futures Trading Comm’n ex rel. Kelley v. Skorupskas*, 605 F. Supp.  
15 923, 945, fn 23 (E.D. Mich. 1985) (In an action arising from a Ponzi scheme, the defendant was  
16 found to be in contempt of the court’s order and the receivership order because the defendant  
17 established a new operation in the basement of her parents’ home in which she developed clubs  
18 designed to circumvent the court’s order. Additionally, the receiver permitted the defendant to  
19 retain a Mercedes Benz for her own personal use. However, immediately thereafter, the defendant  
20 used the Mercedes as collateral for a loan, in violation of the court order.); *see also SEC v. Res.*  
21 *Dev. Int’l*, 291 F. App’x 660, 661 (5th Cir. 2008) (In an action by the SEC arising out of an illegal  
22 Ponzi scheme, a non-party was found in contempt of the court’s order to turn over assets to the  
23 receivership by refusing to either turn over the assets or to provide an accounting of the same.).

24 Disgorgement is an equitable remedy available to federal courts for the benefit of investors.  
25 *Liu v. S.E.C.*, 140 S. Ct. 1936, 1947, 207 L. Ed. 2d 401 (2020). Additionally, “[f]ederal courts may  
26 order equitable relief against a person who is not accused of wrongdoing in a securities enforcement  
27 action where that person: (1) has received ill-gotten funds and (2) does not have a legitimate claim  
28 to those funds. *SEC v. Cavanagh*, 155 F.3d 129, 136 (2d Cir. 1998); *see also SEC v. Colello*, 139

1 F.3d 674, 676 (9<sup>th</sup> Cir. 1998) (“This court has declared ‘that federal courts have inherent equitable  
2 authority to issue a variety of ‘ancillary relief’ measures in actions brought by the SEC to enforce  
3 the federal securities laws.’ [] This broad power extends over this parties to the action.”).

4 Here, Mr. Grigsby violated the terms of the Asset Freeze, the Appointment Order and  
5 thereafter failed to Comply with the Court’s orders stemming from the same. The plain language  
6 of the Appointment order is clear: “[a]ll persons and entities having control, custody or possession  
7 of any Receivership Property are hereby directed to turn such property over to the Receiver” and  
8 “[t]he Receiver is authorized to take immediate control of all personal property of the Receivership  
9 Defendants[.]” ECF No. 88 at ¶¶ 15-22. Indeed, further supporting the Receiver’s position is the  
10 fact that the Appointment Order expressly defines “Receivership Property” as:

11 “all property interests of the Receivership Defendants, including, but not  
12 limited to, monies, funds, securities, credits, effects, goods, chattels, lands,  
13 premises, leases, claims, rights and other assets, together with all rents,  
14 profits, dividends, interest or other income attributable thereto, of whatever  
15 kind, the Receivership Defendants own, possess, have a beneficial interest  
16 in, or control directly or indirectly.”

17 ECF No. 88 at ¶ 7(A).

18 The record in this case demonstrates Mr. Grigsby’s undeniable knowledge of the orders and  
19 evinces a knowing and willful violation thereof.

20 **A. Attorney’s Fees**

21 As noted above, Mr. Grigsby represented both Mr. and Mrs. Beasley in the Beasley Divorce.  
22 Through the Beasley Divorce, the parties agreed:

23 **IT IS HEREBY FURTHER STIPULATED** that as part of  
24 his agreement to indemnify Paula Beasley, Matthew  
25 Beasley agrees to provide her with funds for her  
26 future civil and/or criminal defense. Matthew  
27 Beasley hereby authorizes a charge of 110,000.<sup>00</sup> on  
28 his American Express card to assist Paula with her  
29 defense. Payment for any charges on his American  
30 Express card subsequent to March 4, 2022, will be the  
31 sole responsibility of Matthew Beasley;

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

1 During the December 2022 Hearing, the Court took issue with this language, stating:

2 “Doesn’t the divorce decree say that Mr. Beasley is going to pay those –  
3 that American Express bill for \$110,000? And isn’t Mr. Beasley’s source  
4 of funds the alleged Ponzi scheme, Mr. Grigsby? You need to be very  
5 careful about what you’re saying today, sir, because you have duties to this  
6 Court...[Paula Beasley] disposed of her property when you knew [] there  
7 was criminal and civil proceedings coming.”

8 ECF No. 416 at p. 28:3-19.

9 With this, the Court ordered—in December 2022—that Mr. Grigsby turnover all attorney’s  
10 fees received from Matthew Beasley’s credit cards. ECF No. 416 at p. 43:12-17. Yet,  
11 approximately ten (10) months later, Mr. Grigsby has failed to surrender even a single dollar.  
12 Mr. Grigsby’s willful violation of the Court’s directive alone is sufficient to warrant turnover.

13 In circumstances mirroring those at issue in this case, an attorney has an affirmative duty to  
14 act in a manner that adheres to, and upholds, the terms of a court’s order. In fact, this Court has  
15 previously found, in a situation strikingly similar to this, “[a]n attorney is an ‘officer of the court’  
16 who, by virtue of his or her professional position, undertakes certain ‘special duties . . . to avoid  
17 conduct that undermines the integrity of the adjudicative process.’” *S.E.C. v. Fujinaga and MRI  
18 Int’l, Inc.*, No. 2-13-cv-1658-JCM-CWH, 2020 WL 3050713 at \*3 (D. Nev. June 8, 2020) (quoting  
19 *F.T.C. v. Network Servs. Depot, Inc.*, 617 F.83d 1127 (9th Cir. 2010)). In *Fujinaga*, this Court  
20 considered whether funds paid to a law firm by a relief defendant in an action to recover ponzi  
21 scheme funds were subject to the terms of a temporary restraining order and preliminary injunction  
22 and emphasized the attorney’s obligation to ensure compliance with a court’s order. *Fujinaga*,  
23 2020 WL 3050713 at \*3. Ultimately the court found that the firm receiving the funds had an  
24 affirmative obligation to ensure those funds were not subject to the terms of the court’s order and  
25 by failing to do so, the firm was in contempt of the court’s order. *Id.*

26 During the December 2022 Hearing, this Court recognized Mr. Grigsby’s obligations and  
27 stated:

28 “If she’s so flighty that she can’t pay a gas bill, **then you have a fiduciary  
duty and a duty as an attorney to make sure that she’s not violating the  
law.** And she sells a car, she signs a bill of sale on the 30<sup>th</sup> of April – not  
on the 30<sup>th</sup> of March – the 30<sup>th</sup> of April after you have written and said these

1 words: ‘In all candor, Mrs. Beasley is hoping – hoping to sell the  
2 2020 Mercedes and apply the proceeds to living and litigation.’ In all  
3 candor, hoping. She had sold it. You made a material misrepresentation to  
4 the SEC in writing that you provided to the Court. And you say you know  
5 both these vehicles are subject to the TRO. One is the Range Rover. But  
6 the other is the Mercedes. You say that. And yet, four days later, you let  
7 her sign a bill of sale, sir. You have a problem. If she does not, you do.  
8 And I am concerned about that. These are violations – knowing violations  
9 of federal court orders for a licensed attorney. That’s a problem, sir, and I  
10 think you need to be really careful.”

11 ECF No. 416 at p. 28:20-29:12 (emphasis added).

12 Once again, Mr. Grigsby’s failure to ensure the funds he had received were untainted is,  
13 without more, sufficient to warrant a turnover order. Yet, even looking further, Mr. Grigsby would  
14 still not be entitled to retain the attorney’s fees in question as he failed to seek approval from the  
15 Receiver or this Court to retain those fees.

16 It is well settled that a district court “may, within its discretion, forbid or limit payment of  
17 attorney fees” from frozen assets. *Commodity Futures Trading Comm’n v. Noble Metals, Inc.*, 67  
18 F.3d 766, 775 (9th Cir. 1995). Indeed, courts of the Ninth Circuit have regularly denied requests  
19 for payment of attorneys’ fees out of frozen assets. *See e.g. FTC v. Digital Altitude, LLC*, No. LA  
20 CV18-00729 JAK (MRW), 2018 WL 4944419, at \*6-9 (C.D. Cal. July 26, 2018) (denying request  
21 for payment of attorneys’ fees out of frozen assets finding the evidence presented did not support  
22 directing the Receiver to release additional frozen funds to pay for the defendant’s legal fees); *FTC*  
23 *v. World Wide Factors, Ltd.*, 882 F.2d 344, 347 (9th Cir. 1989); *Commodity Futures Trading*  
24 *Comm’n v. Co Petro Mktg. Grp., Inc.*, 700 F.2d 1279, 1282 (9th Cir. 1983) (affirming the district  
25 court’s order requiring a law firm to return \$60,000 to a receiver). This is because “[w]hen funds  
26 are linked directly to the fraud, it would frustrate the purpose of the regulation to allow the  
27 defendants to use those funds for attorneys’ fees.” *United States CFTC v. Wilson*, No. 11cv1651  
28 WQH (BLM), 2011 U.S. Dist. LEXIS 146153, at \*7 (S.D. Cal. Dec. 20, 2011) (citing *CFTC v. Co*  
*Petro Marketing Group*, 680 F.2d 573, 584 (9th Cir. 1982)).

Here, Mr. Grigsby, having represented both Mr. and Mrs. Beasley in the Beasley Divorce  
was undeniably aware of the facts surrounding Mr. Beasley’s arrest and further knowledgeable that

1 Mr. and Mrs. Beasley's source of income was the alleged Ponzi scheme. Thus, notwithstanding  
2 the fact that Mr. Grigsby drafted, signed, and filed the stipulation calling for his own payment in  
3 tainted funds, Mr. Grigsby was, at a bare minimum, required to seek approval from this Court to  
4 retain the funds he received. He did not.

5 Based on any of the foregoing, this Court can readily determine that Mr. Grigsby is not  
6 entitled to retain the \$110,500.00 he received. There is no question that the funds Mr. Grigsby  
7 received as attorney's fees were derived from the alleged Ponzi scheme. Further, there is no  
8 question that Mr. Grigsby was aware of this fact. Yet, Mr. Grigsby knowingly accepted and  
9 retained those funds and further ignored Court orders calling for the turnover of the same. As such,  
10 the Receiver requests this Court order Mr. Grigsby to turnover all attorney's fees received from  
11 payments made through charges on Matthew Beasley's credit cards, totaling \$110,500.00.

12 **B. Mercedes Benz G-63 G-Wagon**

13 As noted above, Mr. Grigsby played a fundamental role in Mrs. Beasley's disposition of the  
14 G-Wagon, a Receivership Asset valued at more than \$250,000.00 at the time of sale.<sup>13</sup>  
15 Mr. Grigsby's involvement began with the Beasley Divorce wherein Mr. Grigsby drafted, filed, and  
16 signed court documents stating that the G-Wagon would be sold and the proceeds held "until the  
17 resolution of all pending legal matters." Despite acknowledging that the proceeds from the sale of  
18 the G-Wagon would be at issue in future litigation, Mr. Beasley thereafter facilitated the sale of the  
19 G-Wagon to a third-party. After purportedly transferring the vehicle to the third-party, Mr. Grigsby  
20 sent the April 26, 2022 email purporting to seek permission from the SEC to sell the G-Wagon,  
21 despite the fact that the vehicle was already sold.

22 The sale of the G-Wagon purportedly netted \$170,000.00 which was allegedly paid as  
23 \$100,000 in cash and two checks totaling \$70,000.00. Despite this Court's orders for an accounting  
24 of the proceeds and the turnover of all remaining amounts, the Receiver has received nothing. As  
25 such, the Receiver requests this Court order Mr. Grigsby to turn over \$170,000.00, the equivalent  
26 of the amount that the G-Wagon purportedly sold for.

27  
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<sup>13</sup> See ECF No. 333 at p. 8.

**C. The Ferrari**

Through the records produced, the Receiver has been able to determine that Mrs. Beasley sold the Ferrari to Vegas Auto Gallery on March 21, 2022 and received a check in the amount of \$55,563.15.<sup>14</sup> The records further demonstrate that amount was deposited into Mr. Grigsby’s IOLTA account and one half of the Ferrari proceeds was thereafter transferred to Garret Ogata purporting to be for the representation of Matthew Beasley.<sup>15</sup> With respect to the disposal of the Ferrari, the Court noted:

“I note that, Mr. Grigsby, you provided a copy of the retainer agreement, which shows a fee of \$110,000 earned on retention that Mr. Beasley was supposed to pay in accordance with the stipulation entered into the divorce proceedings plus half of the value of the Ferrari that was sold in March of 202[2], which I understand was before the Court’s – this process started but would not prevent a fraudulent conveyance action from being brought for turnover of the funds from that – the sale of that Ferrari unless it could be demonstrated by [Mr.] Grigsby that the source of the funds for that Ferrari was something other than the Ponzi scheme, which I find hard to believe would occur.”

ECF No. 568 at p. 17: 13-24.

Here, Mr. Grigsby has done nothing to demonstrate that the funds that were deposited into his account from the sale of the Ferrari were untainted and has failed to turnover the same. As such, the Receiver requests this Court enter an order that Mr. Grigsby turnover the entire amount received from the sale of the Ferrari, \$55,563.15.

**D. The Aston Martin**

The third vehicle which has, for all intents and purposes, vanished, is the Aston Martin.

“The Aston Martin. That is Mrs. Beasley’s declaration, Exhibit Number 8, ECF Number 501-8. There’s a check from Vegas Auto Galley to Mrs. Beasley, which was then deposited into Mr. Grigsby’s IOLTA account. Mrs. Beasley’s declaration then provides a description of the payments made with the sale, proceeds through exhibits attached to her declaration . . . The problem, however, is that what exactly the charges are for on those credit cards are unknown. So we don’t know what the funds

<sup>14</sup> ECF No. 498 at p. 11.

<sup>15</sup> ECF No. 498 at p. 13-14.

1 were used for . . . So whether the payment of those bills with the amount  
2 from the – from the Aston Martin are living expenses or are – that would  
3 have been approved, had they been negotiated with the receiver, or are  
4 subject to a fraudulent conveyance action because they were paid before the  
5 receiver was appointed but after the asset freeze was in place – but even if  
it was before the asset freeze was in place, the fraudulent conveyance action  
can be brought.”

6 ECF No. 568 at p. 22:9-237.

7 Despite clear orders to demonstrate how, and for what, the funds were used, or alternatively,  
8 demonstrate that the purchase of the Aston Martin was with funds other than the Ponzi scheme  
9 funds (ECF No. 568 at p. 23:8-16), Mr. Grigsby has done nothing. Thus, what the Receiver—and  
10 this Court—are left with is the fact that Mr. Grigsby knowingly accepted funds derived from the  
11 sale of a vehicle purchased with tainted funds and that Mr. Grigsby knowingly dissipated those  
12 funds without approval from this Court or the receiver. As such, the Receiver requests this Court  
13 order Mr. Grigsby to turn over the entire amount received from the sale of the Aston Martin,  
14 \$69,239.25.

15 Although the Receiver has pursued the recovery of these assets for more than a year, the  
16 Receiver has gained nothing other than an understanding of how Mr. Grigsby facilitated the  
17 dissipation of more than \$400,000 worth of Receivership Assets despite an undeniable duty—as an  
18 office of the Court—to comply with Court orders. Indeed, the mis-dealings in this case and  
19 numerous unanswered questions arising therefrom have only grown more apparent as time has  
20 passed. Indeed, despite lacking a full understanding of where the funds were dissipated, the  
21 Receiver—and this Court—have come to conclusively understand:

- 22 (a) Mr. Grigsby facilitated, through the Beasley Divorce, payment to himself of  
23 \$110,500.00 dollars on Matthew Beasley’s credit cards;
- 24 (b) Facilitated the sale of the G-Wagon despite an admitted knowledge that the  
G-Wagon was subject to the Asset Freeze;
- 25 (c) Accepted, possessed, and controlled and dissipated 100% of the funds  
26 derived from the sale of the Ferrari and thereafter distributed one-half of the  
same to attorney Garret Ogata;
- 27 (d) Accepted, possessed, and controlled and dissipated 100% of the funds  
28 derived from the sale of the Aston Martin; and

(e) Permitted and/or guided Paula Beasley in the dissipation of nearly \$300,000 of funds which unquestionably belonged to the Receivership Estate.

In total, Mr. Grigsby, as counsel for Mrs. Beasley, intricately involved in the dissipation of more than \$400,000 worth of Receivership Assets despite a clear understanding of the impropriety in doing the same. As such, an order directing the turnover of \$405,302.40 is warranted.

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

Mr. Grigsby’s dilatory actions have forced the Receiver to expend significant resources sifting through haphazardly produced documents only to be forced to move this Court for intervention on three separate occasions. Having reached the end of its rope, this Court can see that Mr. Grigsby has played a significant role in the diminution of the Receivership Estate through his dealings with Paula Beasley and through his refusal to comply with this Court’s orders. As such, the Receiver requests, in addition to any other sanction the Court deems fit, an award of all attorney’s fees and costs incurred in pursuing this matter against Mr. Grigsby.<sup>16</sup>

**IV. CONCLUSION**

The issues before this Court have been thoroughly briefed, argued, and ruled upon. The Court has seen what it needs to see. The parties, and most specifically, the Receiver, have spent countless hours parsing through documents attempting to piece together the puzzle Mr. Grigsby created. But, to no avail.

The funds that Mr. Grigsby received and those that he passed through his account, were subject to the Receivership and, unless he could prove otherwise, would be subject to turn over. Demonstrating a presumption of good faith, this Court afforded Mr. Grigsby every opportunity conceivable to achieve compliance, but Mr. Grigsby continued to fail. Indeed, Mr. Grigsby even failed to heed this Court’s warning during the August 2023 Hearing that should he fail to comply with the orders stated therein, a finding of contempt would follow.

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///

<sup>16</sup> 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 Now that Mr. Grigsby has exhausted his last chance at compliance, the Receiver respectfully  
2 requests, for the foregoing reasons, this Court enter an order:

3 1) Directing the immediate turnover of \$405,302.40, representing (a) the attorney’s  
4 fees received by Mr. Grigsby; (b) the proceeds from the sale of the G-Wagon; (c) the proceeds from  
5 the sale of the Ferrari; and (d) the proceeds from the sale of the Aston Martin;

6 2) Awarding the Receiver the attorney’s fees and costs incurred to date in pursuing this  
7 matter against Mr. Grigsby; and

8 3) For such other and further relief this Court deems just and proper.

9 DATED this 9th day of October, 2023.

10 **GREENBERG TRAURIG, LLP**

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

12 KARA B. HENDRICKS, Bar No. 07743  
13 KYLE A. EWING, Bar No. 014051  
14 CHRISTIAN T. SPAULDING, Bar No.  
15 014277

16 JARROD L. RICKARD, Bar No. 10203  
17 KATIE L. CANNATA, Bar No. 14848  
18 **SEMENZA KIRCHER RICKARD**

19 DAVID R. ZARO\*  
20 JOSHUA A. del CASTILLO\*  
21 MATTHEW D. PHAM\*  
22 \*admitted pro hac vice  
23 **ALLEN MATKINS LECK GAMBLE**  
24 **MALLORY & NATSIS LLP**

25 *Attorneys for Receiver Geoff Winkler*  
26  
27  
28

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

**CERTIFICATE OF SERVICE**

I hereby certify that, on the **October 9, 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:

Aaron Grigsby  
aaron@grigsbylawgroup.com  
GRIGSBY LAW GROUP  
2880 W. Sahara Avenue  
Las Vegas, Nevada 89102

Dean Kajioka, Esq.  
attorneys@kajioikalawlv.com  
KAJIOKA & ASSOCIATE  
8350 W. Sahara Avenue, Suite 110  
Las Vegas, Nevada 89117  
***Counsel for Aaron Grigsby***

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

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

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

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INDEX OF EXHIBITS	
EX NO.	DESCRIPTION
<b>1</b>	Declaration of Kara B. Hendricks, Esq.
<b>2</b>	September 29, 2023 Correspondence From Dean Kajioka
<b>3</b>	October 2, 2023 Correspondence from Kara B. Hendricks to Dean Kajioka

# **EXHIBIT 1**

# **EXHIBIT 1**

Declaration of Kara B. Hendricks, Esq.

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

1 KARA B. HENDRICKS, Bar No. 07743  
hendricksk@gtlaw.com  
2 KYLE A. EWING, Bar No 014051  
ewingk@gtlaw.com  
3 CHRISTIAN T. SPAULDING, Bar No. 014277  
4 **GREENBERG TRAUER, LLP**  
10845 Griffith Peak Drive, Suite 600  
5 Las Vegas, Nevada 89135  
Telephone: (702) 792-3773  
6 Facsimile: (702) 792-9002

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

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 ///

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

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

**DECLARATION OF KARA B.  
HENDRICKS IN SUPPORT OF  
MOTION FOR ORDER  
DIRECTING THE TURNOVER  
OF RECEIVERSHIP PROPERTY  
FROM AARON GRIGSBY**

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 am admitted to practice before this Court.

7 3. I make this declaration in support of the MOTION FOR ORDER DIRECTING  
8 THE TURNOVER OF RECEIVERSHIP PROPERTY FROM AARON GRIGSBY (the  
9 “Motion”).

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

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

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

16 7. Despite already having travel plans in place for the September 22, 2023 meeting,  
17 the Receiver adjusted travel plans and scheduled a meeting for September 25, 2023.

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

20 9. I then suggested a Zoom meeting so the parties could discuss a potential resolution,  
21 but neither Mr. Kajioka nor Mr. Grigsby appeared for the Zoom meeting.

22 10. On September 29, 2023, I received correspondence from Mr. Kajioka purporting  
23 to be a response to the Court’s order (“September 29 Response”). A true and correct copy of the  
24 same is attached to the Motion as **Exhibit 2**.

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

27 12. Additionally, the correspondence included, without reference or verification of  
28 any sort, apparent receipts for credit card payments received by the Grigsby Law Group.

1 13. Other than confirming that the payments were made on credit cards held by  
2 Matthew Beasley, the documents submitted with Mr. Grigsby's September 29, 2023 response fail  
3 to address any of the issues raised by this Court.

4 14. Instead, the September 29 Response asserted the very same arguments previously  
5 made by Mr. Grigsby, all of which had previously been rejected by the Court, and concluded with  
6 an apparent offer through which Mr. Grigsby would pay the Receiver \$27,781.57 in exchange for  
7 a release of all claims against Mr. Grigsby.

8 15. In response, on October 2, 2023, I wrote to Mr. Kajioka and rejected Mr. Grigsby's  
9 payment proposal, outlined for Mr. Grigsby the numerous ways in which his response was  
10 deficient and advised that motions would be filed with the Court to address the outstanding issues.  
11 A true and correct copy of my October 2, 2023 Correspondence to Mr. Kajioka is attached to the  
12 Motion as **Exhibit 3**.

13 16. As of the date of this Motion, neither I nor the Receiver has not received any  
14 response.

15 DATED this 9th day of October 2023.

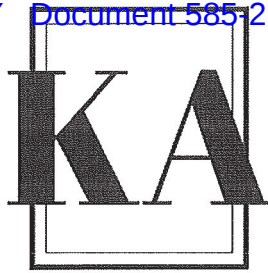
16 */s/ Kara B. Hendricks*  
17 KARA B. HENDRICKS  
18 Declarant  
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# EXHIBIT 2

# EXHIBIT 2

September 29, 2023 Dean Kajiooka Correspondence





KAJIOKA & ASSOCIATES  
ATTORNEYS AT LAW

VIA EMAIL [hendricksk@gtlaw.com](mailto: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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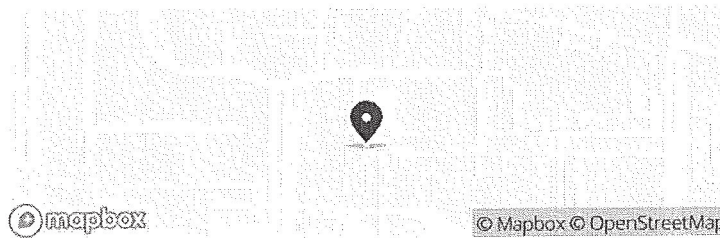


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\$10,500.00

Custom Amount \$10,500.00

Total \$10,500.00



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Visa 1540 (Chip)  
VISA  
MATTHEW BEASLEY

Mar 11  
2022 at  
2:05  
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code:  
05266B



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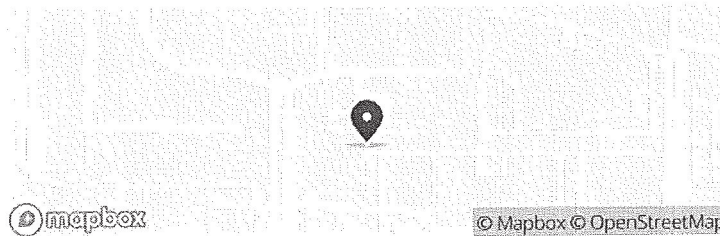


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\$15,000.00

Custom Amount \$15,000.00

Total \$15,000.00



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AMEX 1005 (Chip)

MASTERCARD  
EMV

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Mar 14  
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860496



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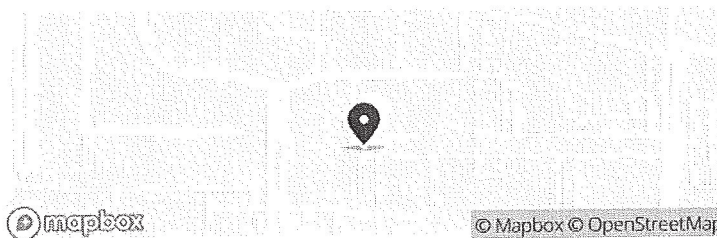


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\$10,000.00

Custom Amount \$10,000.00

Total \$10,000.00



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AMEX 1005 (Chip)  
AMERICAN EXPRESS  
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863948



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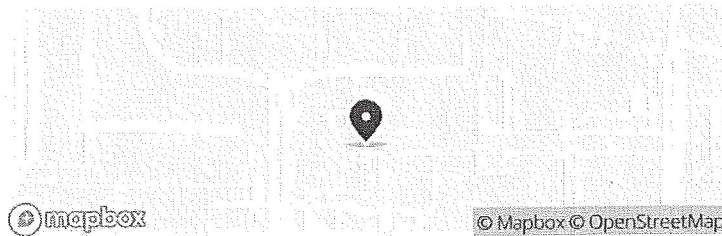


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\$10,000.00

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

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Total \$10,000.00



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AMEX 1005 (Chip)  
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802798



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Total \$15,000.00



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AMEX 1005 (Chip)  
AMERICAN EXPRESS  
MATTHEW BEASLEY

Mar 18  
2022 at  
8:55  
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825102



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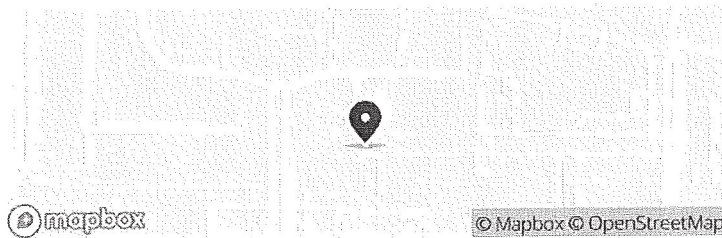


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\$50,000.00

Custom Amount \$50,000.00

Total \$50,000.00



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AMEX 1005 (Chip)  
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Mar 23  
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825790



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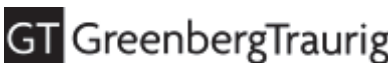
**From:** [Hendricks, Kara \(Shld-LV-LT\)](#)  
**To:** [Escobar-Gaddi, Evy \(LSS-LV-LT\)](#)  
**Subject:** FW: SECURITIES AND EXCHANGE COMMISSION v. MATTHEW BEASLEY - GRIGSBY'S RESPONSE  
**Date:** Friday, September 29, 2023 3:58:53 PM  
**Attachments:** [Hendricks.GrigsbyResponseOutstandingIssues.pdf](#)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

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**Kara Hendricks**

Shareholder

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



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**From:** Attorneys Office <[attorneys@kajiokalawlv.com](mailto:attorneys@kajiokalawlv.com)>  
**Sent:** Friday, September 29, 2023 1:13 PM  
**To:** Hendricks, Kara (Shld-LV-LT) <[hendricksk@gtlaw.com](mailto: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 Kara B. 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@kajioklaw.com](mailto:attorneys@kajioklaw.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

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#### **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 25<sup>th</sup> 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

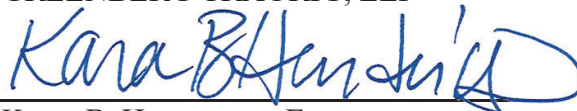
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related to the Ponzi-scheme. Second, Mr. Grigsby was to provide a more robust accounting of what the money was used for other than the two distinct large payments. You have failed to address either of these issues. Moreover, the Court ordered that 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:eeg



**From:** [Escobar-Gaddi, Evy \(LSS-LV-LT\)](#)  
**To:** [attorneys@kajiokalawlv.com](mailto: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](#)

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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](mailto:escobargaddie@gtlaw.com) | [www.gtlaw.com](http://www.gtlaw.com)

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