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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

MATTHEW WADE BEASLEY et al.

Defendants;

THE JUDD IRREVOCABLE TRUST et al.

Relief Defendants.

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

REPLY IN SUPPORT OF MOTION TO FIND AARON GRIGSBY IN CONTEMPT FOR FAILURE TO COMPLY WITH THIS COURT'S ORDERS (ECF No. 584)

Comes now, Geoff Winkler, the Court-appointed Receiver (the "Receiver"), by and through his counsel of record the law firm of Greenberg Traurig, LLP, and hereby submits the following Reply in Support of the Receiver's Motion to Find Aaron Grigsby in Contempt for Failure to Comply with This Court's Orders (the "Motion") (ECF No. 584).

This Reply is based upon the attached memorandum of Points and Authorities, the pleadings and papers on file, and such other and further arguments and evidence as may be presented to the Court in connection with the Motion.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Following three opportunities to "come clean" and comply with this Court's orders, Mr. Grigsby's dilatory efforts fell woefully short. As a result, the Receiver moved this Court for an order finding Mr. Grigsby in contempt. Mr. Grigsby's response to the Receiver's Motion fails to address any of the pertinent issues but instead chooses to nitpick linguistic tendencies, mischaracterize and minimize the effectiveness of this Court's orders and presents an overall indifference to this proceeding and the effects of his actions. As set forth herein, Mr. Grigsby has been afforded every conceivable opportunity and has been graced by this Court's compassion. Yet, at the end of the day, Mr. Grigsby chose to eschew these courtesies and instead double down on his incorrect and improper arguments. Mr. Grigsby's Response falls woefully short of meeting his burden in this proceeding and, as a result, a finding of contempt is warranted.

II. LEGAL ARGUMENT

The instant matter is the direct result Mr. Grigsby's continued disregard for this Court's orders. Indeed, in the more than twelve (12) months since the Receiver's first Motion to Compel, Mr. Grigsby has demonstrated a bewildering lack of awareness, understanding, and concern for this Court's orders and the Receivership as a whole. This fact has never been more evident than upon a review of Grigsby's response to the Motion. The Response not only re-hashes arguments that have been made, considered, and dismissed, but also demonstrates either an intentional naivete of this Court's orders, or a complete lack of understanding of the same. Indeed, Mr. Grigsby's response, while focusing on linguistic terms rather than substance, omits and/or mischaracterizes

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critical portions of the Receiver's Motion and, in turn, this Court's orders. Worse, through the Response Mr. Grigsby feigns ignorance of the previous proceedings surrounding his actions and appears to suggest the transcripts of the hearings on this matter are not sufficient to form a finding of contempt. However, looking past the bare conclusions and unsubstantiated allegations made against the Receiver, it is plain to see that Mr. Grigsby's Response falls short of meeting his burden in response to the Motion. *See* ECF No. 584 at p. 8:20-9:3 ("Upon a demonstration that a specific and definite order was violated, '[t]he burden then shifts to the contemnors…'" (quoting *FTC v. Affordable Media, LLC*, 179 F.3d 1228, 1239 (9th Cir. 1999)).

In simple terms, the Response does nothing to negate the Receiver's position and further cements the inevitable conclusion that Mr. Grigsby should be found in contempt of this Court's orders.

A. Jurisdiction

Grigsby's Response is spearheaded by an argument that this Court "lacks personal jurisdiction over Mr. Grigsby." ECF No. 590 at p. 3:9-19. This position was addressed and conclusively quashed by this Court during the August 25, 2023, hearing, finding two distinct avenues for this Court to possess jurisdiction over Mr. Grigsby in this proceeding. ECF No. 568 at p. 4:13-5:10. Thus, Grigsby's argument surrounding jurisdiction is simply a non-starter.

B. The Orders of This Court

The lion share of Grigsby's Response takes the position that this Court's orders were not "specific and definite" and suggests that because the orders were made in a transcript, they are not subject to a contempt proceeding. ECF No. 590 at p. 4:12-6:27. For example, the Response states:

> "The Receiver purports to list the 'specific and definite Orders of this Court' that Grigsby violated beginning on page 9 of the Motion. What follows, however, are various vague quotations from transcripts and not actual Court Orders."

ECF No. 590 at p. 4:24-26.

Mr. Grigsby thereafter asserts, contrary to the Receiver's position:

> "In all deference to the Receiver, whether Grigsby 'violated a specific and definite order' needs ***substantial*** consideration if the Receiver intends to

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> carry its burden of proving that he violated orders by clear and convincing evidence."

ECF No. 590 at p. 5: 4-7.

Like the entirety of the Response, Grigsby's arguments in this respect seem to ignore each of the two prior hearings on this matter. Most notably, during the August 25, 2023, hearing, this Court stated:

> "You can object, obviously, to that and any portion of this order, [] or you can comply. That's your choice. But [September 29] is the date by which that can be resolved If it is not, [] ***there will be a contempt*** for the first order to which no objection was entered."

ECF No. 568 at p. 24:14-18. (emphasis added).

Thus, the question of whether Mr. Grigsby violated the Court's orders has been answered. This Motion is simply the result of Mr. Grigsby's failure to cure his violation through a third chance by this Court. Stated simply, this Court has already found that, unless Mr. Grigsby complied with the terms of the orders made in the transcript, there ***would*** be a finding of contempt—not that the Court would entertain a contempt proceeding. The Court did not mince words in making this statement. Rather, the Court made abundantly clear that non-compliance with the directives made would result in a finding of contempt. As such, whether Mr. Grigsby violated a specific and definite order of the Court needs little consideration, as this Court has already ruled on this issue.

As an additional point, the Receiver takes issue with Mr. Grigsby's characterization of the Motion in which Mr. Grigsby states:

> "It is disingenuous for the Receiver to allege violations of Orders but then edit the purported Orders to remove portions that they do not agree with. There can be no clear and convincing evidence of a violation of a 'specific and definite Court order' that the Receiver did a cut-and-paste job on."

ECF No. 590 at p. 8:13-16.

The matter before the Court turns on Mr. Grigsby's compliance with this Court's orders. Yet, Mr. Grigsby chooses to deflect by suggesting impropriety on the part of the Receiver. The Motion contains relevant portions of the Court's orders, demonstrative of Mr. Grigsby's

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obligations, each of which are presented in their true and correct state. As such, Mr. Grigsby's suggestion that the Receiver somehow "edited" the orders to fit his narrative lacks the candor and decorum required by this Court.

I. Mr. Grigsby's Claimed "Compliance"

In the Response, much is made of Mr. Grigsby's September 29, 2023, Correspondence in which Grigsby offered $27,781.57 in exchange for a release of all claims against Grigsby.[1] Mr. Grigsby concludes this single correspondence is, by itself, a "negotiation" which equates to compliance with this Court's orders. ECF No. 590 at p. 8:1-6.[2] Apart from conjecture, Mr. Grigsby provides no basis for this erroneous conclusion. Indeed, it is entirely unclear how an offer to resolve a dispute for pennies on the dollar, made on the deadline for compliance, constitutes a "negotiation" sufficient to satisfy the Court's order. The Court's directive was clear—this matter was to be ***resolved*** by September 29, 2023—not that the Mr. Grigsby could initiate negotiations via a lowball offer on the very last day for compliance. ECF No. 568 at p. 24:14-18. As noted in the Motion, the Receiver attempted to coordinate a meeting among the parties, including arranging travel to Las Vegas. However, Mr. Grigsby chose not to engage and instead waited until the afternoon of the last day for compliance to even attempt to correspond with the Receiver. *See* ECF No. 584 at p. 5-6 (discussing efforts by the Receiver to coordinate a meeting with Mr. Grigsby and counsel). Under Mr. Grigsby's flawed logic, liability could be erased by offering $1.00 at the last moment for compliance. Certainly, the Court did not intend such an absurd result.

It must also be noted that the September 29, 2023 Correspondence cannot candidly be deemed satisfactory of this Court's orders. The Court made clear that a resolution was to be completed by September 29, 2023. Thus, even if Mr. Grigsby had made a good faith offer, in an amount worthy of consideration, the Receiver would not have been able to evaluate and respond

[1] *See* ECF No. 584, Receiver's Motion to Find Aaron Grigsby in Contempt for Failure to Comply With This Court's Orders (the "Motion") at Exh. 2.

[2] "The fact that Grigsby made an offer to negotiate prevents the Receiver … from proving the violation of an Order by clear and convincing evidence."

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to the same prior to the Court's deadline for compliance. Thus, the September 29, 2023 Correspondence, which was at best a settlement offer, cannot be genuinely argued as satisfactory under the Court's orders.

Moving one step further, assuming *arguendo*, Mr. Grigsby's correspondence was timely, Mr. Grigsby's proposal did not scratch the surface of the amounts he has willfully guided out of the Receivership Estate. Following the filing of the instant Motion, the Receiver filed a Motion for Order Directing the Turnover of Receivership Property From Aaron Grigsby (ECF No. 585) in which the Receiver demonstrates the total amount of Receivership Property squandered by Mr. Grigsby, to the tune of $405,302.40. ECF No. 585 at p. 8. This amount represents the proceeds from the sale of the three (3) vehicles in question, along with the attorney's fees Mr. Grigsby charged to Mr. Beasley's credit cards. Mr. Grigsby's "offer" represents less than seven percent (7%) of the funds the Receiver seeks to recover. Shown in a different light, the Court's orders contemplate the turnover of: (1) the attorney's fees Mr. Grigsby received; (2) the entire proceeds of the sale of the Ferrari; (3) the entire proceeds of the sale of the Aston Martin; and (4) the entire proceeds of the sale of the G-Wagon. Yet, Mr. Grigsby made a last-minute offer to resolve this dispute for an amount representative of half (½) of the funds derived from the sale of the Ferrari. Unsurprisingly, the Receiver found this offer to be insufficient.

At the end of the day, Mr. Grigsby's argument of compliance lacks a credible foundation and should be given no consideration by this Court. Mr. Grigsby was offered the option of negotiating with the Receiver to resolve this dispute and, despite the Receiver's efforts to do so, Mr. Grigsby made no effort to do so. With this information in hand, it is clear Mr. Grigsby's argument that he "complied" with this Court's requirement is a farce.

II. Attorney's Fees

Through the Response, Mr. Grigsby unabashedly defends his acceptance of funds charged to Matthew Beasley's credit cards.

> "***If one thing in this case is certain, it is that the $110,000 charged on the American Express care and paid to Grigsby was never tainted funds from the alleged Ponzi scheme***."

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ECF No. 590 at p. 11:5-6. (emphasis added).[3]

This statement blatantly disregards that in two separate orders this Court has expressly advised Mr. Grigsby he is *not* entitled to retain those funds and ordered the turnover of the same. ECF No. 416 at p. 43:12-15 ("If there have been payments made to the American Express card, those need to be turned over"); ECF No. 568 at p. 18:21-19:2 ("…the source of the funds to purchase the Ferrari and pay that $110,000 was the Ponzi scheme, which means, Mr. Grigsby, you are not entitled to retain those funds unless the Receiver allows you to do so."). Yet, Mr. Grigsby's Response fails to acknowledge these rulings, either through intentional omission or a concerning ignorance of the history of this dispute.

Mr. Grigsby's brazen attitude toward the attorney's fees is demonstrative of his demeanor to date. In line with the above, Mr. Grigsby has shown a consistent lack of consideration for this Court's authority, for the Receivership as a whole, and worse, for the ramifications of his actions—namely in the degradation of the Receivership Estate which intended to compensate the victims of Mr. Beasley's scheme.[4]

With respect to this Court's order Mr. Grigsby failed to comply with the directive to demonstrate the source of the funds was something other than the Ponzi-scheme or turnover all amounts received. *See* ECF No. 584 at p. 13-15 (Receiver's Motion, discussing the orders of this Court with respect to the attorney's fees in question). Indeed, Mr. Grigsby chose to provide no new information, instead suggesting in a cavalier manner that the Receiver and Court could comb through countless documents, piecing together the story, one fraudulent conveyance at a time. ECF No. 590 at p. 10:13-15 ("First of all, the Order was that Grigsby was to provide an accounting of all attorney's fees paid and that Grigsby did provide that accounting.") This Court summed it

[3] Of note, Mr. Grigsby can't seem to get his facts in line. He has repeated claimed that $110,000 was placed on Matthew Beasley's American Express card but has not mentioned the invoice for $10,500 attached to his September 29, 2023 Correspondence showing a charge of $10,500 made on Mr. Beasley's Visa card. Thus, not only is Mr. Grigsby presenting an incorrect amount (he actually received $110,500), but also improperly omits reference to the second Matthew Beasley credit card he utilized. *See* Motion at Exh. 2.

[4] For example, Mr. Grigsby has, since the outset, repeatedly relied upon the Beasley Divorce proceedings despite this Court's clear admonition of the same. Additionally, Mr. Grigsby has, on each occasion, waited until the eleventh hour to even attempt compliance, despite numerous extensions for the same.

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up appropriately by stating "I am not a pig searching for truffles." ECF No. 568 at p. 12:6. Yet, Mr. Grigsby did nothing to resolve these issues and simply continues to point to his lackluster production in defense of his actions.

Mr. Grigsby's arguments fail to recall that the Court expressly found his previous production to be non-compliant. Indeed, during the most recent hearing, the Court stated:

> "But Mr. Grigsby's attorney's fees. Mr. Grigsby, this is very troubling for the Court. ***First, I find that the information provided did not comply with the Court order. Therefore, the order to show cause is granted.***"

ECF No. 568 at p. 17:9-12. (emphasis added).

Again, Mr. Grigsby did not supplement his production, but instead argued a lack of candor by the Receiver thereafter pointing back to his prior production as a ground for avoiding contempt. ECF No. 584 at p. 13-15. There is no explanation for Mr. Grigsby's failure to address this Court's issue with respect to his production and there were no additional documents produced to rectify the same.

Once again, Grigsby was ordered to (a) demonstrate the source of those funds was something other than the Ponzi-scheme, or (b) turnover the amounts he received from the charges made on the credit cards of Matthew Beasley. Mr. Grigsby has done neither but has, instead, opted to double down on his position that because he fleeced American Express and Visa for $110,500.00 immediately after Mr. Beasley's arrest, with a full and complete understanding that Mr. Beasley would never re-pay those funds, Mr. Grigsby is entitled to retain those funds—scot-free.

> "The Order Appointing Receiver does not grant any claw back powers to the Receiver over charges made on a credit card in Matthew Beasley's name, nor has the Receiver cited any authority for the proposition that a credit card debt is somehow property subject to the Order Appointing Receiver. The Receiver's allegations of fraud relating to the attorney fee credit card charges would be for a different Court and a different time. The Receiver's mere ***allegations*** of fraud and his citation to Nevada criminal statutes regarding credit card fraud do not invalidate the credit card transactions or otherwise transmute those funds into 'the assets of … Matthew Wade Beasley.'"

ECF No. 590 at p. 9:17-24.

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Unfortunately for Mr. Beasley the above stance is inconsistent with established law on this topic. At the outset of this matter, the Court entered an asset freeze that provides in pertinent part:

> "Defendants, Relief Defendants, and Defendants' and Relief Defendants' officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receiver actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are temporarily restrained and enjoined from, directly or indirectly, transferring, assigning, selling, hypothecating, changing, wasting, dissipating, converting, concealing, ***encumbering***, or otherwise disposing of, in any manner, any funds, assets, securities, claims or other real or personal property…"

ECF No. 3 at § VIII. (emphasis added).

Thus, under the Asset Freeze, any individual acting on behalf of the Defendants or Relief Defendants is prohibited from, among other things, wasting, dissipating, concealing, or encumbering any funds of the Receivership Estate. This includes making charges to credit cards held in the name of Matthew Beasley.

In *FTC v. Johnson*, this Court found "the payment of attorneys' fees from unsecured credit card debt from [] personal credit card[s] violates the preliminary injunction if it pledges as the source of its repayment assets that belong to the Receivership Estate." *FTC v. Johnson*, No. 2:10-cv-02203-MMD-GWF, 2013 U.S. Dist. LEXIS 111392, at *27-31 (D. Nev. Aug. 5, 2013). "In essence, such debt would 'encumber' funds that are Receivership assets, which is strictly prohibited by the preliminary injunction…Precisely because the Receivership assets are held in the exclusive custody of the Receiver, they cannot be leveraged as the source of future repayments when obtaining a credit card loan from a lender (or any other type of unsecured loan)." *Id.* at 28- 29.

Although Mr. Grigsby appears to believe he received the funds free and clear of the Receivership because the only parties damaged would be American Express and Visa, this is simply not the case. Like in *Johnson*, Mr. Grigsby's acceptance of attorney's fees through credit cards backed only by Receivership Assets, impermissibly encumbered the Receivership Estate and therefore constitutes a violation of the Asset Freeze and the Preliminary Injunction.

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It is for this reason that this Court expressly ordered Mr. Grigsby to turnover the funds received from charges made to Matthew Beasley's credit cards.[5]

> *"**If there have been payments made to the American Express card, those need to be turned over**."*

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

The Court echoed this ruling in August 2023:

> "The only inference the Court can make at this time…is that the source of the funds to purchase the Ferrari and pay that $100,000 was the Ponzi scheme, which means, ***Mr. Grigsby, you are not entitled to retain those funds unless the Receiver allows you to do so***… So, what was the source of the funds? You have never offered that. ***And you must. You have no choice***. Because if you cannot demonstrate that the source of those funds is something other than the Ponzi scheme, they may be disgorged. That's how it works. Now, I'm not going to do that today, but I'm going to give you an opportunity to negotiate and demonstrate, if you can, to the receiver that the source of the funds that you were paid, this half of the Ferrari and the $110,000 was something other than Ponzi scheme funds. You have, again, until September 29th to do that. And if you can't do that, then the Receiver can file a motion seeking disgorgement [] of all amounts paid to you to date. And I [] suspect you have an uphill battle in retention of those funds… ***If you either refuse to negotiate or there's no resolution by the close of business on the 29th of September, [the Receiver] may renew [his] motion for turnover. [The Receiver] may [] file a motion for disgorgement and for contempt of court, but this would be by Mr. Grigsby, not by Mrs. Beasley.***"

ECF No. 568 at p. 18:21-20:19. (emphasis added).

Although Grigsby avers the Court's orders were not sufficiently specific, the Receiver is unaware of a manner in which this Court could make its mandate any clearer. The Court succinctly advised Mr. Grigsby that unless he was able to demonstrate the source of his attorney's fees and the Ferrari was something other than the Ponzi-scheme, he was *not* entitled to retain those amounts.

[5] At the time of the Court's order on this issue, the Court and the Receiver were under the impression that the funds paid to Mr. Grigsby were charged only on an American Express held by Mr. Beasley, as called for in the Beasley Divorce. However, Mr. Grigsby's September 29, 2023 Correspondence demonstrated that $10,500 was charged to Matthew Beasley's Visa card ending in 1540. However, the same analysis should apply.

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Mr. Grigsby did neither instead re-arguing his position that the credit card charges and the funds from the Ferrari are not within the reach of the Receivership. As stated in the Motion, this was not one of Mr. Grigsby's options to obtain compliance and is not a valid argument.

Moving beyond this Court's express orders, if only for a moment, as purported counsel for Mr. and Mrs. Beasley in the Beasley Divorce, Mr. Grigsby had an obligation to make a good faith inquiry into the source of the fees he accepted and ensure those funds are not subject to the Asset Freeze or Preliminary Injunction. *FTC v. Network Servs. Depot, Inc.*, 617 F.3d 1127, 1144 (9th Cir. 2010) (recognizing in the context of an FTC enforcement action that "an attorney is not permitted to be willfully ignorant of how his fees are paid"). "[W]hen an attorney is ***objectively on notice that his fees may derive from a pool of frozen assets, he has a duty to make a good faith inquiry into the source of those fees***." *FTC v. Assail, Inc.*, 410 F.3d 256, 265 (5th Cir. 2005) (emphasis added). "[S]o long as a counsel is apprised that his fees 'may derive from a pool of frozen assets,' the duty to inquire is triggered." *Johnson*, 2013 U.S. Dist. LEXIS 111392, at 30 (quoting *Assail*, 410 F.3d at 265). Here, as counsel for Mr. and Mrs. Beasley in the Beasley Divorce, which references forthcoming criminal proceedings, Mr. Grigsby had an obligation to inquire as to the source of his funds but appears to have failed to do so. Rather, it appears Mr. Grigsby saw an opportunity to cash in on the downfall of Mr. Beasley and has yet to relinquish those funds.

In sum, despite Mr. Grigsby's outlandish arguments that the funds received from Mr. Beasley's credit cards are somehow not subject to repayment, the order of this Court was clear. Any funds paid to Mr. Grigsby via credit cards held by Matthew Beasley must be turned over. ECF No. 416 at p. 43:12-15. Yet, Mr. Grigsby has flatly refused to do so.

III. The G-Wagon

During the August 2023 hearing, the Court stated:

> "The Mercedes box. This is the biggest – I mean, its not necessarily—the other things are without significance because a tremendous amount of money has been dissipated in a manner that is clearly violative of the law … But, nonetheless, all of this, the use of all of this money has been violative of the law before the [] SEC commenced the action and the freeze

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> order was in place by virtue of fraudulent conveyance and afterwards by virtue of violating the freeze order that was in place as of April 21st."

CF No. 568 at p. 24:19-25:5.

Apparently unaware of the significance of the G-Wagon, Mr. Grigsby's response devotes a single paragraph to this asset, the contents of which are immaterial. ECF No. 590 at p. 11:14- 26. Consistent with the foregoing, Mr. Grigsby appears to have neglected the Court's order which provides:

> "September 29th. Demonstrate the source of the funds to purchase the Mercedes was something other than the tainted 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 pieces of paper. Either bills or records that can be independently verified of how that money was used." ECF No. 568 at p. 28:7-14.

Contrary to Mr. Grigsby's position, the Receiver's argument that Grigsby's "breakdown" was insufficient was not conjecture but actually echoed the sentiment of the Court, who expressly found the documentation to be insufficient. Nevertheless, the Response avers that the Receiver has been provided all documentation. But, the Court's order did not end there. Assuming it true that all documents had been produced, the Court outlined Mr. Grigsby's obligations:

> "That's it. You've had plenty of time. And if you don't have the documents, you're going to have to sit down with Mr. Winkler and say 'I don't have the documents,' and that's going to be the way it is. That's just the way it is."

ECF No. 568 at p. 28:3-6.

The Receiver made efforts to facilitate an open discussion and negotiation on these issues, but Mr. Grigsby refrained. ECF No. 584 at p. 5-6. At no point did Mr. Grigsby attempt to have a discussion regarding the G-Wagon (or any other matter at issue). As such, Mr. Grigsby should be found in contempt of this Court's orders pertaining to the G-Wagon.

IV. The Aston Martin

Further derogating the Receiver and this Court, the Response minimizes the significance of the funds derived from the sale of the Aston Martin:

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> "Once again, the Receiver's Motion is not based on reality of clear and convincing evidence of the violation of a specific and definite Court Order, but, instead appears to be sour grapes that the money sought was spent long ago. To assert that Grigsby failed to comply with the Court's Orders is untrue."

ECF No. 590 at p. 13:12-16.

Use of the phrase "sour grapes" suggests a winner and a loser, which in Mr. Grigsby's narrative infers that Mr. Grigsby is the "winner." The matter facing Mr. Grigsby is not based on whether Mr. Grigsby was successful in dissipating the funds or not but is instead what was done with the funds.

> "[N]o later than September 29th, Mrs. Beasley with Mr. Grigsby, must demonstrate both the exact [] to the best of their ability, [] how these funds were used, what they were used for, and [] if you want to attempt to demonstrate that the purchase of the Aston Martin was with funds other than the Ponzi scheme funds, you can do that as well."

ECF No. 568 at p. 23:8-16.

The court added to the above that all amounts remaining from that sale were to be turned over. ECF No. 568 at p. 24:3-13. Despite this, Mr. Grigsby failed to even attempt to demonstrate the use of the funds, nor did he demonstrate that the Aston Martin was purchased with untainted funds. Rather, Grigsby merely relies on his surrender of $20.88 as a means of compliance. ECF No. 590 at p. 12:10-12. Given the circumstances, this is not "sour grapes" but is instead a case in which Mr. Grigsby knowingly refrained from addressing the deficiencies in his prior production and willfully disobeyed this Court's directives surrounding the same. As such, Mr. Grigsby should be found in contempt of this Court's orders with respect to the Aston Martin.

After more than a year of proceedings, Mr. Grigsby has been the beneficiary of this Court's compassion, being afforded multiple chances at redemption.

> "And what I am going to require – and you're going to hear this about a lot of things, because, for reasons that I can only say are my compassion for the situation, I am going to give Mrs. Beasley, and you, Mr. Grigsby, an attempt – one more try – one more try before contempt would be entered."

ECF No. 568 at p. 12:14-19.

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Apparently failing to recognize the Court's benevolence, Mr. Grigsby has shunned this Court at every opportunity, failing to heed this Court's guidance and treating this Court's concerns with blatant disregard. The result is the continued waste attorney's fees (and by the nature of this proceeding—Receivership Assets) and court resources at every step. In more than twelve (12) months since this matter first came before this Court and one would be hard pressed to find any progress made toward resolution. In fact, since the Receiver's first Motion, the Receiver has unearthed additional violations of court orders and elucidated the true magnitude of Mr. Grigsby's dissipation of Receivership Assets—all of which have been noted by this Court. Now, after three rounds of briefing, and repeated non-compliance on the part of Mr. Grigsby, a finding of contempt is warranted.

c. An Award of Attorney's Fees and Costs is Warranted

In response to the Receiver's request for attorney's fees and costs, Mr. Grigsby claims the Receiver has not presented a "valid basis" for an award of attorney's fees, deeming this proceeding a "manufactured and misleading" claim. ECF No. 590 at p. 12:18-26. Grigsby's position in this respect lacks merit. At this point there is no dispute that Mr. Grigsby's repeated violations have resulted in three rounds of briefing and countless hours devoted to organizing and analyzing Mr. Grigsby's haphazard productions to piece together the facts and timeline of this dispute. Had Mr. Grigsby complied at first request, the parties would not be before the Court today. Yet, here we are. In short, the Receiver has been forced to expend significant resources toward attempts to recover assets that should have been turned over at the outset. As a result, the Receiver respectfully requests an award of all attorney's fees and costs incurred to date in the proceedings against Mr. Grigsby.

IV. CONCLUSION

As set forth in the Receiver's Motion to Find Aaron Grigsby in Contempt for Failure to Comply With This Court's Orders, Mr. Grigsby has repeatedly violated this Court's orders and compounded the issue through complacency and inattention to the magnitude of this proceeding. Despite being afforded multiple chances and a roadmap to compliance, Mr. Grigsby chose to do

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nothing. Now, after Mr. Grigsby has exhausted his last chance at compliance, the Receiver respectfully requests, this Court enter an order:

1) Finding Mr. Grigsby in contempt of this Court's orders;

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

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

DATED this 27th day of October, 2023.

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CERTIFICATE OF SERVICE

I hereby certify that, on the **October 27, 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 and by United States first class mail, postage pre-paid on the parties listed below:

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