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16
17 **IN THE UNITED STATES DISTRICT COURT**
18 **FOR THE DISTRICT OF NEVADA**

19 SECURITIES AND EXCHANGE
20 COMMISSION,

Plaintiff,

21 vs.

22 MATTHEW WADE BEASLEY, et al.,

23 Defendants,

24 THE JUDD IRREVOCABLE TRUST, et al.,

25 Relief Defendants.
26

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

**EIGHTH QUARTERLY REPORT OF
RECEIVER GEOFF WINKLER**

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1 Geoff Winkler of American Fiduciary Services, LLC (the “Receiver”), the Court-appointed
 2 receiver for Defendants J&J Consulting Services, Inc., an Alaska corporation; defendant J&J
 3 Consulting Services, Inc., a Nevada corporation; and J and J Purchasing LLC (collectively, the “J&J
 4 Entities”), as well as the Wells Fargo Interest on Lawyers’ Trust Account ending in 5598 in the
 5 name of defendant Beasley Law Group PC, and Relief Defendants the Judd Irrevocable Trust; PAJ
 6 Consulting Inc.; BJ Holdings LLC; Stirling Consulting LLC; CJ Investments, LLC; JL2
 7 Investments, LLC; Rocking Horse Properties, LLC; Triple Threat Basketball, LLC; ACAC LLC;
 8 Monty Crew LLC, and the assets of Defendants and Relief Defendants Matthew Wade Beasley,
 9 Jeffrey J. Judd, Christopher R. Humphries, Shane M. Jager, Jason M. Jongeward, Denny Seybert,
 10 Roland Tanner, Larry Jeffery, Jason A. Jenne, Seth Johnson, Christopher M. Madsen, Richard R.
 11 Madsen, Mark A. Murphy, Cameron Rohner, Warren Rosegreen, and Anthony Michael Alberto, Jr.
 12 (collectively, the “Receivership Defendants” or “Receivership Entities”)¹, submits this Eighth
 13 Quarterly Report (“Report”) for the period from January 1, 2024 through March 31, 2024
 14 (“Reporting Period”) in accordance with the Orders of this Court and Local Rule 66-4(b).

15 **I. INTRODUCTION**

16 As reflected in the Court’s record and discussed further in this Report, this Court authorized,
 17 empowered, and directed the Receiver to, among other things: (1) assume exclusive authority and
 18 control over the Receivership Entities; (2) conduct such investigation and discovery as necessary to
 19 identify and locate outstanding assets of the Receivership Entities; and (3) preserve and prevent the
 20 dissipation of such assets.

21 As detailed herein, since the entry of this Court’s Order Appointing Receiver (ECF. No. 88)
 22 and Order Amending Receivership Order (ECF No. 207) (collectively, the “Appointment Order”),
 23 the Receiver has made substantial progress, particularly in connection with assuming control over
 24 the Receivership Entities, identifying and marshaling their assets for the benefit of the receivership
 25 estate and its creditors, including investors in the alleged Ponzi investment scheme which
 26 precipitated the Receiver’s appointment and the forensic accounting efforts. However, because the
 27

28 ¹ On July 29, 2022, this Court entered an order expanding the original receivership order to apply to additional defendants (*see* ECF No. 207).

1 Receiver's work is ongoing, the conclusions presented in this Report are presently deemed to be
2 preliminary and are subject to modification or amendment as more information becomes available
3 to the Receiver. As of the date of this Report, the Receiver's investigation and accounting are still
4 in process and he has not arrived at any definitive conclusions, including as to certain allegations
5 made by the Plaintiff Securities and Exchange Commission (the "Commission" or "SEC") in the
6 above-entitled matter.

7 **II. SUMMARY OF THE RECEIVER'S OPERATIONS (LR 66- 4(b)(1))**

8 **A. THE RECEIVER'S INVESTIGATION AND MARSHALLING OF ASSETS**

9 During the Reporting Period, the Receiver and his professionals continued to work with
10 certain Defendants, their respective counsel, and third parties believed to be in possession of
11 Receivership Entity assets or records, to arrange for the turnover of assets, as well as to recover
12 critical documentation relating to the business and financial activities of the Receivership Entities
13 (including bank statements and other financial documents), communications with investors, and
14 other information pertinent to the Receiver's duties. As part of these efforts, the Receiver has been
15 required to prepare and file numerous petitions for relief with the Court in connection with the
16 turnover of assets. Since the employment of special counsel and consultant for the purposes of
17 prosecuting litigation against Wells Fargo Bank ("Wells Fargo") (see ECF Nos. 470 and 471)², the
18 Receiver has worked diligently with his special litigation counsel to assemble critical evidence in
19 support of the Receiver's claims, and otherwise assist in the prosecution of the claims against the
20 banking institution ("Wells Fargo Action").

21 The Receiver and his counsel have likewise continued to work to obtain full compliance
22 with the Appointment Order, including, but not limited to, with respect to the turnover of funds
23 transferred by the Receivership Defendants to attorneys in the pre-receivership period. Although
24 the majority of attorneys and defendants have complied with the Receiver's requests and this
25 Court's orders, during the previous reporting period this Court entered orders finding Aaron
26 Grigsby in contempt and ordering him to turnover \$405,302.40 to the Receiver and further indicated

27
28 ² See also ECF Nos. 455, 457, 458, 459, 460, 480, 482.

1 it was inclined to grant fees and costs associated with the Receiver's efforts that ultimately led to
2 the contempt findings (ECF Nos. 671, 621, 625). During this Reporting Period Grigsby has filed
3 an appeal with the Ninth Circuit and two motions to stay and has not made any payment to the
4 Receiver.

5 The Receiver continues to obtain and review documents provided by the Receivership
6 Defendants in accordance with stipulations on file with the Court. Defendant Chris Humphries
7 continues to timely submit required documentation. Other Receivership Defendants are not
8 currently in compliance with existing stipulations. The Receiver will continue to press these parties
9 to make timely productions of all required information but reserves the right to petition the Court
10 for further instructions should additional unwarranted production delays continue.

11 As detailed in Section III, below, the Receiver has also successfully secured real and
12 personal property. During the Reporting Period, the Court granted permission to employ a new real
13 estate professional to assist in selling real property (ECF No. 624).

14 The Receiver's ongoing investigation has resulted in the discovery of additional assets,
15 which the Receiver believes can be successfully monetized for the benefit of the receivership estate.
16 The Receiver and his counsel continue to work on valuations and negotiations for each of these
17 assets, as well as investigating other assets of potential value to the estate.

18 **B. INVESTOR AND CREDITOR COMMUNICATION**

19 The Receiver has maintained and regularly updated the receivership website
20 (<http://www.jjconsulting-receivership.com>) for investors and creditors to access information
21 regarding this case. Additionally, the Receiver and his professionals have continued to review
22 investor lists provided by the Receivership Defendants and have collected additional registration
23 forms directly from investors. An updated investor list will be submitted to the court, in camera,
24 contemporaneously with the submission of this Report. The total number of investors identified by
25 the Receiver is 1,147³. Any investors that have not yet registered to receive updates on the
26

27
28 ³ This number is inclusive of self-reported information from investors and does not currently contain forensic accounting estimates of new investors.

1 receivership may do so by visiting www.jjconsulting-receivership.com/register. The Receiver's
2 team will continue to send monthly updates regarding the receivership to all registrants.

3 This Reporting Period, the Receiver requested participation from investors in a second
4 investor questionnaire. The main purpose of this questionnaire was discovery of investor
5 transactions that would otherwise remain unknown, such as cash transactions or transactions that
6 were bundled with only one investor being identified, but multiple investors pooling or bundling
7 funds for the investment. As of March 31 20024, 453 investor submissions were received.

8 C. THE RECEIVER'S FORENSIC ACCOUNTING ACTIVITIES

9 As of the date of this report, the Receiver has discovered and began a comprehensive review
10 of 605 bank and brokage accounts covering the five-year pre-receivership period to-date. The
11 Receiver's team review includes compiling and digitizing statements and supporting materials,
12 analyzing, and categorizing digitized bank transactions, bank statements, check images, and wire
13 details, amongst other bank documentations, and then comprehensively compiling audited
14 transactions into an accounting environment with a unitary chart of accounts. Of the 605 accounts
15 identified to date, 54% have been reviewed and analyzed, 37% are in process and 10% are pending
16 additional needed documentation to proceed. The Receiver's team has prioritized the most
17 impactful accounts first, and so, on a transaction level, the Receiver estimates that 72% of the
18 estimated 420,000 transactions represented in the case have been analyzed and reviewed.
19 Furthermore, the Receiver estimates 90% of the estimated \$4.7 billion in deposits and withdrawals
20 in these accounts have been analyzed. Conversely, what remains in the processing of these
21 materials is 47% of the accounts that represent about 28% of the transactions and 10% of the
22 currency activity.

23 As noted in prior Quarterly Reports, in addition to facilitating his identification and recovery
24 of available assets, the Receiver also anticipates that his forensic accounting will provide a
25 foundation for an eventual claims process in this matter and enable him to identify with improved
26 accuracy which investors lost money because of their investments in the Receivership Entities, and
27 which did not. The Receiver will address a prospective claims process in a future report. The
28 Receiver discusses his expectations for the forensic accounting process going forward in Section VI

1 below, including outstanding analysis and other tasks remaining, the anticipated timing of results,
2 and the Receiver's expectations for the burden on his team and cost to the Estate.

3 **D. ADDITIONAL RECEIVERSHIP ADMINISTRATION ACTIVITIES**

4 **1. Outreach to Financial Institutions Regarding Turnover of Accounts**

5 During the Reporting Period, the Receiver and his counsel continued discussions with
6 several banks administering accounts held in the name of, or for the benefit of the entity or
7 individual defendants, regarding the turnover of those funds falling within the ambit of the turnover
8 provisions of the Appointment Order and Preliminary Injunction. Among other things, the Receiver
9 prepared and reviewed financial summaries for accounts held at Wells Fargo, U.S. Bank, Ally Bank,
10 and other financial institutions. The results of these summaries were then discussed with bank
11 representatives, to ensure that all identified funds subject to turnover to the Receiver had been turned
12 over. As of the date of this Report, many of these discussions remain ongoing.

13 **2. Personal Property Sales**

14 During the Reporting Period, the Car Consultant, Inc. was able to finalize the sale of the
15 following watch and vehicle:⁴

<i>Year</i>	<i>Make</i>	<i>Model</i>	<i>Total Received</i>	<i>Defendant</i>
	Richard Mille	Watch	\$112,500.00	Judd
2020	Can-Am	Turbo RR 4 Seater	\$16,920.00	R Madsen
Total			\$129,420.00	

20 **3. Real Property Sales**

21 This Court has granted the Real Property Sale Motion (ECF No. 224), and the Receiver was
22 given authorization from the court to employ professionals to assist in the sale of real properties
23 (ECF No. 302). Properties in Nevada are being listed by Joe DiRaffaele, and properties in
24 California and Utah are being listed by Todd Wohl. The Receiver was given authorization to employ
25 a new professional, Zar Zanganeh, for the sale of the real property at 16 Paradise Valley (ECF
26 No. 626). There were no real property sales in the Reporting Period.

27 _____
28 ⁴ Efforts have also been made by the Receiver and his professionals to obtain clear titles to facilitate the sale of additional vehicles.

1 **III. INVENTORY OF ASSETS AND ESTIMATE OF VALUE (LR 66-4(b)(2))⁵**

2 From January 1, 2024, to March 31, 2024, the Receiver was able to recover approximately
3 \$2,424,360 in cash. The Receiver holds multiple types of assets ranging in value at the end of the
4 Reporting Period. These include \$16,611,293 in real property, \$384,220 in personal property,
5 \$105,051,589 in estimated litigation value, and \$2,790,625 in private equity investments. The
6 Receiver sold all the cryptocurrency this Reporting Period. It was worth \$1,162,996 when acquired
7 from defendants. The Receiver sold it for \$1,974,001, a profit of \$811,005 and an increase of
8 69.7%, accounted for in the cash recovered above.

9 The Standardized Fund Accounting Report for the Reporting Period is attached to this report
10 as **Exhibit A**.

11 **IV. SCHEDULE OF RECEIVER’S RECEIPTS & DISBURSEMENTS (LR 66- 4(b)(3))**

12 See **Exhibit B**, **Exhibit C**, and **Exhibit D** for complete lists of transactions.

13 In addition to the foregoing, please see the Standardized Financial Accounting Report
14 attached as **Exhibit A**.

15 **V. CURRENT AND FUTURE LITIGATION**

16 **A. Ninth Circuit Appeal Relating to Motion to Intervene**

17 On March 15, 2024, the United States Court of Appeals for the Ninth Circuit issued a
18 memorandum decision on a pending appeal taken by prospective intervenors Omid Shahabe and
19 Kristine Young (collectively, the “putative intervenors”) from this Court’s earlier order denying
20 their motion to intervene. As the Court may recall from the Receiver’s earlier reports, the putative
21 intervenors initially identified the Receiver as the respondent in their appeal to the Ninth Circuit,
22 but later corrected their filing to identify the Commission as the appropriate responding party.
23 Nonetheless, and because critical receivership interests were implicated in the appeal, the Receiver
24 filed an Opening Brief in opposition to the putative intervenors’ arguments, in part restating his
25 bases for opposition to their intervention petition as presented to this Court. In its memorandum
26

27 ⁵ This is not an all-inclusive list of the real properties to which the Receiver has secured possession during
28 this period. The Receiver has secured possession of additional properties that are not public at this time
because they are inhabited or cannot be publicly disclosed for other privacy reasons.

1 decision, the Ninth Circuit held that this Court did not abuse its discretion in denying the putative
2 intervenors' request to intervene, acknowledged their extended failure to request relief after notice
3 of the pending receivership, as well as the Receiver's significant progress to date, and affirmed this
4 Court's order.

5 ***B. Ninth Circuit Appeal Relating to Aaron Grigsby***

6 On February 5, 2024, the Ninth Circuit acknowledged receipt of an appeal filed on behalf
7 of Aaron Grigsby and assigned the same Case No. 24-628 ("Grigsby Appeal"). Mr. Grigsby is
8 appealing this Court's order finding him in civil contempt for failing to comply with court orders
9 and requiring the turnover of Receivership Assets (ECF No. 621). The Grigsby Appeal was released
10 from the Ninth Circuit Mediation Program on March 1, 2024 and thereafter a streamlined request
11 to extend the time for filing the opening brief was made by Grigsby's counsel. Currently the
12 opening brief is due to be filed on May 23, 2024. Mr. Grigsby has yet to turnover any funds to the
13 Receiver and/or pay the fines imposed by the Court that continue to accrue due to his
14 noncompliance. On April 22, 2024, Mr. Grigsby filed a motion for a stay pending appeal with the
15 Ninth Circuit and the Receiver plans to file an opposition to the same on May 2, 2024.

16 ***C. Wells Fargo Litigation***

17 On May 24, 2023, the Receiver brought suit against Wells Fargo Bank. The Receiver claims
18 that Wells Fargo aided and abetted Beasley's fraud and his breach of fiduciary duties under the
19 Beasley Law Firm IOLTA. The Receiver alleges that Wells Fargo had knowledge of the fraud but
20 nonetheless continued to substantially assist Beasley. Wells Fargo filed an answer to the Complaint
21 denying the claims. Mediation sessions with Wells Fargo were held October 24, 2023, and
22 February 29, 2024. No agreement was reached. The case is now in the discovery phase. The case
23 schedule indicates a 2025 trial.

24 ***D. Eco Battery Litigation***

25 After Receiving leave from this Court to pursue and initiate litigation against Eco Battery,
26 LLC and related parties (ECF No. 614), the Receiver filed a robust complaint on January 25, 2024
27 naming as Defendants Eco Battery, LLC, Eco Capital, Inc., Eco Capital IP, Inc., One Iron
28 Investments, LLC, Casey W. Shirts, and Noah R. Schone (collectively the "Eco Battery

1 Defendants”) in the United States, District Court of Nevada as Case No. 24-cv-00174-CDS-MDC
 2 (“Eco Battery Complaint”). After the filing of the Eco Battery Complaint, counsel for the Receiver
 3 provided a courtesy copy to counsel for the Eco Battery Defendants identified therein and settlement
 4 negotiations immediately ensued.

5 As a result of the foregoing, a settlement agreement has been reached, subject to Court
 6 approval. The Receiver filed a motion to approve the settlement amount of \$4,501,000.00. (ECF
 7 No. 663) which was approved by the Court on April 26, 2024 (ECF No. 670). In the Receiver’s
 8 view, the settlements reached with the Eco Defendants provide substantial value to the Receivership
 9 Estate as the settlement amounts represent the recovery of the total amount of receivership funds
 10 invested by Defendant Shane Jager into Eco Battery in January 2022 (\$4.5 million). Additionally,
 11 through the aforementioned settlements, the Receivership will avoid the uncertainty and expense of
 12 litigation as well as the burden of subsequent efforts to collect on any judgment.

13 ***E. Future Third Party Litigation and Clawback Actions***

14 The Receiver continues to evaluate additional avenues to recover funds for the Receivership
 15 Estate and continues to investigate potential targets where third party litigation and/or claw-back
 16 proceedings would be appropriate. As additional information is reviewed and developed and third
 17 parties identified, the Receiver will update the Court regarding his findings and intended next steps.

18 ***F. Monitoring of Proceedings Brought Against Named Defendants***

19 At various times throughout this proceeding, the Receiver has been notified of actions
 20 brought against several of the Individual Defendants seeking recovery based on claims similar to
 21 those asserted by the Commission herein. In such circumstances, the Receiver has reached out the
 22 attorneys involved and requested those matters be stayed based on the preliminary injunction order
 23 appointment order entered herein. At this juncture, the parties involved have worked cooperatively
 24 with the Receiver to effectuate stays in other proceedings.

25 **VI. CONTEXT FOR THE RECEIVER’S APPLICATION FOR PAYMENT OF FEES**
 26 **AND EXPENSES FOR THE REPORTING PERIOD**

27 The Receiver acknowledges the Court’s response to the 2023 Fourth Quarter Application
 28 for Payment of Fees and Expenses (“Fee App”). The Receiver desires to further address some of

1 the Court’s questions regarding the necessity of the high workload here, in anticipation of the
 2 Receiver’s forthcoming 2024 First Quarter Fee App. Given the work that was completed during
 3 this Reporting Period – and the anticipated work that will be necessary in the next two reporting
 4 periods as the Receiver continues to build the forensic accounting for the case – the Receiver will
 5 provide further context regarding the work to be completed and the necessary tasks associated with
 6 the same.

7 As a preliminary matter, the Receiver would like to emphasize the unprecedented lack of
 8 data available to aid in the forensic accounting in this case. The J&J Enterprises had essentially no
 9 books of account from which the Receiver’s team could begin its forensic analysis; there was no
 10 central depository of records for the business Defendants claim to have operated; there was no
 11 traditional accounting system in place and no “books” for the enterprise⁶; there is not even a
 12 database that identifies investors and provides information on the amount and timing of their
 13 “investments” and any distributions returning funds to investors; and there is not a dedicated
 14 operational or “clearing” account through which investor funds flowed. Instead, the records relating
 15 to the defendants are found in hundreds of accounts either bearing their names individually or the
 16 names of over 155 related corporate entities. These are just the accounts associated with the
 17 defendants, *not the investors and other unnamed promoters*. The Receiver was never provided with
 18 any of this information. American Fiduciary Services was required to obtain documents from scores
 19 of primary sources before the Receiver could understand the structure of the J&J side of the picture
 20 before forensic accounting could meaningfully start.

21 The investor side of the picture was no different. The Receiver had little to no information
 22 on the identities of investors or the extent of their existence. Again, AFS was required to obtain
 23

24 ⁶ The Receiver understands that the United States possesses significant information and data relevant to
 25 the J&J Enterprise seized during the raids of Defendants Beasley and Judd’s homes prior to his appointment,
 26 including information on computers, hard drives, cell phones, and other electronic devices in those
 27 Defendants’ possession. The Receiver anticipated that he would be provided with that information relatively
 28 early in the Receivership. The Receiver is not aware whether any of the books he would have expected to
 see – even for a fraudulent business like this one – may be among the information seized from those
 Defendants, To date, and despite efforts by the Receiver to secure the documents or other information, it has
 not been made available. That being the case, the Receiver recently subpoenaed Defendant Judd for any
 similar information remaining in his possession.

1 information by subpoenaing or otherwise obtaining data on countless investments, bank accounts,
2 wires and entities in order to ascertain the magnitude of J&J's "customer base." To track this
3 information for meaningful use during the accounting, the Receiver's team created a "Customer
4 Relationship Management" database from the source documents and two investor surveys to aid
5 efforts. To date, the Receiver has identified no less than 1,779 non-defendant third parties. These
6 third parties are associated with no less than 2,637 *unique entities*, each of which received,
7 transmitted, or acted as a conduit for investor funds or otherwise facilitated "investments" in the
8 J&J scheme. Each one of these parties is in the process of being identified and authenticated as:
9 (1) an investor who lost money on a net-cash basis; (2) an investor who broke even or received
10 funds in excess of their investment; (3) a pooler, promoter or other marketer who took investor
11 money to promote the alleged Ponzi Scheme; or (4) a vendor/potential trade creditor.

12 To conduct the necessary analysis, the Receiver's team of twelve staff typically are split
13 amongst this case and other matters. When the Receiver was notified by the SEC of its upcoming
14 deadlines for preliminary information and based on the discovery orders issued in the Wells Fargo
15 action, the Receiver requested his team to focus a majority of their 40+ hour work weeks on the
16 J&J Consulting forensic accounting. As referenced above, the Receiver has discovered and began
17 a comprehensive review of 605 bank and brokerage accounts covering the five-year pre-receivership
18 period to-date and has additional document requests pending. The Receiver's team has prioritized
19 the most impactful accounts first, and so, on a transaction level, the Receiver estimates that 72% of
20 the estimated 420,000 transactions represented in the case have been analyzed and reviewed.
21 Furthermore, the Receiver estimates 90% of the estimated \$4.7 billion in deposits and withdrawals
22 in these accounts have been analyzed. Conversely, what remains in the processing of these
23 materials is 47% of the accounts that represent about 28% of the transactions and 10% of the
24 currency activity. This is a time consuming process, but will be utilized for multiple purposes.

25 As stated above, the Receiver filed the Wells Fargo Action and has alleged that Wells Fargo
26 had knowledge of the fraud but nonetheless continued to substantially assist Beasley. As part of
27 that proceeding, it was necessary for the Receiver to make significant headway with the forensic
28 accounting prior to the February 29, 2024 mediation. Deadlines associated with that mediation

1 required him to produce preliminarily reliable findings of loss amongst investors and flows through
2 all banks reviewed by January 16, 2024. The Wells Fargo Action is an important asset to the case,
3 one in which understanding the investors' losses was crucial and from which the Receiver
4 conservatively anticipates recovering tens of millions of dollars from the Estate's claims. The
5 forensic accounting *is the only way for the Receiver to identify this information* given the lack of
6 available records. Further, by doing this work internally, the Receiver is not required to retain an
7 expert witness to undertake this analysis, which would likely result in the work being done at
8 significantly higher hourly rates and create inefficiencies in the form of significant additional costs
9 for the Receiver and his team to monitor the work of an outside consultant.

10 Further, the Receiver has deadlines approaching to produce each defendants' individual
11 investor flows. This process assists in achieving settlement numbers and moving forward with
12 recovery in the long-term. Accordingly, the Receiver has also prioritized this aspect of the
13 accounting over other aspects because a successful recovery in the Wells Fargo Action is expected
14 to provide an significant benefit to the Estate.

15 Finally, in addition to being a critical part of the Wells Fargo litigation, the forensic
16 accounting analysis will be used as part of the claims process in this matter. The Receiver's
17 thoroughness with the forensic accounting will eliminate hundreds of hours of claims review, or
18 more, and ultimately benefit investors. Specifically, the Receiver plans to utilize the data as part of
19 the claims process and anticipates being able to send claims determination letters with specific and
20 verified claims data and will provide further information to the Court and parties as part of a motion
21 to approve a claims process. This will benefit the investor by giving them the option to not produce
22 documents further proving their loss. Additionally, this will shorten the time needed for the
23 Receiver's team to evaluate the claims submitted by investors and creditors. Indeed, the forensic
24 accounting being completed not will avoid the need for the Receiver's team to review thousands of
25 pages of documents that would normally be received in a claims process.

26 Further, the underlying documents the Receiver is utilizing for the forensic accounting has
27 been requested by the Commission. The Receiver is working with the Commission to provide the
28 requested data to allow the Commission's expert to complete an independent analysis of the same.

1 Lastly, although the Receiver has completed a tremendous amount of work on the forensic
2 accounting, there is more to be done and additional accounts have been identified that required the
3 Receiver and his counsel to request additional records from banking institutions. The Receiver
4 anticipates that it may be several more months before all the materials required to complete the
5 forensic accounting are obtained, and accordingly, the Receiver has prioritized this task. But with
6 that in mind, and due to the complexities of this case and the thousands of individuals, bank
7 accounts, and entities involves, which collectively participated in hundreds of thousands of
8 transactions, the Receiver estimates that the forensic account report will be completed by no later
9 than March 31, 2025.

10 **VII. RECOMMENDATION OF THE RECEIVER (LR 66-4(b)(5))**

11 At this juncture, the Receiver has initially concluded that J&J Consulting was not operating
12 a viable business and was quickly dissipating investor funds. So that the Receiver can continue to
13 identify assets and claims and pursue them for the benefit of the receivership estate, the Receiver
14 recommends that the receivership continue.

15 **VI. CONCLUSION AND REQUESTED RELIEF**

16 Assuming the Court authorizes the Receiver to undertake the actions recommended herein,
17 as well as to continue those actions provided for in the Appointment Order, any amendments thereto
18 and any subsequent orders, the Receiver proposes to submit further interim reports to this Court,
19 addressing his progress, findings, final conclusions, and additional recommendations,
20 approximately every 90 days. Accordingly, and based on the foregoing, the Receiver respectfully
21 requests that the Court enter an order:

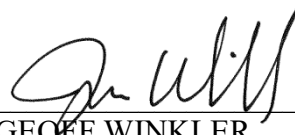
- 22 1. Accepting this Report;
- 23 2. Authorizing the Receiver to continue to administer the Receivership Entities and
24 their estate in accordance with the terms of the Appointment Order;
- 25 3. Authorizing the Receiver to undertake the recommendations presented herein,
26 including a continued engagement of those professionals he deems necessary for the proper
27 administration of the Receivership Entities and their estate; and

28 ///

1 4. Providing such other and further relief as the Court deems necessary and appropriate.

2 Dated this 1st day of May, 2024

3 I, GEOFF WINKLER, verify under penalty of perjury that the statements made in the
4 foregoing report are true and correct to the best of my knowledge.

5
6 

7 GEOFF WINKLER
Receiver

8 Respectfully submitted:
9 **GREENBERG TRAUERIG, LLP**

10 */s/ Kara B. Hendricks*

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CERTIFICATE OF SERVICE

I hereby certify that on **May 1, 2024**, I caused the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the CM/ECF participants registered to receive such service.

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

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A	STANDARDIZED FUND ACCOUNTING REPORT
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EXHIBIT A

EXHIBIT A

STANDARDIZED FUND ACCOUNTING REPORT

Standardized Fund Accounting Report for SEC v. JJ Consulting Services, Inc. et al.
Reporting Period from 01/01/2024 to 03/31/2024

FUND ACCOUNTING (See instructions)				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 01/01/2024):	62,646,557.74		
	Increases in Fund Balance:			
Line 2	Business Income	-		
Line 3	Cash and Securities (in transit)	-		
Line 4	Interest/Dividend Income	200,379.10		
Line 5	Business Asset Liquidation	115,584.91		
Line 6	Personal Asset Liquidation	2,118,396.73		
Line 7	Third-Party Litigation Income	-		
Line 8	Miscellaneous	-		
	Total Funds Available (Lines 1 - 8):		2,434,360.74	65,080,918.48
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	<i>Disbursements to Receiver or Other Professionals</i>	-		
Line 10b	<i>Business Asset Expenses</i>	-		
Line 10c	<i>Personal Asset Expenses</i>	(45,655.72)		
Line 10d	<i>Investment Expenses</i>	-		
Line 10e	<i>Third-Party Litigation Expenses</i>	-		
	1. Attorney Fees	-		
	2. Litigation Expenses	-		
	Total Disbursements for Receivership Operations		(45,655.72)	
Line 10f	<i>Tax Administrator Fees and Bonds</i>		-	
Line 10g	<i>Federal and State Tax Payments</i>		-	
	Total Disbursements for Receivership Operations			(45,655.72)
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	<i>Distribution Plan Development Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	-		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	Total Plan Development Expenses		-	
Line 11b	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	-		
	IDC.....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		
	Claimant Identification.....	-		
	Claims Processing.....	-		
	Web Site Maintenance/Call Center.....	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
	Total Plan Implementation Expenses		-	
	Total Disbursements for Distribution Expenses Paid by the Fund			-
Line 12	Disbursements to Court/Other:			
Line 12a	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	-		
Line 12b	<i>Federal Tax Payments</i>	-		
	Total Disbursements to Court/Other:		-	
	Total Funds Disbursed (Lines 9 - 11):			(45,655.72)
Line 13	Ending Balance (As of 03/31/2024):			65,035,262.76
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	<i>Cash & Cash Equivalents</i>		65,035,262.76	
Line 14b	<i>Investments</i>		2,790,625.00	
Line 14c	<i>Other Assets or Uncleared Funds</i>		122,047,101.85	
	Total Ending Balance of Fund - Net Assets			189,872,989.61

Standardized Fund Accounting Report for SEC v. JJ Consulting Services, Inc. et al.
Reporting Period from 01/01/2024 to 03/31/2024

OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
<i>Line 15a</i>	<i>Plan Development Expenses Not Paid by the Fund</i>			
	1. Fees:			
	Fund Administrator	-		
	IDC	-		
	Distribution Agent	-		
	Consultants	-		
	Legal Advisers	-		
	Tax Advisers	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	Total Plan Development Expenses Not Paid by the Fund	-		
<i>Line 15b</i>	<i>Plan Implementation Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator	-		
	IDC	-		
	Distribution Agent	-		
	Consultants	-		
	Legal Advisers	-		
	Tax Advisers	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan	-		
	Claimant Identification	-		
	Claims Processing	-		
	Web Site Maintenance/Call Center	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. FAIR Reporting Expenses	-		
	Total Plan Implementation Expenses Not Paid by the Fund	-		
<i>Line 15c</i>	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund			
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>		-	
<i>Line 16b</i>	<i>Federal Tax Payments</i>		-	
	Total Disbursements to Court/Other Not Paid by the Fund:			-
Line 17	DC & State Tax Payments			-
Line 18	No. of Claims:			
<i>Line 18a</i>	<i># of Claims Received This Reporting Period</i>	-		
<i>Line 18b</i>	<i># of Claims Received Since Inception of Fund</i>	-		
Line 19	No. of Claimants/Investors:			
<i>Line 19a</i>	<i># of Claimants/Investors Paid This Reporting Period</i>	-		
<i>Line 19b</i>	<i># of Claimants/Investors Paid Since Inception of Fund</i>	-		

Receiver: **Geoff Winkler**

By: 

Geoff Winkler
(printed name)

Chief Executive Officer
American Fiduciary Services LLC
Receiver, J&J Consulting Services, Inc. et al.

Date: April 30, 2024

EXHIBIT B

EXHIBIT B

LIST OF TRANSACTIONS
(EAST WEST BANK RECEIVERSHIP ACCOUNT 0050)

EAST WEST BANK RECEIVERSHIP ACCOUNT (A/E 0050)
January 1, 2024 - March 31, 2024

<i>Date</i>	<i>Type</i>	<i>Amount</i>	<i>Payee</i>	<i>Memo</i>
01/03/2024	Check	-2,770.00	Trustee Insurance Agency, Inc.	Costs to Secure/Maintain Property
01/03/2024	Check	-236.63	City of Henderson Utility Services	Costs to Secure/Maintain Property
01/09/2024	Check	-197.35	Southwest Gas	Costs to Secure/Maintain Property
01/09/2024	Check	-4,700.00	The Car Consultant	Costs to Secure/Maintain Property
01/10/2024	Check	-3,169.81	Anthem Country Club Community Association	Costs to Secure/Maintain Property
01/16/2024	Check	-1,252.99	NV Energy	Costs to Secure/Maintain Property
01/16/2024	Check	-3,975.00	McGehee Family Trust	Costs to Secure/Maintain Property
01/16/2024	Deposit	100,789.71	NHM Deersprings LLC	Royalties and Dividends
01/22/2024	Check	-120.00	EastWest Bank	Costs to Secure/Maintain Property
01/23/2024	Deposit	15,000.00	Christopher Madsen C/C	Liquidation of Personal Property
01/24/2024	Income Memo	40,782.73	Coinbase	Liquidation of Personal Property
01/24/2024	Income Memo	142,645.89	Coinbase	Liquidation of Personal Property
01/24/2024	Income Memo	197,747.09	Coinbase	Liquidation of Personal Property
01/24/2024	Income Memo	1,592,801.02	Coinbase	Liquidation of Personal Property
01/26/2024	Check	-197.35	Southwest Gas	Costs to Secure/Maintain Property
01/26/2024	Check	-1,100.00	AB Woodworking	Costs to Secure/Maintain Property
01/26/2024	Check	-750.00	Alejandro Murillo	Costs to Secure/Maintain Property
01/31/2024	Interest Credit	62,498.21	East West Bank	Interest Income
02/01/2024	Check	-2,770.00	Trustee Insurance Agency, Inc.	Costs to Secure/Maintain Property
02/01/2024	Check	-143.27	City of Henderson Utility Services	Costs to Secure/Maintain Property
02/01/2024	Check	-600.00	Golden West Pool Repair	Costs to Secure/Maintain Property
02/07/2024	Check	-2,000.00	The Car Consultant	Costs to Secure/Maintain Property
02/07/2024	Check	-56.00	Republic Services #620	Costs to Secure/Maintain Property
02/07/2024	Check	-499.40	Southwest Gas	Costs to Secure/Maintain Property
02/15/2024	Check	-630.89	NV Energy	Costs to Secure/Maintain Property
02/15/2024	Check	-3,975.00	McGehee Family Trust	Costs to Secure/Maintain Property
02/15/2024	Check	-5,977.36	Office of the County Treasurer	Costs to Secure/Maintain Property
02/15/2024	Check	-310.00	Willis Plumbing LLC	Costs to Secure/Maintain Property
02/27/2024	Stopped Check	11.34	Southwest Gas	Costs to Secure/Maintain Property
02/27/2024	Stopped Check	150.00	Woodworking Concepts	Costs to Secure/Maintain Property
02/27/2024	Stopped Check	19.22	City of Huntington Beach	Costs to Secure/Maintain Property
02/27/2024	Stopped Check	2,028.96	Clark County Treasurer	Taxes - State
02/27/2024	Stopped Check	2,915.48	Clark County Treasurer	Taxes - State
02/27/2024	Stopped Check	5,803.26	Clark County Treasurer	Taxes - State
02/27/2024	Stopped Check	2,986.06	Clark County Treasurer	Taxes - State
02/27/2024	Stopped Check	69.00	Olympia Management Services	Costs to Secure/Maintain Property
02/27/2024	Stopped Check	429.70	Ascaya Owners Association	Other Expenses
02/27/2024	Stopped Check	382.18	Ascaya Owners Association	Other Expenses
02/29/2024	Interest Credit	60,021.53	East West Bank	Interest Income
03/01/2024	Check	-3,190.00	Trustee Insurance Agency, Inc.	Costs to Secure/Maintain Property
03/01/2024	Check	-200.00	Golden West Pool Repair	Costs to Secure/Maintain Property
03/08/2024	Check	-295.66	City of Henderson Utility Services	Costs to Secure/Maintain Property
03/08/2024	Check	-2,000.00	The Car Consultant	Costs to Secure/Maintain Property
03/08/2024	Check	-73.26	Southwest Gas	Costs to Secure/Maintain Property
03/15/2024	Check	-490.75	NV Energy	Costs to Secure/Maintain Property
03/18/2024	Wire In	112,500.00	The Car Consultant	Liquidation of Personal Property
03/21/2024	Check	-3,975.00	McGehee Family Trust	Costs to Secure/Maintain Property
03/25/2024	Wire In	16,920.00	The Car Consultant	Liquidation of Personal Property
03/29/2024	Interest Credit	64,264.54	East West Bank	Interest Income

EXHIBIT C

EXHIBIT C

LIST OF TRANSACTIONS
(EAST WEST BANK RECEIVERSHIP ACCOUNT SUMMARY ACCOUNT 0064)

EAST WEST BANK RECEIVERSHIP ACCOUNT (A/E 0064)
January 1, 2024 - March 31, 2024

<i>Date</i>	<i>Type</i>	<i>Amount</i>	<i>Payee</i>	<i>Memo</i>
01/31/2024	Interest Credit	540.78	East West Bank	Interest Credit
02/29/2024	Interest Credit	506.42	East West Bank	Interest Credit
03/29/2024	Interest Credit	541.89	East West Bank	Interest Credit

EXHIBIT D

EXHIBIT D

LIST OF TRANSACTIONS
(EAST WEST BANK RECEIVERSHIP ACCOUNT SUMMARY ACCOUNT 0043)

EAST WEST BANK RECEIVERSHIP ACCOUNT (A/E 0043)
January 1, 2024 - March 31, 2024

<i>Date</i>	<i>Type</i>	<i>Amount</i>	<i>Payee</i>	<i>Memo</i>
01/31/2024	Interest Credit	4,085.62	East West Bank	Interest Credit
02/29/2024	Interest Credit	3,826.09	East West Bank	Interest Credit
03/29/2024	Interest Credit	4,094.02	East West Bank	Interest Credit