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

14 SECURITIES AND EXCHANGE
15 COMMISSION,

16 Plaintiff,

17 vs.

18 MATTHEW WADE BEASLEY et al.

19 Defendants;

20 THE JUDD IRREVOCABLE TRUST et al.

21 Relief Defendants.
22

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

**RECEIVER’S MOTION FOR ORDER
IN AID OF RECEIVERSHIP
AUTHORIZING RECEIVER TO
PURSUE CLAWBACK ACTIONS**

23
24 Receiver Geoff Winkler moves this Court for an order authorizing the Receiver to pursue
25 claims against individuals and entities who received funds from the Receivership Defendants
26 that are subject to disgorgement.

27 This Motion is based on the following memorandum of points and authorities, the
28 attached exhibits, all papers on file, and any argument the Court may consider.

MEMORANDUM OF POINTS AND AUTHORITIES

I. RELEVANT BACKGROUND AND PROCEDURAL HISTORY

A. The SEC Enforcement Action

The SEC initiated this action against J&J Consulting Services, Inc., an Alaska corporation, J&J Consulting Services, Inc., a Nevada corporation, J and J Purchase LLC, The Judd Irrevocable Trust, and BJ Holdings LLC (collectively, the “*J&J Receivership Defendants*” or “*J&J Enterprise*”) and others on April 12, 2022, by the filing of a complaint and motion for temporary restraining order seeking, among other things, the freezing of defendants’ assets and the appointment of a receiver over the J&J Receivership Defendants. The Court granted the temporary restraining order, in part, by allowing the asset freeze to proceed but set the motion for a hearing in order to provide defendants an opportunity to be heard on the temporary receivership request. (ECF No. 3).

On April 21, 2022, a hearing was held and the Court found grounds to enter a preliminary injunction, asset freeze, and other equitable relief. (ECF No. 56). Thereafter, on May 3, 2022, the SEC filed a motion to appoint receiver and requested related relief. (ECF No. 67). On June 3, 2022, an Order was entered appointing Geoff Winkler as Receiver (the “*Appointment Order*”). (ECF No. 88).¹ Among other things, the Appointment Order authorized, empowered, and directed the Receiver to, among other things: (1) assume exclusive authority and control over the J&J Receivership Defendants; (2) conduct such investigation and discovery as necessary to identify and locate outstanding assets of the Receivership Defendants; and (3) preserve and prevent the dissipation of such assets.

B. The Receiver’s Forensic Accounting Investigation

In connection with his duties, the Receiver has reviewed thousands of pages of materials, reflecting hundreds of thousands of individual transactions, relating to the business and financial activities of the J&J Receivership Defendants. This effort enabled the Receiver to identify and quantify a significant portion of J&J Receivership Defendant transactions relating to potentially

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

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1 recoverable assets. On the basis of his review, the Receiver has confirmed that the operations of
2 the J&J Receivership Defendants were not profitable, and were unsustainable absent ongoing
3 infusions of new funds.

4 The J&J Receivership Defendants' payments of so-called returns on investments to
5 certain investors were funded in substantial part by money obtained from new investors,
6 consistent with the operation of a Ponzi scheme. On this basis, and as detailed significantly in
7 the Receiver's prior submissions to the Court, the Receiver has concluded and reported that the
8 activities of the J&J Receivership Defendants bear the hallmarks of a Ponzi investment scheme.

9 **C. The Receiver's Investigation of Net Winners**

10 Through his detailed analysis and accounting, the Receiver has confirmed that, as in most
11 Ponzi schemes, certain J&J Receivership Defendant investors ("*Net Winners*") were paid more
12 than the aggregate amounts they invested in the entities, while others ("*Net Losers*") lost money
13 on their investments. The Receiver has determined, in his reasonable business judgment, that in
14 order to recover and return as much as possible to those investors and creditors with claims
15 against the Receivership Defendants, including Net Losers, and consistent with the law in this
16 Circuit, it is necessary and appropriate to pursue the disgorgement of profits paid to the Net
17 Winners. The Receiver's detailed investigation and accounting identified over 150 potential Net
18 Winners.

19 For the reasons detailed herein, the Receiver seeks leave of this Court to pursue litigation
20 against those Net Winners for whom the Receiver has determined, in his business judgment, that
21 the cost-benefit analysis justifies the filing of a lawsuit. Additional details regarding the Net
22 Winners the Receiver deems it appropriate to pursue claims against, including the amounts owed
23 by each, are set forth in **Exhibit A**. Given the extensive number of Net Winners, the Receiver
24 intends to file several complaints, with the Net Winners broken up into smaller defendant groups.
25 Each complaint would be in substantially the same form as the Proposed Complaint attached
26 hereto as **Exhibit B**.

27 **D. The Receiver's Investigation of other Transferees**

28 In addition to the Net Winners discussed above, the Receiver has identified more than 20

1 *non-investor* individuals who received what appear to be fraudulent transfers from the J&J
 2 Enterprise and against whom the cost-benefit analysis justifies the filing of a lawsuit, in the
 3 Receiver’s business judgment. These individuals (the “*Transferees*”) are or appear to be family
 4 members, friends, or other associates² of the individual Receivership Defendants, or other
 5 promoters of the J&J Ponzi.

6 At no point in the Receiver’s investigation into the J&J Receivership Defendants has he
 7 identified any evidence of these third-party transferees providing *any* legitimate and valuable
 8 goods or services to the J&J Receivership Defendants, let alone reasonably equivalent value for
 9 the funds transferred. To the contrary, the transfers appear to be gratuitous “gifts,” informal
 10 “loans,” asset sales for inequivalent value, and other improper transfers initiated by the
 11 individual Receivership Defendants to illicitly divert fraudulently raised funds to their family,
 12 friends, or other associates³ in order to extract a further benefit from the Enterprise.

13 The Receiver has determined that these Transferees are liable for the funds and that,
 14 given the value of the claims and likelihood of success, it is in the Estate’s best interest to pursue
 15 claims for fraudulent transfer or similar claims under state and/or federal law against the
 16 Transferees. Accordingly, the Receiver respectfully requests authorization to initiate litigation
 17 against these Transferees. **Exhibit C** contains a table listing the Transferees, the Receivership
 18 Defendant with whom they are associated, and the total amount of funds transferred by the
 19 Receivership Defendants to those transferees. The complaint against the Transferees would be
 20 in substantially the same form as the Proposed Complaint attached hereto as **Exhibit D**.

21
 22 _____
 23 ² For some of these Transferees, the Receiver has identified a clear connection to the
 24 Enterprise or a particular individual Receivership Defendant or even the alleged or actual purpose of
 25 the transfer. For others, the Transferee’s relationship to the scheme and purported purpose of the
 transaction is less clear. The Receiver’s investigation is ongoing, but what does appear clear at this
 time for each Transferee for whom the Receiver seeks authority is that the Receiver has not identified
 reasonably equivalent value provided by the transferee *to* the Enterprise.

26 ³ For the avoidance of doubt, some of the Net Winners described in Section C above and listed
 27 on **Exhibit A** also received transfers of gifts, loans, etc., like the other Transferees described in Section
 28 **D**, in addition to their alleged investment proceeds transfers. The Receiver intends to pursue *all*
 transfers against all fraudulent transferees described here but has grouped the transferees who received
 transfers of more than one nature based on the nature of the thrust of the transfers they received, not
 necessarily the totality.

1 **II. ARGUMENT**

2 **A. The Court Should Exercise Its Equitable Discretion to Authorize the**
 3 **Receiver to Commence Litigation Against the Net Winners and Transferees**

4 Federal district courts are vested with wide discretion to enter appropriate orders
 5 empowering receivers to pursue specific claims processes and plans for the distribution of assets
 6 held by the Receivership. “The power of a district court to impose a receivership or grant other
 7 forms of ancillary relief...derives from the inherent power of a court of equity to fashion
 8 effective relief.” *SEC v. Wencke*, 622 F.2d 1363, 1369 (9th Cir. 1980). The “primary purpose
 9 of equity receiverships is to promote orderly and efficient administration of the estate by the
 10 district court for the benefit of creditors.” *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986).

11 A “district court’s power to supervise an equity receivership and to determine the
 12 appropriate action to be taken in the administration of the receivership is extremely broad.” *SEC*
 13 *v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th Cir. 2005); *see also SEC v. Topworth Int’l,*
 14 *Ltd.*, 205 F.3d 1107, 1115 (9th Cir. 1999) (“This court affords ‘broad deference’ to the [district]
 15 court’s supervisory role, and ‘we generally uphold reasonable procedures instituted by the
 16 district court that serve th[e] purpose’ of orderly and efficient administration of the receivership
 17 for the benefit of creditors.” (quoting *Hardy*, 803 F.2d at 1037-38)). As part of its oversight, the
 18 Court may “make rules which are practicable as well as equitable.” *Hardy*, 803 F.2d at 1039
 19 (quoting *First Empire Bank-New York v. FDIC*, 572 F.2d 1361, 1368 (9th Cir 1978)). For this
 20 reason, the Ninth Circuit will generally “uphold reasonable procedures instituted by the district
 21 court that service this purpose.” *Hardy*, 803 F.2d at 1038; *see also CFTC v. Topworth Int’l, Ltd.*,
 22 205 F.3d 1107, 1115 (9th Cir. 1999). Thus, this Court holds the inherent authority to authorize
 23 litigation against third parties for the benefit of the Receivership Estate.

24 **B. The Court Should Exercise Its Discretion under the Appointment Order.**

25 Additionally, the Appointment Order issued herein supports the Receiver’s ability to
 26 move forward with third party litigation. Under the terms of the Appointment Order, the
 27 Receiver is obligated to “take custody, control and possession of all Receivership Property” and
 28 to “sue for and collect, recover, receive and take into possession from third parties all

1 Receivership Property and records relevant thereto.” ECF No. 88 at ¶ 7B. In furtherance of this
2 obligation, the Appointment Order provides:

3 Subject to his obligation to expend receivership funds in a reasonable and cost-
4 effective manner, the Receiver is authorized, empowered and directed to
5 investigate the manner in which the financial and business affairs of the
6 Receivership Defendants were conducted and (after obtaining leave of this Court)
7 *to institute such actions and legal proceedings, for the benefit and on behalf of the*
8 *Receivership Estate, as the Receiver deems necessary and appropriate;* the
9 Receiver may seek, among other legal and equitable relief, the imposition of
10 constructive trusts, disgorgement of profits, asset turnover, avoidance of
fraudulent transfers, rescission and restitution, collection of debts, and such other
relief from this Court as may be necessary to enforce this order. Where
appropriate, the Receiver should provide prior notice to Counsel for the
Commission before commencing investigations and/or actions.

11 ECF No. 88 at ¶ 43. (emphasis added).

12 Accordingly, the Court has broad equitable powers and discretion in the context of the
13 administration of the instant Receivership, including broad power to authorize the Receiver to
14 undertake litigation, when necessary and appropriate, and to authorize the Receiver to recover
15 Assets of the Receivership Estate, including via disgorgement of profits from Net Winners and
16 clawback of fraudulent transfers from the Transferees.

17 **C. Transfers to the Net Winners and Transferees Are Subject to Avoidance**
18 **Under the Nevada Uniform Fraudulent Transfer Act**

19 In accordance with his reasonable business judgment and authority under the
20 Receivership Order, the Receiver has determined that he has viable claims against the Net
21 Winners identified in **Exhibit A** and against the Transferees identified in **Exhibit C** under
22 applicable Ninth Circuit law. These claims are based on the Uniform Fraudulent Transfer Act
23 (“*UFTA*”), which is codified in Nevada as NRS Chapter 112, and applicable Ninth Circuit law
24 interpreting similar legislation in California. It is well established that federal equity receivers
25 have standing to pursue actual and constructive fraudulent transfer claims on behalf of entities
26 in receivership against the recipients of the transfers. *See Donell v. Kowell*, 533 F.3d 762, 776-
27 77 (9th Cir. 2007); *see also Winkler v. McCloskey*, 83 F.4th 720, 727–28 (9th Cir. 2023) (citing
28 *Kowell*).

1 Under applicable Ninth Circuit Law, payments made to profiting investors in excess of
2 their principal investment are not considered to be in exchange for value. *See Kowell*, 533 F.3d
3 at 770-71 (finding payments made from Ponzi scheme funds are recoverable by the Receiver,
4 even to investors if those investors recoup more than they paid in); *see also In re United Energy*
5 *Corp.*, 944 F.2d 589, 595 n. 6 (9th Cir. 1991) (holding that payments made to profiting investors
6 in excess of the amount of their principal investment “would be avoidable because the debtor
7 would not have received reasonably equivalent value for them”). Thus, the Ninth Circuit has
8 adopted the “netting rule” whereby amounts paid to investors are netted against their
9 investments. *See Donell v. Ghadrnan*, 2013 WL 692853, at *3 (C.D. Cal. Feb. 26, 2013) (citing
10 *Donell v. Kowell*, 533 F.3d at 771). Any excess in the form of fictitious profits is subject to
11 disgorgement. *Id.*

12 With regard to the Transferees, as explained above, the detailed investigation undertaken
13 by the Receiver revealed that the Transferees each received substantial amounts of money from
14 the J&J Receivership Defendants. However, there is no evidence of these third-party transferees
15 providing *any* legitimate and valuable goods or services to the J&J Receivership Defendants, let
16 alone reasonably equivalent value for the funds transferred. Accordingly, in his business
17 judgment, the Receiver believes that the Receivership Estate has claims against these Transferees
18 for fraudulent transfer.

19 In totality, this Motion seeks authorization from this Court to pursue (1) the full recovery
20 of profits from Net Winners that received more than \$25,000 in excess of their principal
21 investments and (2) the full recovery of funds transferred to Transferees that received more than
22 \$25,000 in transfers from the J&J Receivership Entities. A list of the Net Winners and their total
23 profits is attached hereto as **Exhibit A**. A proposed form complaint against the Net Winners is
24 attached hereto as **Exhibit B**.⁴ A list of the Transferees and the total amount of funds transferred
25 to them is attached hereto as **Exhibit C**. A proposed complaint against the Transferees is
26 attached hereto as **Exhibit D**.

27 _____
28 ⁴ To most effectively manage this litigation, the Receiver plans to file multiple complaints,
breaking the Net Winners into smaller defendant groups.

1 **D. Payment of Legal Fees to Pursue Proposed Claims**

2 Given the time and work that the law firm of Greenberg Traurig, LLP (“*GT*”) has already
 3 expended in reviewing materials and assisting with the recovery of funds and settlement of
 4 claims from Net Winners and Transferees, the Receiver believes that *GT* is well suited to pursue
 5 claims against the Net Winners identified in **Exhibit A** and the Transferees identified in
 6 **Exhibit C** on behalf of the Receivership Estate. *GT* has agreed to do so at 20% off the attorneys’
 7 standard 2026 rates for Nevada. Specifically, *GT*’s rates would be as follows for the legal
 8 professionals primarily involved in this litigation:

9

Name	Description	Regular Rate	Discounted Rate
Kara B. Hendricks	Shareholder	\$850	\$680
Kyle A. Ewing	Shareholder	\$775	\$620
Madeleine Coles	Associate	\$455	\$364
Steph Morrill	Paralegal	\$375	\$300

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15 Further, in order to minimize the administrative expenses associated with the claims by
 16 the Receiver against the Net Winners and the Transferees, and to maximize judicial efficiency,
 17 the proposed litigation would be prosecuted in this Court, which can exercise ancillary and
 18 supplemental jurisdiction over such claims pursuant to 28 U.S.C. §§ 1345 and 1367(a).

19 **III. CONCLUSION**

20 Based on the foregoing, the Receiver requests entry of an order in the form attached as

21 **Exhibit E:**

- 22 (1) Granting the Motion in its entirety;
- 23 (2) Authorizing the Receiver to initiate litigation against the Net Winners identified
 24 in **Exhibit A** by filing complaints in substantially the form as that attached as
 25 **Exhibit B;**
- 26 (3) Authorizing the Receiver to initiate litigation against the Transferees identified in
 27 **Exhibit C** by filing a complaint in substantially the form as that attached as
 28 **Exhibit D;** and

(4) Granting such other and further relief as the Court deems just and appropriate.

DATED this 6th day of March 2026.

GREENBERG TRAUERIG, LLP

By: /s/ Kyle A. Ewing

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CERTIFICATE OF SERVICE

I hereby certify that, on the **6th day of March 2026**, a true and correct copy of the foregoing document 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:

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

GREENBERG TRAUIG, LLP

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INDEX OF EXHIBITS	
EXHIBIT	DESCRIPTION
A	LIST OF NET WINNERS
B	PROPOSED FORM COMPLAINT FOR NET WINNERS
C	LIST OF TRANSFEREES
D	PROPOSED COMPLAINT FOR TRANSFEREES
E	PROPOSED ORDER

GREENBERG TRAURIG, LLP

EXHIBIT A

EXHIBIT A

LIST OF NET WINNERS

NET WINNER	ASSOCIATED RECEIVERSHIP DEFENDANT	NET TRANSFER AMOUNT
Abittan, Flory	Chris Humphries	\$30,000.00
Abittan, George	Chris Humphries	\$185,045.00
Allegre, Marc and Vance	Jeff Judd	\$255,500.00
Anderson, Dawn	Chris Madsen	\$40,000.00
Balelo, Gregory	Jason Jenne	\$618,000.00
Barney, Michael	Jeff Judd	\$905,000.00
Beck, Ann	Warren Rosegreen	\$50,000.00
Bennett, Chris	Shane Jager	\$164,500.00
Bennett, Giselle	Shane Jager	\$30,000.00
Berrett, Brad	Jeff Judd	\$1,204,000.00
Biggs, Ryan	Warren Rosegreen	\$273,707.00
Blue, Terry	Warren Rosegreen	\$40,000.00
Boe, Steve	Jeff Judd	\$105,000.00
Bonnell, Jared	Jeff Judd	\$44,985.00
Bopp, Susie	Jeff Judd	\$96,000.00
Bradford, Henry	Roland Tanner	\$50,000.00
Brockman, Stephen	Jeff Judd	\$25,000.00
Brown-Felix, Alice M	Warren Rosegreen	\$38,500.00
Bunch, Rick	Chris Madsen	\$440,250.00
Burton, Robert M	Roland Tanner	\$40,000.00
Bylina, Nicole	Mark Murphy	\$41,249.66
Byrne, Stephen	Jeff Judd, Chris Madsen, Richard Madsen	\$245,913.79
Caniglia, Shane	Chris Humphries	\$138,850.00
Carter, Sidney	Shane Jager	\$37,500.00
Cenname, Richard Tyler	Jeff Judd	\$169,985.00
Christensen, TC	Roland Tanner	\$110,000.00
Cyrkiel, Michael	Richard Madsen	\$102,430.00
Davidson, Steven C	Jeff Judd	\$28,000.00
Donatelli, James	Mark Murphy	\$141,000.00
Douglas, Richard S	Warren Rosegreen	\$299,500.00
Ekerman, Silvia	Warren Rosegreen	\$43,808.00
Eno, Jeffrey J	Shane Jager	\$244,241.00
Fajardo, Angel	Jeff Judd	\$854,000.00
Fajardo, Elizabeth	Mark Murphy	\$565,440.00
Foeman, Walter	Warren Rosegreen	\$117,250.00
Frehner, Shawn D.	Mark Murphy	\$117,125.00
Gerber, Jason	Shane Jager, Jeff Judd, Chris Madsen	\$1,242,922.74
Goffin, Greg S.	Jeff Judd	\$25,000.00
Goyette, Philip	Shane Jager	\$113,750.00
Grossberg, Sheri	Chris Madsen	\$82,475.00
Gwinn, Kelly	Warren Rosegreen	\$68,000.00

NET WINNER	ASSOCIATED RECEIVERSHIP DEFENDANT	NET TRANSFER AMOUNT
Hadfield, Zane	Jeff Judd	\$1,742,000.00
Haney, Beverly	Mark Murphy	\$82,500.00
Hanna, Larry	Warren Rosegreen	\$67,500.00
Harris, Austin M	Shane Jager	\$576,392.00
Hatter, Chris	Warren Rosegreen	\$28,000.00
Haycock, Dusty	Chris Humphries	\$185,100.00
Henrie, Cal D Jr.	Chris Humphries	\$51,450.00
Herlean, Greg	Jeff Judd, Richard Madsen	\$1,796,200.00
Hodges, Stephen	Jeff Judd	\$120,000.00
Huff, Bryce	Warren Rosegreen	\$39,438.89
Humphries, Amy Lou	Chris Humphries	\$93,725.00
Humphries, Kathy	Chris Humphries	\$233,000.00
Hunt, Scott	Jeff Judd	\$77,700.00
Igert, Caren	Jeff Judd	\$31,500.00
Irving, John	Chris Madsen, Richard Madsen	\$1,216,205.33
Jacoby, Aspen	Warren Rosegreen	\$70,000.00
Jager, Kelli	Shane Jager	\$171,673.69
Jager, Sydney	Shane Jager	\$121,901.23
Johnson, Hunter	Chris Madsen	\$38,882.75
Jones, Carlos	Jason Jongeward	\$58,333.00
Judd, Gary	Jeff Judd	\$280,067.86
Julian, Marion A	Chris Humphries	\$32,250.00
Kaeser, Jori	Richard Madsen	\$128,227.50
Kanter, Scott R	Shane Jager	\$198,000.00
Katris, Nick	Jeff Judd	\$90,288.04
Khodjaev, Saidabrbr	Chris Humphries	\$26,000.00
Kinney, Jonathan F	Jeff Judd	\$3,558,000.00
Kirk, Bryon	Mark Murphy	\$55,250.00
Kirkendall, Virginia	Mark Murphy	\$1,104,241.50
Koren, Yaacob	Warren Rosegreen	\$875,875.00
Krahenbuhl, James Brock	Jeff Judd	\$2,857,060.00
Krueger, Keith	Jason Jenne	\$506,500.00
Kuan, Arthur	Larry Jeffery	\$300,000.00
Lake, Jody	Chris Madsen	\$72,000.00
Lang, Herbert	Warren Rosegreen	\$90,500.00
Larkin, Andrew	Shane Jager	\$30,000.00
Lee, Eddie	Jeff Judd	\$183,000.00
Lee, Kari	Warren Rosegreen	\$32,500.00
Levi, Elie A	Shane Jager	\$122,500.00
Little, Steven	Jeff Judd, Chris Madsen, Richard Madsen	\$46,202.50
Lopez, Mick	Jeff Judd	\$402,000.00

NET WINNER	ASSOCIATED RECEIVERSHIP DEFENDANT	NET TRANSFER AMOUNT
Lorenz, Eric	Shane Jager	\$37,500.00
Lyman, Phyllis A	Warren Rosegreen	\$35,000.00
Mabeus, Ann	Shane Jager	\$80,500.00
Marek, Rhett	Chris Madsen	\$567,635.00
Marino, Rich	Jeff Judd	\$562,500.00
Marshall, Eric L	Shane Jager	\$174,785.00
Marshall, Stephen L	Jeff Judd	\$628,500.00
Maurtua, Cesar	Jeff Judd	\$721,655.40
Mayer, Julie	Jeff Judd	\$106,722.88
Mayer, Kyle	Shane Jager	\$343,300.00
Mccloud, Kenya	Warren Rosegreen	\$188,500.00
McDonald, Brandon B	Shane Jager	\$64,750.00
McDonough, John	Shane Jager	\$1,645,075.00
McGehee, Kennon	Shane Jager	\$355,601.35
Menard, Sandra A	Mark Murphy	\$108,700.00
Menzies, Steve	Shane Jager	\$255,000.00
Michaelson, Coe	Jeff Judd	\$288,000.00
Moore, Barry	Warren Rosegreen	\$1,338,000.00
Murray, Peter B	Jeff Judd	\$228,000.00
Nelson, Travis	Warren Rosegreen	\$242,000.00
Newberry, Emily	Jeff Judd	\$164,000.00
Nicola, Joseph R	Shane Jager	\$158,875.00
Nohrden, Jing M	Mark Murphy	\$1,293,312.00
Olejnik, Edward	Mark Murphy	\$49,000.00
Patel, Sudhakar	Richard Madsen	\$98,000.00
Peason, Jeffrey M	Shane Jager	\$184,000.00
Perri, William	Mark Murphy	\$33,150.00
Pezzuto, Joseph A	Jeff Judd	\$81,500.00
Pezzuto, M Vincent	Jeff Judd	\$212,000.00
Phillips, Kenneth	Mark Murphy	\$51,000.00
Pilon, Geraldo	Warren Rosegreen	\$37,500.00
Pulsipher, Dusty	Shane Jager	\$131,000.00
Puterman, Anthony	Warren Rosegreen	\$414,699.86
Ramirez, Reina	Warren Rosegreen	\$26,100.00
G. Lynn Biggs	Richard Madsen	\$250,000.00
Rice, Grant D	Warren Rosegreen	\$712,000.00
Rice, Lowell G	Warren Rosegreen	\$44,500.00
Riggott, Christopher M	Jeff Judd	\$259,000.00
Riske, David	Jeff Judd	\$30,000.00
Rivas, Andrew M	Shane Jager	\$53,750.00
Rohner, Jamison	Shane Jager, Seth Johnson, Cameron Rohner	\$27,500.00

NET WINNER	ASSOCIATED RECEIVERSHIP DEFENDANT	NET TRANSFER AMOUNT
Rohner, Maren	Shane Jager	\$39,933.34
Ronnebaum, Derek	Warren Rosegreen	\$70,500.00
Rosa, Nicholas	Jeff Judd	\$64,550.00
Rosegreen, Andrea	Warren Rosegreen	\$280,010.00
Rowland, Donald B	Jeff Judd	\$1,313,500.00
Saldana, Landon	Jeff Judd	\$142,000.00
Salisbury, John Eric	Mark Murphy	\$32,970.00
Santoro, Patrick	Shane Jager	\$58,748.00
Sarner, Matthew	Chris Humphries	\$1,673,000.00
Schaffner, Hyman	Shane Jager	\$136,250.00
Seik, Robert	Jeff Judd	\$1,354,336.02
Sheets, Gabriela	Jeff Judd	\$55,000.00
Shemtov, Jack (Jackie)	Shane Jager, Chris Madsen	\$62,500.00
Showler, Catherine	Mark Murphy	\$60,000.00
Shrock, Stephanie	Chris Madsen	\$69,070.00
Siegrist, John	Jeff Judd	\$306,500.00
Sillitoe, Russell R	Mark Murphy	\$171,625.00
Simmons, Coltyn	Denny Seybert	\$158,675.00
Sinnock, Matthew K	Jeff Judd	\$465,732.50
Sketchley, Rosemary	Matt Beasley	\$1,742,000.06
Sorensen, Randy	Shane Jager	\$247,132.00
Spindler, Rob L	Mark Murphy	\$422,750.00
Stadler, Deron	Shane Jager	\$120,000.00
Taitz, Brett	Chris Humphries	\$25,700.00
Tandy, Julie Ann	Chris Humphries	\$157,570.00
Tanner, Brandon	Shane Jager, Roland Tanner	\$106,610.33
Tanner, Jordan	Shane Jager, Roland Tanner	\$89,558.29
Tanner, Ronald	Shane Jager, Roland Tanner	\$348,000.00
Tate, Dian S	Mark Murphy	\$25,385.93
Totoro, Joe	Jeff Judd	\$36,000.00
Tsagrinos, Vassilios	Chris Madsen	\$40,000.00
UNKNOWN HTC	Richard Madsen	\$72,000.00
Wieseler, Jay A	Mark Murphy	\$165,000.00
Williams, Jerome V	Warren Rosegreen	\$738,000.00
Williams, Johnnie	Warren Rosegreen	\$48,000.00
Williams, Joshua	Warren Rosegreen	\$70,000.00
Williams, Shad	Warren Rosegreen	\$396,500.00
Wilson, Gerald	Warren Rosegreen	\$30,000.00
Wilson, William	Jeff Judd	\$30,000.00
Zobrist, Robert	Jeff Judd	\$320,500.00

EXHIBIT B

EXHIBIT B

PROPOSED FORM COMPLAINT FOR NET WINNERS

1 KARA HENDRICKS, ESQ.
 Nevada Bar No. 07743
 2 KYLE A. EWING, ESQ.
 Nevada Bar No. 14051
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9 *Attorneys for Plaintiff Geoff Winkler, in his*
 10 *Capacity as a Court-Appointed Receiver*

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

13 GEOFF WINKLER, as court-appointed receiver for
 14 J&J CONSULTING SERVICES INC., et al.,

15 Plaintiff,

16 v.

17 DEFENDANT 1, an individual; DEFENDANT 2,
 18 an individual; DEFENDANT 3, an individual;
 19 DEFENDANT 4, an individual; DEFENDANT 5,
 20 an individual; DEFENDANT 6, an individual;
 21 DEFENDANT 7, an individual; DEFENDANT 8,
 22 an individual; DEFENDANT 9, an individual;
 23 DEFENDANT 10, an individual; DEFENDANT
 24 11, an individual; DEFENDANT 12, an individual;
 25 DEFENDANT 13, an individual; DEFENDANT
 26 14, an individual; DEFENDANT 15, an individual;
 27 DEFENDANT 16, a Nevada Limited-Liability
 Company; DEFENDANT 17, an individual;
 28 DEFENDANT 18, an individual; DEFENDANT
 19, an individual; DEFENDANT 20, an individual;
 DEFENDANT 21, an individual; DEFENDANT
 22, an individual; DEFENDANT 23, an individual;
 DEFENDANT 24, an individual; and
 DEFENDANT 25, an individual,

Defendants.

CASE NO.

**COMPLAINT FOR
 FRAUDULENT TRANSFER**

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1 Plaintiff Geoff Winkler (the “*Receiver*”), in his capacity as the court-appointed receiver
2 for nonparties J&J Consulting Services, Inc., an Alaska corporation; J&J Consulting Services,
3 Inc., a Nevada corporation; J and J Purchasing LLC; The Judd Irrevocable Trust; and BJ Holdings
4 LLC (collectively, the “*Receivership Entities*” or the “*J&J Enterprise*”), together with their
5 subsidiaries and affiliates, brings this action against Defendants to recover fraudulent transfers
6 made by the Receivership Entities to Defendants, as further detailed below.

7 **PARTIES**

8 1. Plaintiff Geoff Winkler was appointed by the United States District Court for the
9 District of Nevada in an enforcement action brought by the Securities and Exchange Commission
10 (the “*SEC*”) and captioned *SEC v. Matthew Wade Beasley, et al.*, bearing Case No. 22-cv-00612-
11 CDS-EJY (the “*Receivership Action*”) to serve as the Receiver for the J&J Enterprise.¹
12 Mr. Winkler is a citizen of Oregon and a resident of Marion County, Oregon. He brings this action
13 solely in his capacity as the court-appointed Receiver, and not in his individual capacity.

14 2. At relevant times, the business and affairs of the J&J Enterprise were conducted
15 through a Nevada corporation formed in 2005, J&J Consulting Services, Inc., and controlled by
16 Receivership Defendant and nonparty Jeffrey Judd.

17 3. Prior to being placed into receivership, including at all times relevant here, the J&J
18 Enterprise’s principal place of business, including for each separate Receivership Entity, was in
19 Las Vegas, Nevada.

20 4. On information and belief, Defendant 1 is a citizen of _____.

21 5. On information and belief, Defendant 2 is a citizen of _____.

22 6. On information and belief, Defendant 3 is a citizen of _____.

23 7. On information and belief, Defendant 4 is a citizen of _____.

24 _____
25 ¹ Mr. Winkler was also appointed Receiver over the Wells Fargo Interest on Lawyers’ Trust Account
26 ending in 5598 and held in the name of Beasley Law Group PC – through which the defendants to the
27 Receivership Action funneled many of the funds alleged here to have been fraudulently transferred.
28 He was also appointed Receiver over the personal assets of Matthew Wade Beasley; Jeffrey J. Judd;
Christopher R. Humphries; Shane M. Jager; Jason M. Jongeward; Denny Seybert; and Roland Tanner
(together with the Receivership Entities, the “*Receivership Defendants*”). Finally, Mr. Winkler was
also appointed the Receiver over certain “relief” defendants in the Receivership Action.

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- 1 8. On information and belief, Defendant 5 is a citizen of _____.
- 2 9. On information and belief, Defendant 6 is a citizen of _____.
- 3 10. On information and belief, Defendant 7 is a citizen of _____.
- 4 11. On information and belief, Defendant 8 is a citizen of _____.
- 5 12. On information and belief, Defendant 9 is a citizen of _____.
- 6 13. On information and belief, Defendant 10 is a citizen of _____.
- 7 14. On information and belief, Defendant 11 is a citizen of _____.
- 8 15. On information and belief, Defendant 12 is a citizen of _____.
- 9 16. On information and belief, Defendant 13 is a citizen of _____.
- 10 17. On information and belief, Defendant 14 is a citizen of _____.
- 11 18. On information and belief, Defendant 15 is a citizen of _____.
- 12 19. On information and belief, Defendant 16 is a citizen of _____.
- 13 20. On information and belief, Defendant 17 is a citizen of _____.
- 14 21. On information and belief, Defendant 18 is a citizen of _____.
- 15 22. On information and belief, Defendant 19 is a citizen of _____.
- 16 23. On information and belief, Defendant 20 is a citizen of _____.
- 17 24. On information and belief, Defendant 21 is a citizen of _____.
- 18 25. On information and belief, Defendant 22 is a citizen of _____.
- 19 26. On information and belief, Defendant 23 is a citizen of _____.
- 20 27. On information and belief, Defendant 24 is a citizen of _____.
- 21 28. On information and belief, Defendant 25 is a citizen of _____.

JURISDICTION, AND VENUE

22
23 29. The Court has jurisdiction over the parties and over this cause of action pursuant
24 to 28 U.S.C. §§ 754 and 1367 in that this action, brought by the Receiver, arises from a common
25 nucleus of operative facts as, and is substantially related to the original claims in, the Receivership
26 Action, which is currently pending in this District (the “*Receivership Court*”).

27 30. Pursuant to its June 3, 2022, Order Appointing Receiver (the “*Appointment*
28 *Order*”), the Receivership Court took “exclusive jurisdiction and possession of the assets, of

1 whatever kind and wherever situated” of the Receivership Defendants, as defined above, after
2 finding that “appointment of a receiver in this action is necessary and appropriate for the purposes
3 of marshaling and preserving all assets of the [Receivership D]efendants and those assets of
4 certain Relief Defendants that ... are attributable to funds derived from investors or clients of the
5 [Receivership D]efendants [or] were fraudulently transferred by the [Receivership
6 D]efendants”

7 31. Put differently, the Receivership Court has exercised *in rem* jurisdiction over the
8 object of this lawsuit.

9 32. The Court also has personal jurisdiction over those Defendants residing in Nevada,
10 as alleged above.

11 33. Further, the Court has personal jurisdiction over all Defendants because
12 Defendants purposefully availed themselves of the privileges of conducting activities within the
13 State of Nevada by accepting what turned out to be illicit funds from a Nevada lawyer’s trust
14 account in Nevada, which funds were ostensibly the property of a Nevada corporation with a
15 known principal place of business of Las Vegas, Nevada.

16 34. In some cases, J&J Enterprise investors also met and communicated with
17 individuals associated with the J&J Enterprise in Nevada.

18 35. Venue in the District of Nevada is proper under 28 U.S.C. § 1391 because this
19 action is an ancillary proceeding to the Receivership Action, which is pending in this District.
20 Additionally, Defendants’ actions, as described in this Complaint, emanated primarily to and from
21 Clark County, Nevada.

22 **BACKGROUND ALLEGATIONS**

23 SEC ACTION AND APPOINTMENT OF RECEIVER

24 36. The Receivership Action stems from a long-running Ponzi-scheme perpetrated by
25 attorney Matthew Beasley; his law firm, the Beasley Law Group; Receivership Defendant Jeffrey
26 Judd; Receivership Defendant Christopher Humphries; and the Receivership Entities, with
27 substantial assistance from others, including, without limitation, the other defendants named in
28 the Receivership Action.

1 37. In the Receivership Action, the SEC alleges that from at least 2017 and continuing
2 through March 2022, the Receivership Entities offered investments in purported settlement
3 contracts with tort plaintiffs called “purchase agreements,” which the SEC allege constitute
4 securities under federal law.

5 38. According to the SEC’s Complaint, promoters of the J&J Enterprise told investors
6 they could invest in insurance tort settlements and that the funds would be used to make advance
7 payments to Plaintiffs who had reached a settlement with insurance companies and were willing
8 to pay a premium to receive a portion of their settlement in advance.

9 39. The J&J promoters are alleged to have informed investors they would receive
10 returns of at least 12.5% every 90 days, for an annualized return of 50% or more and that Beasley
11 and the Beasley Law Group managed relationships with numerous personal injury attorneys
12 around the country to maintain a supply of purchase agreements to the J&J Enterprise and its
13 investors.

14 40. These purported “investments” were memorialized by “purchase agreements”
15 between the Receivership Entities and various tort plaintiffs and their attorneys.

16 41. However, the purchase agreements upon which the Settlement Scheme were based
17 were fictitious, and the funds provided by investors were, in fact, used to fund lavish lifestyles,
18 including, among other things, luxury homes and properties, a private jet, ATVs, and boats.

19 42. The promoters of the J&J Enterprise recruited hundreds of investors into the
20 scheme and received transaction-based compensation for bringing in additional investors.

21 43. As set forth in minute detail in the Receiver’s Forensic Accounting Report, a true
22 and correct copy of which is attached as **Exhibit 1**, the J&J Enterprise “operated by the sixteen
23 individual defendants and their seventy-five entities ... raised \$519.9 million from 1,213
24 investors, promising them that their investment capital would fund personal injury settlement
25 contracts that would generate revenue worth \$1.39 billion.” **Ex. 1.**, Executive Summary.

26 44. Ultimately, the J&J Enterprise came crashing down on March 3, 2022, when
27 agents from the FBI executed search warrants at the homes of Judd, Humphries, and Beasley.

28 45. When agents from the FBI attempted to execute their warrant at Beasley’s

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1 residence, Beasley drew a weapon, ultimately resulting in his being shot twice, non-fatally, and a
2 standoff ensued.

3 46. Following the hours-long standoff, Beasley was taken into custody, where he
4 remains to date.

5 47. On April 12, 2022, the SEC filed a complaint in the Receivership Action.

6 48. On June 3, 2022, Plaintiff here was appointed as the permanent receiver for the
7 J&J Enterprise, as well as specified assets of other entities and individuals holding Receivership
8 Property, as set forth in detail in the Appointment Order.

9 **Fraudulent Transfers to Defendants from the Receivership Entities**

10 49. In connection with his investigation, the Receiver discovered that each of the
11 Defendants was an “investor” in the J&J Enterprise.

12 50. In connection with his forensic accounting activities, the Receiver carefully
13 reconstructed the books of the J&J Enterprise and, upon completion of the Forensic Accounting
14 Report, concluded that these particular investors were what the courts refer to as “net winners”
15 because they ultimately received more funds *from* the Receivership Entities than they paid *to* the
16 Receivership Entities.²

17 51. Specifically, the J&J investments were structured like debt, and each Defendant
18 here received more payments of interest and/or principal on their “contracts” than they had paid
19 in principal to make the investment.

20 52. Additionally, many of the Defendants also received transfers of funds from the
21 Receivership Defendants outside of payments of interest and/or principal without exchanging
22 goods or services of reasonably equivalent value. These additional transfers appear to be
23 gratuitous “gifts,” informal “loans,” unverified “asset purchases,” or other transfers for no
24 exchange of value initiated by the individual Receivership Defendants to illicitly divert

25 _____
26 ² See, e.g., *Winkler v. McCloskey*, 83 F.4th 720, 727 (9th Cir. 2023) (citing *Donell v. Kowell*, 533 F.3d
27 762, 767 n.2 (9th Cir. 2008), and explaining that “net winner” investors are “creditors” under
28 fraudulent transfer principles while the receivership entities are “debtors,” availing a receiver or
bankruptcy trustee of the ability to “claw back” or “avoid” the transfers *from* the Ponzi scheme to
“winning” investors (net of the “principal” the investors had previously transferred *to* the Ponzi
Scheme) via UFTA claims or similar claims available under state and/or federal law).

1 fraudulently raised funds to their family, friends, or other associates in order to extract a further
2 personal benefit from the Enterprise.

3 53. Put differently, on “net,” the J&J Enterprise transferred more of its assets to each
4 Defendant named here than that same Defendant transferred to the Enterprise, on what forensic
5 accountants refer to as a straight “money in-money out” or “MIMO” basis.

6 54. For instance, the Receivership Entities fraudulently transferred a net total of
7 \$[AMOUNT LL] to Defendant [D1] as the result of the following cash flow activity:

- 8 a. Beginning on [DATE YY], Defendant [D1] transferred a total of
- 9 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
- 10 “principal” investment(s); and
- 11 b. As of a final transaction date of [DATE AA], the Receivership
- 12 Entities had transferred a total of \$[AMOUNT DD] of Receivership
- 13 Property to Defendant [D1].

14 55. Similarly, the Receivership Entities fraudulently transferred a net total of
15 \$[AMOUNT LL] to Defendant [D2] as the result of the following cash flow activity:

- 16 a. Beginning on [DATE YY], Defendant [D2] transferred a total of
- 17 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
- 18 “principal” investment(s); and
- 19 b. As of a final transaction date of [DATE AA], the Receivership
- 20 Entities had transferred a total of \$[AMOUNT DD] of Receivership
- 21 Property to Defendant [D2].

22 56. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
23 to Defendant [D3] as the result of the following cash flow activity:

- 24 a. Beginning on [DATE YY], Defendant [D3] transferred a total of
- 25 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
- 26 “principal” investment(s); and
- 27 b. As of a final transaction date of [DATE AA], the Receivership
- 28 Entities had transferred a total of \$[AMOUNT DD] of Receivership

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1 Property to Defendant [D3].

2 57. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
3 to Defendant [D4] as the result of the following cash flow activity:

- 4 a. Beginning on [DATE YY], Defendant [D4] transferred a total of
5 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
6 “principal” investment(s); and
- 7 b. As of a final transaction date of [DATE AA], the Receivership
8 Entities had transferred a total of \$[AMOUNT DD] of Receivership
9 Property to Defendant [D4].

10 58. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
11 to Defendant [D5] as the result of the following cash flow activity:

- 12 a. Beginning on [DATE YY], Defendant [D5] transferred a total of
13 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
14 “principal” investment(s); and
- 15 b. As of a final transaction date of [DATE AA], the Receivership
16 Entities had transferred a total of \$[AMOUNT DD] of Receivership
17 Property to Defendant [D5].

18 59. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
19 to Defendant [D6] as the result of the following cash flow activity:

- 20 a. Beginning on [DATE YY], Defendant [D6] transferred a total of
21 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
22 “principal” investment(s); and
- 23 b. As of a final transaction date of [DATE AA], the Receivership
24 Entities had transferred a total of \$[AMOUNT DD] of Receivership
25 Property to Defendant [D6].

26 60. The Receivership Entities fraudulently transferred a net total of
27 \$[AMOUNT LL] to Defendant [D7] as the result of the following cash flow activity:

- 28 a. Beginning on [DATE YY], Defendant [D7] transferred a total of

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1 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
2 “principal” investment(s); and

3 b. As of a final transaction date of [DATE AA], the Receivership
4 Entities had transferred a total of \$[AMOUNT DD] of Receivership
5 Property to Defendant [D7].

6 61. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
7 to Defendant [D8] as the result of the following cash flow activity:

8 a. Beginning on [DATE YY], Defendant [D8] transferred a total of
9 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
10 “principal” investment(s); and

11 b. As of a final transaction date of [DATE AA], the Receivership
12 Entities had transferred a total of \$[AMOUNT DD] of Receivership
13 Property to Defendant [D8].

14 62. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
15 to Defendant [D9] as the result of the following cash flow activity:

16 a. Beginning on [DATE YY], Defendant [D9] transferred a total of
17 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
18 “principal” investment(s); and

19 b. As of a final transaction date of [DATE AA], the Receivership
20 Entities had transferred a total of \$[AMOUNT DD] of Receivership
21 Property to Defendant [D9].

22 63. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
23 to Defendant [D10] as the result of the following cash flow activity:

24 a. Beginning on [DATE YY], Defendant [D10] transferred a total of
25 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
26 “principal” investment(s); and

27 b. As of a final transaction date of [DATE AA], the Receivership
28 Entities had transferred a total of \$[AMOUNT DD] of Receivership

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1 Property to Defendant [D10].

2 64. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
3 to Defendant [D11] as the result of the following cash flow activity:

4 a. Beginning on [DATE YY], Defendant [D11] transferred a total of
5 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
6 “principal” investment(s); and

7 b. As of a final transaction date of [DATE AA], the Receivership
8 Entities had transferred a total of \$[AMOUNT DD] of Receivership
9 Property to Defendant [D11].

10 65. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
11 to Defendant [D12] as the result of the following cash flow activity:

12 a. Beginning on [DATE YY], Defendant [D12] transferred a total of
13 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
14 “principal” investment(s); and

15 b. As of a final transaction date of [DATE AA], the Receivership
16 Entities had transferred a total of \$[AMOUNT DD] of Receivership
17 Property to Defendant [D12].

18 66. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
19 to Defendant [D13] as the result of the following cash flow activity:

20 a. Beginning on [DATE YY], Defendant [D13] transferred a total of
21 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
22 “principal” investment(s); and

23 b. As of a final transaction date of [DATE AA], the Receivership
24 Entities had transferred a total of \$[AMOUNT DD] of
25 Receivership Property to Defendant [D13].

26 67. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
27 to Defendant [D14] as the result of the following cash flow activity:

28 a. Beginning on [DATE YY], Defendant [D14] transferred a total of

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1 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
2 “principal” investment(s); and

3 b. As of a final transaction date of [DATE AA], the Receivership
4 Entities had transferred a total of \$[AMOUNT DD] of Receivership
5 Property to Defendant [D14].

6 68. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
7 to Defendant [D15] as the result of the following cash flow activity:

8 a. Beginning on [DATE YY], Defendant [D15] transferred a total of
9 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
10 “principal” investment(s); and

11 b. As of a final transaction date of [DATE AA], the Receivership
12 Entities had transferred a total of \$[AMOUNT DD] of Receivership
13 Property to Defendant [D15].

14 69. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
15 to Defendant [D16] as the result of the following cash flow activity:

16 a. Beginning on [DATE YY], Defendant [D16] transferred a total of
17 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
18 “principal” investment(s); and

19 b. As of a final transaction date of [DATE AA], the Receivership
20 Entities had transferred a total of \$[AMOUNT DD] of Receivership
21 Property to Defendant [D16].

22 70. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
23 to Defendant [D17] as the result of the following cash flow activity:

24 a. Beginning on [DATE YY], Defendant [D17] transferred a total of
25 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
26 “principal” investment(s); and

27 b. As of a final transaction date of [DATE AA], the Receivership
28 Entities had transferred a total of \$[AMOUNT DD] of Receivership

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1 Property to Defendant [D17].

2 71. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
3 to Defendant [D18] as the result of the following cash flow activity:

4 a. Beginning on [DATE YY], Defendant [D18] transferred a total of
5 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
6 “principal” investment(s); and

7 b. As of a final transaction date of [DATE AA], the Receivership
8 Entities had transferred a total of \$[AMOUNT DD] of Receivership
9 Property to Defendant [D18].

10 72. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
11 to Defendant [D19] as the result of the following cash flow activity:

12 a. Beginning on [DATE YY], Defendant [D19] transferred a total of
13 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
14 “principal” investment(s); and

15 b. As of a final transaction date of [DATE AA], the Receivership
16 Entities had transferred a total of \$[AMOUNT DD] of Receivership
17 Property to Defendant [D19].

18 73. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
19 to Defendant [D20] as the result of the following cash flow activity:

20 a. Beginning on [DATE YY], Defendant [D20] transferred a total of
21 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
22 “principal” investment(s); and

23 b. As of a final transaction date of [DATE AA], the Receivership
24 Entities had transferred a total of \$[AMOUNT DD] of Receivership
25 Property to Defendant [D20].

26 74. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
27 to Defendant [D21] as the result of the following cash flow activity:

28 a. Beginning on [DATE YY], Defendant [D21] transferred a total of

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1 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
2 “principal” investment(s); and

3 b. As of a final transaction date of [DATE AA], the Receivership
4 Entities had transferred a total of \$[AMOUNT DD] of Receivership
5 Property to Defendant [D21].

6 75. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
7 to Defendant [D22] as the result of the following cash flow activity:

8 a. Beginning on [DATE YY], Defendant [D22] transferred a total of
9 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
10 “principal” investment(s); and

11 b. As of a final transaction date of [DATE AA], the Receivership
12 Entities had transferred a total of \$[AMOUNT DD] of Receivership
13 Property to Defendant [D22].

14 76. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
15 to Defendant [D23] as the result of the following cash flow activity:

16 a. Beginning on [DATE YY], Defendant [D23] transferred a total of
17 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
18 “principal” investment(s); and

19 b. As of a final transaction date of [DATE AA], the Receivership
20 Entities had transferred a total of \$[AMOUNT DD] of Receivership
21 Property to Defendant [D23].

22 77. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
23 to Defendant [D24] as the result of the following cash flow activity:

24 a. Beginning on [DATE YY], Defendant [D24] transferred a total of
25 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
26 “principal” investment(s); and

27 b. As of a final transaction date of [DATE AA], the Receivership
28 Entities had transferred a total of \$[AMOUNT DD] of Receivership

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1 Property to Defendant [D24].

2 78. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
3 to Defendant [D25] as the result of the following cash flow activity:

4 a. Beginning on [DATE YY], Defendant [D25] transferred a total of
5 \$[AMOUNT ZZ] to the Receivership Entities, purportedly as
6 “principal” investment(s); and

7 b. As of a final transaction date of [DATE AA], the Receivership
8 Entities had transferred a total of \$[AMOUNT DD] of Receivership
9 Property to Defendant [D25].

10 79. The transfers to Defendants from the J&J Enterprise described above were made
11 from the fruits of the fraudulent scheme; specifically, these transfers were made from principal
12 “investment money” from new and/or existing investors’ principal investment money.

13 80. These transfers were not comprised of earned revenues, interest, or returns on
14 investments in connection with the settlement contracts the Receivership Entities purported to
15 make or otherwise; indeed, the Receiver is not aware of a single non-fictitious settlement contract,
16 a single dollar “loaned” to a settling plaintiff, or a single dollar of “interest” repaid from such a
17 settling plaintiff. Put differently, never during the life of the J&J Enterprise were *any* revenues
18 from the purchase or sale of settlement contracts earned, let alone revenue sufficient to meet the
19 current or long-term debt obligations of the Enterprise that were being created—and
20 accumulated—every time one of the Receivership Defendants or another promoter brought a new
21 investor into the “fold.”

22 81. The representations made by the Receivership Defendants and/or other promoters
23 to Defendants and other similarly situated investors were untrue, and in fact (a) hundreds of
24 millions of dollars were used for Ponzi payments and unauthorized personal and so-called
25 business expenses; (b) any investor returns and “commissions” to Enterprise insiders were
26 entirely fictitious and funded solely by the influx of new and additional investor money; (c) the
27 J&J Enterprise was never profitable and consistently operated “in the red”; and (d) all of that being
28 the case, the J&J Enterprise was never solvent—its liabilities were greater than its assets (and it

1 was unable to pay its debts as they became due) from the moment it entered the first settlement
2 purchase contract with an “investor.” The Enterprise never had any revenue-generating assets
3 and thus could not have produced income sufficient to service even one settlement contract.

4 82. In truth, the Receivership Entities derived their assets from investor principal
5 investments, which the Receivership Defendants consistently commingled; nevertheless, the J&J
6 Enterprise and those working for it represented to investors and potential investors that the J&J
7 Enterprise was wildly profitable and that the investments were guaranteed because the settlements
8 were already in hand and the funds to repay the settlement advances were supposedly to be
9 provided from heavily regulated, institutional insurance companies.

10 83. J&J investors relied upon the fictitious interest and growth purportedly achieved
11 via the (apparently endless) supply of settlement purchase contracts (and the supposedly
12 guaranteed repayment of investors’ principal) in making additional investments, and the
13 Receivership Defendants pointed to “success stories”—like Defendants here—as part of their
14 “pitch” to keep the scheme going by bringing in new investors.

15 84. These newer—and therefore ultimately “losing”—investors were not told that their
16 “principal” would soon be funding supposed interest payments to older (“winning”) investors as
17 soon as the Receivership Defendants could convert the newly “invested” funds to payouts of
18 supposed “interest” or purported “returns of capital” to the “winning” investors.

19 85. The principal investment money from new investors, the existing investors’
20 principal investment money, and the existing investors’ additional principal investment money
21 should have been used for the J&J Enterprise’s stated purpose, which was purportedly funding
22 tort settlements.

23 86. Instead, the Receivership Defendants caused the J&J Enterprise to divert investor
24 funds for numerous unauthorized and illicit uses, including fraudulent transfers to the Defendants
25 here to “keep up the ruse” by satisfying older investors’ debts with new investment money,
26 allowing the Enterprise to hide the insolvency and fraudulent nature of the Enterprise to new
27 prospective investors.

28 87. Regardless of whether the Defendants were aware that the J&J Enterprise was a

1 Ponzi scheme, or was otherwise fraudulent, to allow Defendants to keep monies they received
2 from the Receivership Entities would be inequitable and unjust, including to the “losing” J&J
3 investors.

4 88. Indeed, there are hundreds of investors who never received a full return of capital
5 and thus made a “net” transfer of funds *to* the J&J Enterprise; in fact, some of these investors
6 never even saw a single dollar of their investment returned in the form of either interest or a return
7 of capital.

8 89. In stark contrast, some of the “net winners” of the J&J Enterprise from whom the
9 Receiver is now seeking recovery *made millions of dollars in profit* for returns on investment well
10 in excess of 100% and/or received additional transfers of funds from the J&J Enterprise without
11 exchanging goods or services of reasonably equivalent value.

12 **FIRST CLAIM FOR RELIEF**

13 (AVOIDANCE OF FRAUDULENT TRANSFERS UNDER NRS 112.180(1)(A))

14 90. The Receiver re-alleges each allegation set forth above.

15 91. The Receivership Entities, at all relevant times, were “debtors” to their “investors,”
16 as debtor is defined in NRS 112.150(6).

17 92. Because the individual Receivership Defendants intentionally and wrongfully
18 caused the Receivership Entities to transfer investors’ principal investment monies to Defendants
19 as described above, the Receivership Entities, through the Receiver as creditor, have a right to
20 repayment of the wrongfully transferred amounts on behalf of the J&J Enterprise’s “losing”
21 investors.

22 93. The transfers of monies that the individual Receivership Defendants caused the
23 Receivership Entities to make to Defendants were inherently fraudulent and made with actual
24 intent to hinder, delay, or defraud the Receivership Entities because the transfers were made as
25 part of the individual Receivership Defendants’ scheme, which here was a Ponzi scheme.

26 94. The fact that the J&J Enterprise never received any revenue from any “real”
27 settlement purchase contract demonstrates that the Receivership Entities, as a practical matter,
28 were persistently insolvent, as the individual Receivership Defendants must have known or should

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1 have known.

2 95. In addition, transfers to Defendants above and beyond their “principal”
3 “investments” were made for less than reasonably equivalent value or fair consideration and at a
4 time when the J&J Enterprise was (i) engaged or was about to engage in a business or a transaction
5 for which the remaining assets of the Enterprise were unreasonably small in relation to the business
6 or transaction and/or (ii) the Receivership Entities intended, believed, or should have believed they
7 would incur debts beyond their ability to pay as they became due.

8 96. Further, the Receivership Entities were insolvent at the time of the transfer(s) or
9 became insolvent after the transfer(s) occurred.

10 97. The transfers are therefore avoidable pursuant to the Uniform Fraudulent Transfer
11 Act, NRS 112.140 *et seq.*

12 98. The Receiver is entitled to exercise rights under NRS 112.210.

13 99. As it has now become necessary for the Receiver to engage the services of legal
14 counsel to prosecute this action, and because the Defendants here are in contempt of the
15 Receivership Court’s Appointment Order, which requires the turnover of Receivership Property
16 fraudulently transferred by the Receivership Entities to the Receiver by all Parties with actual
17 notice of the Appointment Order, the Receiver is entitled to recover the attorney fees and costs he
18 has incurred and continues to incur in this action.

19 **SECOND CLAIM FOR RELIEF**

20 (AVOIDANCE OF FRAUDULENT TRANSFERS UNDER NRS 112.180(1)(B))

21 100. The Receiver re-alleges each allegation set forth above.

22 101. The Receivership Entities, at all relevant times, were “debtors” to their “investors,”
23 as debtor is defined in NRS 112.150(6).

24 102. Because the individual Receivership Defendants intentionally and wrongfully
25 caused the Receivership Entities to transfer investors’ principal investment monies to Defendants
26 as described above, the Receivership Entities, through the Receiver as creditor, have a right to
27 repayment of the wrongfully transferred amounts on behalf of the J&J Enterprise’s “losing”
28 investors.

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1 103. The transfers of monies that the individual Receivership Defendants caused the
2 Receivership Entities to make to Defendants were inherently fraudulent and made with actual
3 intent to hinder, delay, or defraud the Receivership Entities because the transfers were made as
4 part of the individual Receivership Defendants' scheme, which here was a Ponzi scheme.

5 104. The fact that the J&J Enterprise never received any revenue from any "real"
6 settlement purchase contract demonstrates that the Receivership Entities, as a practical matter,
7 were persistently insolvent, as the individual Receivership Defendants must have known or should
8 have known.

9 105. In addition, transfers to Defendants above and beyond their "principal"
10 "investments" were made for less than reasonably equivalent value or fair consideration and at a
11 time when the J&J Enterprise was (i) engaged or was about to engage in a business or a transaction
12 for which the remaining assets of the Enterprise were unreasonably small in relation to the business
13 or transaction and/or (ii) the Receivership Entities intended, believed, or should have believed they
14 would incur debts beyond their ability to pay as they became due.

15 106. Further, the Receivership Entities were insolvent at the time of the transfer(s) or
16 became insolvent after the transfer(s) occurred.

17 107. The transfers are therefore avoidable pursuant to the Uniform Fraudulent Transfer
18 Act, NRS 112.140 *et seq.*

19 108. The Receiver is entitled to exercise rights under NRS 112.210.

20 109. As it has now become necessary for the Receiver to engage the services of legal
21 counsel to prosecute this action, and because the Defendants here are in contempt of the
22 Receivership Court's Appointment Order, which requires the turnover of Receivership Property
23 fraudulently transferred by the Receivership Entities to the Receiver by all Parties with actual
24 notice of the Appointment Order, the Receiver is entitled to recover the attorney fees and costs he
25 has incurred and continues to incur in this action.

26 **THIRD CLAIM FOR RELIEF**

27 (AVOIDANCE OF FRAUDULENT TRANSFERS UNDER NRS 112.190)

28 110. The Receiver re-alleges each allegation set forth above.

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1 111. The Receivership Entities, at all relevant times, were “debtors” to their “investors,”
2 as debtor is defined in NRS 112.150(6).

3 112. Because the individual Receivership Defendants intentionally and wrongfully
4 caused the Receivership Entities to transfer investors’ principal investment monies to Defendants
5 as described above, the Receivership Entities, through the Receiver as creditor, have a right to
6 repayment of the wrongfully transferred amounts on behalf of the J&J Enterprise’s “losing”
7 investors.

8 113. The transfers of monies that the individual Receivership Defendants caused the
9 Receivership Entities to make to Defendants were inherently fraudulent and made with actual
10 intent to hinder, delay, or defraud the Receivership Entities because the transfers were made as
11 part of the individual Receivership Defendants’ scheme, which here was a Ponzi scheme.

12 114. The fact that the J&J Enterprise never received any revenue from any “real”
13 settlement purchase contract demonstrates that the Receivership Entities, as a practical matter,
14 were persistently insolvent, as the individual Receivership Defendants must have known or should
15 have known.

16 115. In addition, transfers to Defendants above and beyond their “principal”
17 “investments” were made for less than reasonably equivalent value or fair consideration and at a
18 time when the J&J Enterprise was (i) engaged or was about to engage in a business or a transaction
19 for which the remaining assets of the Enterprise were unreasonably small in relation to the business
20 or transaction and/or (ii) the Receivership Entities intended, believed, or should have believed they
21 would incur debts beyond their ability to pay as they became due.

22 116. Further, the Receivership Entities were insolvent at the time of the transfer(s) or
23 became insolvent after the transfer(s) occurred.

24 117. The transfers are therefore avoidable pursuant to the Uniform Fraudulent Transfer
25 Act, NRS 112.140 *et seq.*

26 118. The Receiver is entitled to exercise rights under NRS 112.210.

27 119. As it has now become necessary for the Receiver to engage the services of legal
28 counsel to prosecute this action, and because the Defendants here are in contempt of the

1 Receivership Court’s Appointment Order, which requires the turnover of Receivership Property
2 fraudulently transferred by the Receivership Entities to the Receiver by all Parties with actual
3 notice of the Appointment Order, the Receiver is entitled to recover the attorney fees and costs he
4 has incurred and continues to incur in this action.

5 **FOURTH CLAIM FOR RELIEF**

6 (UNJUST ENRICHMENT)

7 120. The Receiver re-alleges each allegation set forth above.

8 121. Defendants received a benefit when, during the course of the scheme, the individual
9 Receivership Defendants caused the Receivership Entities to transfer money to them.

10 122. Defendants knowingly and voluntarily accepted and retained the transferred
11 monies.

12 123. The circumstances alleged in this complaint render Defendants’ retention of that
13 benefit inequitable and unjust.

14 124. Pursuant to all applicable law and principles of equity, and to the extent any
15 transfers to Defendants cannot be unwound and/or disgorged pursuant to the preceding claims for
16 relief, the Receiver is entitled to a judgment against Defendants in the net amount of J&J Enterprise
17 funds each received.

18 WHEREFORE, the Receiver asks this Court to:

19 1. Enter judgment against Defendants in the net amount of monies each defendant
20 received from the J&J Enterprise, whether by way of a fraudulent transfer or as an unjust benefit;

21 2. Enter an award in the Receiver’s favor for the reasonable attorneys’ fees and costs
22 the Receivership Estate incurred in bringing this action;

23 3. Enjoin any further dissipation by Defendants of the fraudulently transferred funds
24 described above; and

25 ///

26 ///

27 ///

28 ///

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EXHIBIT C

EXHIBIT C

LIST OF TRANSFEREES

TRANSFEEE	ASSOCIATED RECEIVERSHIP DEFENDANT	NET TRANSFER AMOUNT
Alberto Sr, Anthony	Anthony Alberto	\$644,210.00
Beasley, Matthew T	Matt Beasley	\$52,500.00
Crow, Jordan M	Matt Beasley	\$175,851.00
Grey, Nicole	Chris Madsen	\$85,000.00
Hulleman, Ashley	Matt Beasley	\$102,150.00
Judd, Jordan	Jeff Judd	\$37,500.00
Judd, Kennedy	Jeff Judd	\$82,446.02
Judd, Parker	Jeff Judd	\$259,522.67
Lamb, Lisa	Shane Jager	\$51,000.00
Lopez, Jesse	Chris Madsen	\$360,000.00
Madsen, Andrea	Chris Madsen	\$532,450.00
Madsen, Gage	Chris Madsen	\$28,000.00
Madsen, Karen	Richard Madsen	\$750,000.00
Mar, Yee	Mark Murphy	\$25,000.00
Napolitan, Dawn	Chris Madsen	\$137,340.00
Naugle, Chris	Richard Madsen	\$156,654.27
Quiles, Alyssa N	Anthony Alberto	\$186,500.00
Rosegreen, Priscilla	Warren Rosegreen	\$100,000.00
The Worthen Family Living Trust	Mark Murphy	\$65,000.00
Thygesen, Wayne	Matt Beasley	\$139,823.68
Trelease, Madison	Matt Beasley	\$47,900.00
Willmott, Clay	Chris Madsen	\$94,000.00

EXHIBIT D

EXHIBIT D

PROPOSED COMPLAINT FOR TRANSFEREES

1 KARA HENDRICKS, ESQ.
 Nevada Bar No. 07743
 2 KYLE A. EWING, ESQ.
 Nevada Bar No. 14051
 3 MADELEINE COLES, ESQ.
 Nevada Bar No. 16216
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 ewingk@gtlaw.com
 8 madeleine.coles@gtlaw.com

9 *Attorneys for Plaintiff Geoff Winkler, in his*
 10 *Capacity as a Court-Appointed Receiver*

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

13 GEOFF WINKLER, as court-appointed receiver
 for J&J CONSULTING SERVICES INC., et al.,

14 Plaintiff,

15 v.

16 DEFENDANT 1, an individual; DEFENDANT 2,
 17 an individual; DEFENDANT 3, an individual;
 18 DEFENDANT 4, an individual; DEFENDANT 5,
 an individual; DEFENDANT 6, an individual;
 19 DEFENDANT 7, an individual; DEFENDANT 8,
 an individual; DEFENDANT 9, an individual;
 20 DEFENDANT 10, an individual; DEFENDANT
 11, an individual; DEFENDANT 12, an indivual;
 21 DEFENDANT 13, an individual; DEFENDANT
 14, an individual; DEFENDANT 15, an
 22 individual; DEFENDANT 16, a Nevada Limited-
 Liability Company; DEFENDANT 17, an
 23 individual; DEFENDANT 18, an individual;
 24 DEFENDANT 19, an individual;
 25 DEFENDANT 20, an individual;
 DEFENDANT 21, an individual; DEFENDANT
 26 22, an individual; DEFENDANT 23, an
 individual; DEFENDANT 24, an individual; and
 27 DEFENDANT 25, an individual,

28 Defendants.

CASE NO.

**COMPLAINT FOR
 FRAUDULENT TRANSFER**

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1 Plaintiff Geoff Winkler (the “*Receiver*”), in his capacity as the court-appointed receiver
2 for nonparties J&J Consulting Services, Inc., an Alaska corporation; J&J Consulting Services,
3 Inc., a Nevada corporation; J and J Purchasing LLC; The Judd Irrevocable Trust; and BJ Holdings
4 LLC (collectively, the “*Receivership Entities*” or the “*J&J Enterprise*”), together with their
5 subsidiaries and affiliates, brings this action against Defendants to recover fraudulent transfers
6 made by the Receivership Entities to Defendants, as further detailed below.

7 **PARTIES**

8 1. Plaintiff Geoff Winkler was appointed by the United States District Court for the
9 District of Nevada in an enforcement action brought by the Securities and Exchange Commission
10 (the “*SEC*”) and captioned *SEC v. Matthew Wade Beasley, et al.*, bearing Case No. 22-cv-00612-
11 CDS-EJY (the “*Receivership Action*”) to serve as the Receiver for the J&J Enterprise.¹
12 Mr. Winkler is a citizen of Oregon and a resident of Marion County, Oregon. He brings this action
13 solely in his capacity as the court-appointed Receiver, and not in his individual capacity.

14 2. At relevant times, the business and affairs of the J&J Enterprise were conducted
15 through a Nevada corporation formed in 2005, J&J Consulting Services, Inc., and controlled by
16 Receivership Defendant and nonparty Jeffrey Judd.

17 3. Prior to being placed into receivership, including at all times relevant here, the J&J
18 Enterprise’s principal place of business, including for each separate Receivership Entity, was in
19 Las Vegas, Nevada.

20 4. On information and belief, Defendant 1 is a citizen of _____.

21 5. On information and belief, Defendant 2 is a citizen of _____.

22 6. On information and belief, Defendant 3 is a citizen of _____.

23 7. On information and belief, Defendant 4 is a citizen of _____.

24
25 ¹ Mr. Winkler was also appointed Receiver over the Wells Fargo Interest on Lawyers’ Trust Account
26 ending in 5598 and held in the name of Beasley Law Group PC – through which the defendants to the
27 Receivership Action funneled many of the funds alleged here to have been fraudulently transferred. He
28 was also appointed Receiver over the personal assets of Matthew Wade Beasley; Jeffrey J. Judd;
Christopher R. Humphries; Shane M. Jager; Jason M. Jongeward; Denny Seybert; and Roland Tanner
(together with the Receivership Entities, the “*Receivership Defendants*”). Finally, Mr. Winkler was also
appointed the Receiver over certain “relief” defendants in the Receivership Action.

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- 1 8. On information and belief, Defendant 5 is a citizen of _____.
- 2 9. On information and belief, Defendant 6 is a citizen of _____.
- 3 10. On information and belief, Defendant 7 is a citizen of _____.
- 4 11. On information and belief, Defendant 8 is a citizen of _____.
- 5 12. On information and belief, Defendant 9 is a citizen of _____.
- 6 13. On information and belief, Defendant 10 is a citizen of _____.
- 7 14. On information and belief, Defendant 11 is a citizen of _____.
- 8 15. On information and belief, Defendant 12 is a citizen of _____.
- 9 16. On information and belief, Defendant 13 is a citizen of _____.
- 10 17. On information and belief, Defendant 14 is a citizen of _____.
- 11 18. On information and belief, Defendant 15 is a citizen of _____.
- 12 19. On information and belief, Defendant 16 is a citizen of _____.
- 13 20. On information and belief, Defendant 17 is a citizen of _____.
- 14 21. On information and belief, Defendant 18 is a citizen of _____.
- 15 22. On information and belief, Defendant 19 is a citizen of _____.
- 16 23. On information and belief, Defendant 20 is a citizen of _____.
- 17 24. On information and belief, Defendant 21 is a citizen of _____.
- 18 25. On information and belief, Defendant 22 is a citizen of _____.
- 19 26. On information and belief, Defendant 23 is a citizen of _____.
- 20 27. On information and belief, Defendant 24 is a citizen of _____.
- 21 28. On information and belief, Defendant 25 is a citizen of _____.

JURISDICTION, AND VENUE

22
23 29. The Court has jurisdiction over the parties and over this cause of action pursuant
24 to 28 U.S.C. §§ 754 and 1367 in that this action, brought by the Receiver, arises from a common
25 nucleus of operative facts as, and is substantially related to the original claims in, the Receivership
26 Action, which is currently pending in this District (the “*Receivership Court*”).

27 ///

28 ///

1 30. Pursuant to its June 3, 2022, Order Appointing Receiver (the “*Appointment*
2 *Order*”), the Receivership Court took “exclusive jurisdiction and possession of the assets, of
3 whatever kind and wherever situated” of the Receivership Defendants, as defined above, after
4 finding that “appointment of a receiver in this action is necessary and appropriate for the purposes
5 of marshaling and preserving all assets of the [Receivership D]efendants and those assets of
6 certain Relief Defendants that ... are attributable to funds derived from investors or clients of the
7 [Receivership D]efendants [or] were fraudulently transferred by the [Receivership
8 D]efendants”

9 31. Put differently, the Receivership Court has exercised *in rem* jurisdiction over the
10 object of this lawsuit.

11 32. The Court also has personal jurisdiction over those Defendants residing in Nevada,
12 as alleged above.

13 33. Further, the Court has personal jurisdiction over all Defendants because
14 Defendants purposefully availed themselves of the privileges of conducting activities within the
15 State of Nevada by accepting what turned out to be illicit funds from a Nevada lawyer’s trust
16 account in Nevada, which funds were ostensibly the property of a Nevada corporation with a
17 known principal place of business of Las Vegas, Nevada.

18 34. Venue in the District of Nevada is proper under 28 U.S.C. § 1391 because this
19 action is an ancillary proceeding to the Receivership Action, which is pending in this District.
20 Additionally, Defendants’ actions, as described in this Complaint, emanated primarily to and from
21 Clark County, Nevada.

22 **BACKGROUND ALLEGATIONS**

23 SEC ACTION AND APPOINTMENT OF RECEIVER

24 35. The Receivership Action stems from a long-running Ponzi-scheme perpetrated by
25 attorney Matthew Beasley; his law firm, the Beasley Law Group; Receivership Defendant Jeffrey
26 Judd; Receivership Defendant Christopher Humphries; and the Receivership Entities, with
27 substantial assistance from others, including, without limitation, the other defendants named in
28 the Receivership Action.

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1 36. In the Receivership Action, the SEC alleges that from at least 2017 and continuing
2 through March 2022, the Receivership Entities offered investments in purported settlement
3 contracts with tort plaintiffs called “purchase agreements,” which the SEC allege constitute
4 securities under federal law.

5 37. According to the SEC’s Complaint, promoters of the J&J Enterprise told investors
6 they could invest in insurance tort settlements and that the funds would be used to make advance
7 payments to Plaintiffs who had reached a settlement with insurance companies and were willing
8 to pay a premium to receive a portion of their settlement in advance.

9 38. The J&J promoters are alleged to have informed investors they would receive
10 returns of at least 12.5% every 90 days, for an annualized return of 50% or more and that Beasley
11 and the Beasley Law Group managed relationships with numerous personal injury attorneys
12 around the country to maintain a supply of purchase agreements to the J&J Enterprise and its
13 investors.

14 39. These purported “investments” were memorialized by “purchase agreements”
15 between the Receivership Entities and various tort plaintiffs and their attorneys.

16 40. However, the purchase agreements upon which the Settlement Scheme were based
17 were fictitious, and the funds provided by investors were, in fact, used to fund lavish lifestyles,
18 including, among other things, luxury homes and properties, a private jet, ATVs, and boats.

19 41. The promoters of the J&J Enterprise recruited hundreds of investors into the
20 scheme and received transaction-based compensation for bringing in additional investors.

21 42. As set forth in minute detail in the Receiver’s Forensic Accounting Report, a true
22 and correct copy of which is attached as **Exhibit 1**, the J&J Enterprise “operated by the sixteen
23 individual defendants and their seventy-five entities ... raised \$519.9 million from 1,213
24 investors, promising them that their investment capital would fund personal injury settlement
25 contracts that would generate revenue worth \$1.39 billion.” **Ex. 1**, Executive Summary.

26 43. Ultimately, the J&J Enterprise came crashing down on March 3, 2022, when
27 agents from the FBI executed search warrants at the homes of Judd, Humphries, and Beasley.
28

1 44. When agents from the FBI attempted to execute their warrant at Beasley’s
2 residence, Beasley drew a weapon, ultimately resulting in his being shot twice, non-fatally, and a
3 standoff ensued.

4 45. Following the hours-long standoff, Beasley was taken into custody, where he
5 remains to date.

6 46. On April 12, 2022, the SEC filed a complaint in the Receivership Action.

7 47. On June 3, 2022, Plaintiff here was appointed as the permanent receiver for the
8 J&J Enterprise, as well as specified assets of other entities and individuals holding Receivership
9 Property, as set forth in detail in the Appointment Order.

10 **Fraudulent Transfers to Defendants from the Receivership Entities**

11 48. In connection with his forensic accounting activities, the Receiver carefully
12 reconstructed the books of the J&J Enterprise.

13 49. Upon completion of the Forensic Accounting Report, the Receiver identified
14 dozens of individuals who appeared to receive transfers of funds from the Receivership Entities
15 without exchanging goods or services of reasonably equivalent value.

16 50. The Receiver has identified the Defendants named herein as individuals who are
17 the recipients of such fraudulent transfers from the Receivership Entities.

18 51. These Defendants are or appear to be family members, friends, and other associates
19 of the individual Receivership Defendants, and/or other employees or promoters of the J&J Ponzi.

20 52. Regardless of their affiliation to the J&J Enterprise, for each Defendant, the
21 Receiver was not able to identify any evidence of these third-party transferees providing any
22 material, legitimate, and/or valuable goods or services to the J&J Enterprise, let alone reasonably
23 equivalent value for the amount of funds transferred, despite the Receiver’s extensive and years-
24 long investigation of the affairs of the Enterprise.

25 ///

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27 ///

28 ///

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1 53. To the contrary, the transfers appear to be gratuitous “gifts,” informal “loans,”
2 unverified “asset purchases,” or other transfers for no exchange of value initiated by the individual
3 Receivership Defendants to illicitly divert fraudulently raised funds to their family, friends, or
4 other associates in order to extract a further personal benefit from the Enterprise.

5 54. Accordingly, Defendants are liable to the Receivership Estate for the funds
6 transferred to them.

7 55. For instance, the Receivership Entities fraudulently transferred a net total of
8 \$[AMOUNT LL] to Defendant [D1] without an exchange of reasonably equivalent value.

9 56. Similarly, the Receivership Entities fraudulently transferred a net total of
10 \$[AMOUNT LL] to Defendant [D2] without an exchange of reasonably equivalent value.

11 57. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
12 to Defendant [D3] without an exchange of reasonably equivalent value.

13 58. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
14 to Defendant [D4] without an exchange of reasonably equivalent value.

15 59. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
16 to Defendant [D5] without an exchange of reasonably equivalent value.

17 60. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
18 to Defendant [D6] without an exchange of reasonably equivalent value.

19 61. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
20 to Defendant [D7] without an exchange of reasonably equivalent value.

21 62. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
22 to Defendant [D8] without an exchange of reasonably equivalent value.

23 63. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
24 to Defendant [D9] without an exchange of reasonably equivalent value.

25 64. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
26 to Defendant [D10] without an exchange of reasonably equivalent value.

27 65. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
28 to Defendant [D11] without an exchange of reasonably equivalent value.

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1 66. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
2 to Defendant [D12] without an exchange of reasonably equivalent value.

3 67. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
4 to Defendant [D13] without an exchange of reasonably equivalent value.

5 68. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
6 to Defendant [D14] without an exchange of reasonably equivalent value.

7 69. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
8 to Defendant [D15] without an exchange of reasonably equivalent value.

9 70. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
10 to Defendant [D16] without an exchange of reasonably equivalent value.

11 71. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
12 to Defendant [D17] without an exchange of reasonably equivalent value.

13 72. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
14 to Defendant [D18] without an exchange of reasonably equivalent value.

15 73. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
16 to Defendant [D19] without an exchange of reasonably equivalent value.

17 74. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
18 to Defendant [D20] without an exchange of reasonably equivalent value.

19 75. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
20 to Defendant [D21] without an exchange of reasonably equivalent value.

21 76. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
22 to Defendant [D22] without an exchange of reasonably equivalent value.

23 77. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
24 to Defendant [D23] without an exchange of reasonably equivalent value.

25 78. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
26 to Defendant [D24] without an exchange of reasonably equivalent value.

27 79. The Receivership Entities fraudulently transferred a net total of \$[AMOUNT LL]
28 to Defendant [D25] without an exchange of reasonably equivalent value.

1 80. The transfers to Defendants from the J&J Enterprise described above were made
2 from the fruits of the fraudulent scheme; specifically, these transfers were made from principal
3 “investment money” from new and/or existing investors’ principal investment money.

4 81. These transfers were not comprised of earned revenues, interest, or returns on
5 investments in connection with the settlement contracts the Receivership Entities purported to
6 make or otherwise; indeed, the Receiver is not aware of a single non-fictitious settlement contract,
7 a single dollar “loaned” to a settling plaintiff, or a single dollar of “interest” repaid from such a
8 settling plaintiff.

9 82. Put differently, never during the life of the J&J Enterprise were *any* legitimate
10 revenues from the purchase or sale of settlement contracts earned, let alone revenue sufficient to
11 meet the current or long-term debt obligations of the Enterprise that were being created—and
12 accumulated—every time one of the Receivership Defendants or another promoter brought a new
13 investor into the “fold.”

14 83. The representations made by the Receivership Defendants and/or other promoters
15 to investors were untrue, and in fact (a) hundreds of millions of dollars were used for Ponzi
16 payments and unauthorized personal and so-called business expenses such as the transfers to the
17 Defendants here; (b) any investor returns and “commissions” to Enterprise insiders were entirely
18 fictitious and funded solely by the influx of new and additional investor money; (c) the J&J
19 Enterprise was never profitable and consistently operated “in the red”; and (d) all of that being the
20 case, the J&J Enterprise was never solvent-its liabilities were greater than its assets (and it was
21 unable to pay its debts as they became due) from the moment it entered the first settlement
22 purchase contract with an “investor.”

23 84. The J&J Enterprise never had any revenue-generating assets and thus could not
24 have produced income sufficient to service even one settlement contract.

25 85. In truth, the Receivership Entities derived their assets from investor principal
26 investments, which the Receivership Defendants consistently commingled; nevertheless, the J&J
27 Enterprise and those working for it represented to investors and potential investors that the J&J
28 Enterprise was wildly profitable and that the investments were guaranteed because the settlements

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1 were already in hand and the funds to repay the settlement advances were supposedly to be
2 provided from heavily regulated, institutional insurance companies.

3 86. The principal investment money from new investors, the existing investors’
4 principal investment money, and the existing investors’ additional principal investment money
5 should have been used for the J&J Enterprise’s stated purpose, which was purportedly funding
6 tort settlements.

7 87. Instead, the Receivership Defendants caused the J&J Enterprise to divert investor
8 funds for numerous unauthorized and illicit uses, including fraudulent transfers to the Defendants
9 here to fund the individual Receivership Defendants’ and their families’ lavish lifestyles.

10 88. Regardless of whether the Defendants were aware that the J&J Enterprise was a
11 Ponzi scheme, or was otherwise fraudulent, to allow Defendants to keep monies they received
12 from the Receivership Entities would be inequitable and unjust, including to the J&J investors.

13 **FIRST CLAIM FOR RELIEF**

14 (AVOIDANCE OF FRAUDULENT TRANSFERS UNDER NRS 112.180(1)(A))

15 89. The Receiver re-alleges each allegation set forth above.

16 90. The Receivership Entities, at all relevant times, were “debtors” to their “investors,”
17 as debtor is defined in NRS 112.150(6).

18 91. Because the individual Receivership Defendants intentionally and wrongfully
19 caused the Receivership Entities to transfer investors’ principal investment monies to Defendants
20 as described above, the Receivership Entities, through the Receiver as creditor, have a right to
21 repayment of the wrongfully transferred amounts.

22 92. The transfers of monies that the individual Receivership Defendants caused the
23 Receivership Entities to make to Defendants were inherently fraudulent and made with actual
24 intent to hinder, delay, or defraud the Receivership Entities because the transfers were made as
25 part of the individual Receivership Defendants’ efforts to divert investor funds for their own
26 benefit.

27 ///

28 ///

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1 93. The fact that the J&J Enterprise never received any revenue from any “real”
2 settlement purchase contract demonstrates that the Receivership Entities, as a practical matter,
3 were persistently insolvent, as the individual Receivership Defendants must have known or should
4 have known.

5 94. In addition, the transfers to Defendants complained of here were made for less than
6 reasonably equivalent value or fair consideration and at a time when the J&J Enterprise was
7 (i) engaged or was about to engage in a business or a transaction for which the remaining assets of
8 the Enterprise were unreasonably small in relation to the business or transaction and/or (ii) the
9 Receivership Entities intended, believed, or should have believed they would incur debts beyond
10 their ability to pay as they became due.

11 95. Further, the Receivership Entities were insolvent at the time of the transfer(s) or
12 became insolvent after the transfer(s) occurred.

13 96. The transfers are therefore avoidable pursuant to the Uniform Fraudulent Transfer
14 Act, NRS 112.140 *et seq.*

15 97. The Receiver is entitled to exercise rights under NRS 112.210.

16 98. As it has now become necessary for the Receiver to engage the services of legal
17 counsel to prosecute this action, and because the Defendants here are in contempt of the
18 Receivership Court’s Appointment Order, which requires the turnover of Receivership Property
19 fraudulently transferred by the Receivership Entities to the Receiver by all Parties with actual
20 notice of the Appointment Order, the Receiver is entitled to recover the attorney fees and costs he
21 has incurred and continues to incur in this action.

22 **SECOND CLAIM FOR RELIEF**

23 (AVOIDANCE OF FRAUDULENT TRANSFERS UNDER NRS 112.180(1)(B))

24 99. The Receiver re-alleges each allegation set forth above.

25 100. The Receivership Entities, at all relevant times, were “debtors” to their “investors,”
26 as debtor is defined in NRS 112.150(6).

27 101. Because the individual Receivership Defendants intentionally and wrongfully
28 caused the Receivership Entities to transfer investors’ principal investment monies to Defendants

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1 as described above, the Receivership Entities, through the Receiver as creditor, have a right to
2 repayment of the wrongfully transferred amounts.

3 102. The transfers of monies that the individual Receivership Defendants caused the
4 Receivership Entities to make to Defendants were inherently fraudulent and made with actual
5 intent to hinder, delay, or defraud the Receivership Entities because the transfers were made as
6 part of the individual Receivership Defendants' efforts to divert investor funds for their own
7 benefit.

8 103. The fact that the J&J Enterprise never received any revenue from any "real"
9 settlement purchase contract demonstrates that the Receivership Entities, as a practical matter,
10 were persistently insolvent, as the individual Receivership Defendants must have known or should
11 have known.

12 104. In addition, the transfers to Defendants complained of here were made for less than
13 reasonably equivalent value or fair consideration and at a time when the J&J Enterprise was (i)
14 engaged or was about to engage in a business or a transaction for which the remaining assets of
15 the Enterprise were unreasonably small in relation to the business or transaction and/or (ii) the
16 Receivership Entities intended, believed, or should have believed they would incur debts beyond
17 their ability to pay as they became due.

18 105. Further, the Receivership Entities were insolvent at the time of the transfer(s) or
19 became insolvent after the transfer(s) occurred.

20 106. The transfers are therefore avoidable pursuant to the Uniform Fraudulent Transfer
21 Act, NRS 112.140 *et seq.*

22 107. The Receiver is entitled to exercise rights under NRS 112.210.

23 108. As it has now become necessary for the Receiver to engage the services of legal
24 counsel to prosecute this action, and because the Defendants here are in contempt of the
25 Receivership Court's Appointment Order, which requires the turnover of Receivership Property
26 fraudulently transferred by the Receivership Entities to the Receiver by all Parties with actual
27 notice of the Appointment Order, the Receiver is entitled to recover the attorney fees and costs he
28 has incurred and continues to incur in this action.

THIRD CLAIM FOR RELIEF

(AVOIDANCE OF FRAUDULENT TRANSFERS UNDER NRS 112.190)

109. The Receiver re-alleges each allegation set forth above.

110. The Receivership Entities, at all relevant times, were “debtors” to their “investors,” as debtor is defined in NRS 112.150(6).

111. Because the individual Receivership Defendants intentionally and wrongfully caused the Receivership Entities to transfer investors’ principal investment monies to Defendants as described above, the Receivership Entities, through the Receiver as creditor, have a right to repayment of the wrongfully transferred amounts.

112. The transfers of monies that the individual Receivership Defendants caused the Receivership Entities to make to Defendants were inherently fraudulent and made with actual intent to hinder, delay, or defraud the Receivership Entities because the transfers were made as part of the individual Receivership Defendants’ efforts to divert investor funds for their own benefit.

113. The fact that the J&J Enterprise never received any revenue from any “real” settlement purchase contract demonstrates that the Receivership Entities, as a practical matter, were persistently insolvent, as the individual Receivership Defendants must have known or should have known.

114. In addition, the transfers to Defendants complained of here were made for less than reasonably equivalent value or fair consideration and at a time when the J&J Enterprise was (i) engaged or was about to engage in a business or a transaction for which the remaining assets of the Enterprise were unreasonably small in relation to the business or transaction and/or (ii) the Receivership Entities intended, believed, or should have believed they would incur debts beyond their ability to pay as they became due.

115. Further, the Receivership Entities were insolvent at the time of the transfer(s) or became insolvent after the transfer(s) occurred.

116. The transfers are therefore avoidable pursuant to the Uniform Fraudulent Transfer Act, NRS 112.140 *et seq.*

1 117. The Receiver is entitled to exercise rights under NRS 112.210.

2 118. As it has now become necessary for the Receiver to engage the services of legal
3 counsel to prosecute this action, and because the Defendants here are in contempt of the
4 Receivership Court’s Appointment Order, which requires the turnover of Receivership Property
5 fraudulently transferred by the Receivership Entities to the Receiver by all Parties with actual
6 notice of the Appointment Order, the Receiver is entitled to recover the attorney fees and costs he
7 has incurred and continues to incur in this action.

8 **FOURTH CLAIM FOR RELIEF**

9 (UNJUST ENRICHMENT)

10 119. The Receiver re-alleges each allegation set forth above.

11 120. Defendants received a benefit when, during the course of the scheme, the individual
12 Receivership Defendants caused the Receivership Entities to transfer money to them.

13 121. Defendants knowingly and voluntarily accepted and retained the transferred
14 monies.

15 122. The circumstances alleged in this complaint render Defendants’ retention of that
16 benefit inequitable and unjust.

17 123. Pursuant to all applicable law and principles of equity, and to the extent any
18 transfers to Defendants cannot be unwound and/or disgorged pursuant to the preceding claims for
19 relief, the Receiver is entitled to a judgment against Defendants in the net amount of J&J Enterprise
20 funds each received.

21 WHEREFORE, the Receiver asks this Court to:

22 1. Enter judgment against Defendants in the net amount of monies each defendant
23 received from the J&J Enterprise, whether by way of a fraudulent transfer or as an unjust benefit;

24 2. Enter an award in the Receiver’s favor for the reasonable attorneys’ fees and costs
25 the Receivership Estate incurred in bringing this action;

26 3. Enjoin any further dissipation by Defendants of the fraudulently transferred funds
27 described above; and

28 ///

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EXHIBIT E

EXHIBIT E

PROPOSED ORDER

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12
13 **IN THE UNITED STATES DISTRICT COURT**
14 **FOR THE DISTRICT OF NEVADA**

15 SECURITIES AND EXCHANGE COMMISSION,

16 Plaintiff,

17 vs.

18 MATTHEW WADE BEASLEY, *et al.*,

19 Defendants,

20
21 THE JUDD IRREVOCABLE TRUST, *et al.*,

22 Relief Defendants.
23

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

[PROPOSED] **ORDER GRANTING
RECEIVER'S MOTION FOR
ORDER IN AID OF
RECEIVERSHIP AUTHORIZING
RECEIVER TO PURSUE
CLAWBACK ACTIONS**

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1 The Court having reviewed and considered the pleadings and papers on file on the
2 Receiver’s MOTION FOR ORDER IN AID OF RECEIVERSHIP AUTHORIZING RECEIVER
3 TO PURSUE CLAWBACK ACTIONS (“Motion”) and there being no opposition to the Motion
4 and good cause appearing,

5 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

6 1. The Motion (ECF No. _____) is **GRANTED**.

7 2. Geoff Winkler, as the court-appointed Receiver, is authorized to immediately
8 initiate litigation against the Net Winners identified in Exhibit A to the Motion and against the
9 Transferees identified in Exhibit C to the Motion by filing complaints in substantially the form as
10 those attached as Exhibits B and D to the Motion.

11 3. The Receiver is authorized to pay the law firm of Greenberg Traurig, LLP for work
12 related to pursuing claims against the Net Winners and Transferees utilizing the discounted fee
13 structure set forth in the Motion.

14 **IT IS SO ORDERED.**

15
16 _____
UNITED STATES DISTRICT JUDGE

17 Dated: _____
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