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10 **UNITED STATES DISTRICT COURT**
11 **FOR THE DISTRICT OF NEVADA**

12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 v.

15 MATTHEW WADE BEASLEY, et al.,

16 Defendants.

17 THE JUDD IRREVOCABLE TRUST, et al.,

18 Relief Defendants.

CASE NO.: 2:22-cv-0612-CDS-EJY

**NON-PARTY KAMILLE DEAN’S
REPLY IN SUPPORT OF MOTION TO
QUASH JURISDICTION OVER
KAMILLE DEAN AND THE
RECEIVER’S AUGUST 1, 2022, OSC RE
CONTEMPT AND TURN OVER ORDER
(DKT 257)**

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20 Non-Party KAMILLE DEAN (Ms. Dean), by and through her attorneys of record, the law
21 firm of JONES LOVELOCK, hereby submits this Reply in Support of her Motion to Quash Jurisdiction
22 Over Kamille Dean and Receiver's Motion for OSC re Contempt and Turn Over Order (Dkt. 257)
23 (“Motion to Quash”).¹ This Reply is based upon the attached Memorandum of Points and
24 Authorities, the papers and pleadings on file in this matter, the attached exhibits, and any oral
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27 ¹ Along with Ms. Dean’s Motion to Strike Receiver’s Motion to Compel or Alternatively Motion for Order to
28 Show Cause (Dkt. 258), Motion for Leave to File Interpleader (Dkt. 259), and Objection to Affidavits of K. Hendricks
and D. Zaro (Dkt. 260), these Motions and related Replies serve as a complete response to the Receiver’s Motion to
Compel or Alternatively Motion for Order to Show Cause (Dkt. 210).

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1 argument that the Court may allow.

2 **I. THE RECEIVER’S MOTION SHOULD BE QUASHED BECAUSE THE RECEIVER**
3 **VIOLATED SECTION 754 BY FAILING TO FILE NOTICE OF THE**
4 **RECEIVERSHIP IN ARIZONA WITHIN 10-DAYS OF APPOINTMENT.**

5 Even if the Receiver had named the correct parties in this proceeding, he has failed to comply
6 with statutory requirements to establish jurisdiction.² 28 U.S.C. § 754 requires that in order to vest
7 with complete jurisdiction:

8 ... a receiver appointed in any civil action or proceeding involving
9 property, real, personal or mixed, situated in different districts . . . shall,
10 within ten days after the entry of his order of appointment, file copies of
11 the complaint and such order of appointment in the district court for
12 each district in which property is located. *The failure to file such copies
13 in any district shall divest the receiver of jurisdiction and control over
14 all such property in that district.*³

15 When a defendant challenges the sufficiency of personal jurisdiction, the plaintiff bears the
16 burden of establishing personal jurisdiction over the defendant.⁴ “A plaintiff can carry its burden
17 only by presenting sufficient evidence to establish that (1) personal jurisdiction is proper under the
18 laws of the state where it is asserted; and (2) the exercise of jurisdiction does not violate the
19 defendant's right to due process secured by the United States Constitution.”⁵ The Receiver has failed
20 to carry its burden of establishing personal jurisdiction existed at the time its Motion to Compel or
21 Alternative Motion for Order to Show Cause (Dkt. 210) was filed on August 1, 2022 or thereafter.

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24 ² The Receiver’s Motion to Compel or Alternative Motion for Order to Show Cause (Dkt. 210) requests that Kamille
25 Dean, individually, turn over \$210,060 in funds. However, Ms. Dean does not personally possess these funds. Rather,
26 these funds were provided to the Law Offices of Kamille Dean, P.C.’s Trust Account and the Retainer Agreement was
27 entered into by the Law Offices of Kamille Dean, P.C. The wrong party has been named.

28 ³ 28 U.S.C. § 754 (emphasis added).

⁴ *H.E.B., LLC v. Walker*, 437 P.3d 1060 (Nev. 2019); *Sinatra v. Nat’l Enquirer, Inc.*, 854 F.2d 1191, 1194 (9th Cir. 1988)
citing *Cabbage v. Merchant*, 744 F.2d 665, 667 (9th Cir. 1984), cert. denied, 470 U.S. 1005, 84 L. Ed. 2d 380, 105 S. Ct.
1359 (1985). “Once a defendant raises the defense, the burden falls on the plaintiff to prove sufficient facts to establish
that jurisdiction is proper. *Boschetto v. Hansing*, 539 F.3d 1011, 1015 (9th Cir. 2008).

⁵ *Ziegler v. Indian River Cty.*, 64 F.3d 470, 473 (9th Cir. 1995).

1 **A. The Receiver Has Not Met Its Burden of Establishing Jurisdiction Under Section**
 2 **754.**

3 Here, the Receiver was appointed on June 3, 2022.⁶ To establish jurisdiction over the funds
 4 at issue, the Receiver was required to file the Complaint and Appointment Order in Arizona *no later*
 5 *than June 13, 2022*. The Receiver admits that he failed to do so. Therefore, the Receiver did not
 6 establish jurisdiction over Ms. Dean or the funds at issue at that time.

7 In an effort to avoid the consequences of this misstep, the Receiver argues that “the proverbial
 8 clock reset” due to the filing of the Order Amending Receivership Order on July 28, 2022, and the
 9 timely filing of the Complaint and Appointment Order in Arizona on August 5, 2022.⁷ The
 10 Receiver’s reliance on *Ashmore v. Barber*⁸ is misplaced. In *Ashmore*, the Court held that the 10-
 11 day clock under § 754 restarts following an “amended receivership order.”⁹ Despite the use of the
 12 term “amended receivership order,” further investigation into *Ashmore* reveals that a *reappointment*
 13 *order* -not an amended receivership order – was at issue.¹⁰ An amended order is not akin to a
 14 reappointment order. Importantly, the Ninth Circuit Court of Appeals has held that *reappointment*
 15 of a receiver will re-start the ten-day clock.¹¹

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 17 ⁶ Ord. Appointing Receiver (Dkt. 88).

18 ⁷ Receiver’s Omnibus Response (Dkt. 275), at 11: 17-27; Ord. Amend. Receivership Ord. (Dkt. 207).

19 ⁸ 2016 WL 4555340, at *5 (D.S.C. Sept. 1, 2016). *Ashmore* is a South Carolina case and is not controlling.

20 ⁹ *Id.*

21 ¹⁰ The *Ashmore* Reappointment took place in *In re Receivership of Wilson*, Case No. 12-cv-02078 (D.S.C. Oct. 28, 2015)
 (Dkt. 164). **Ex. A**; *see also Ashmore*, 2016 WL 4555340, at *11; 10-28-15 Order in *In re Receiver of Wilson* (Dkt. 164),
 Ex. I (emphasis added) (“After consideration, the court GRANTS the Receiver’s Motion to remove the Halls from the
 22 January 13, 2015 Order. **This Order replaces and supersedes the Order of January 13, 2015.**”). The Order was a
 Reappointment, not an Amendment. The Receiver then filed the new Order in Georgia because the original Order was
 superseded. **Ex. A**, 10-28-15 Order in *In re Receiver of Wilson* (Dkt. 164).

23 ¹¹ *SEC v. Am. Cap. Invest.*, 98 F.3d 1133, 1143 (9th Cir. 1996), citing *SEC v. Vision Communications, Inc.*, 315 U.S.
 App. D.C. 384, 74 F.3d 287, 291 (D.C. Cir. 1996). The distinction between an Order Amending Receivership, as was
 24 filed here, and a reappointment is critical, as reappointment – not amendment – resets the ten-day clock. *See Terry v.*
Walker, 369 F. Supp. 2d 818, 820 (W.D. Va. 2005) (order reappointing receiver mandatory after SEC Receiver failure
 25 to comply with 28 U.S.C. section 754); *Warfield v. Arpe*, 2007 WL 549467, at *12 (N.D. Tex. Feb. 22, 2007) (SEC
 26 sought receiver reappointment following failure to comply with § 754); *Federal Trade Comm’n v. Digital Altitude, LLC.*,
 2019 WL 5290384 (C.D. Cal. May 31, 2019) (Motion to Reappoint Receiver following failure to comply with § 754);
 27 *SEC v. Arisbank*, Case No. 18 V 0186, Docket No. 21 (N.D. Tex. Apr 3, 2018)(Motion for Reappointment for failure to
 28 comply with § 754). Moreover, the standards for reappointment differ from the standards for an Amendment. 28 U.S.C.
 § 3103; Fed. R. Civ. P. 66, *Canada Life Assur. Co. v. LaPeter*, 563 F.3d 837, 844 (9th Cir. 2009) (setting for specific
 requirements for appointment).

1 Even if the Order Amending Receivership Order restarted the 10-day clock, the Receiver’s
 2 position still fails for two (2) reasons. **First**, the Receiver filed the Motion to Compel or Alternative
 3 Motion for Order to Show Cause on *August 1, 2022*, prior to the August 5, 2022 filing of the
 4 Complaint and Appointment Order in Arizona.¹² Therefore, at the time of the Receiver’s filing, the
 5 Receiver had not complied with § 754 and *did not have jurisdiction* over Ms. Dean or the funds at
 6 issue herein. **Second**, the Receiver did not file the Order Amending Receivership Order in Arizona,
 7 but rather the original June 3, 2022 Order Appointing Receiver.¹³ Again the Receiver failed to
 8 comply with § 754 and was divested of jurisdiction.

9 **B. The Receiver Has Failed to Otherwise Establish Personal Jurisdiction Over Ms.**
 10 **Dean.**

11 The Receiver fails to provide any basis for general or specific personal jurisdiction over Ms.
 12 Dean. General personal jurisdiction occurs when the nonresident defendant's “contacts with the
 13 forum state are so continuous and systematic as to render [the defendant] essentially at home in the
 14 forum State.”¹⁴ Ms. Dean does not reside in Nevada, is not licensed in Nevada, does not have any
 15 offices in Nevada, and does not solicit Nevada clients. She has done nothing to render herself “at
 16 home” in Nevada.¹⁵ Interestingly, the Receiver ignores these facts, and instead argues Ms. Dean’s
 17 receipt of funds from a Nevada attorney, representation of a Nevada client, and hiring of a Nevada
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 20 ¹² See Mot. to Compel or Alt. Mot. for Order to Show Cause (Dkt. 210).

21 ¹³ **Ex. B**, Arizona filing of Complaint and Appointment Order.

22 ¹⁴ *H.E.B., LLC v. Walker*, 437 P.3d 1060 (Nev. 2019), citing *Fulbright & Jaworski LLP v. Eighth Judicial Dist. Court*, 131 Nev. 30, 36, 342 P.3d at 1001-02 (alternations in original) (internal quotation marks omitted).

23 ¹⁵ See *Trierweiler v. Croxton and Trench Holding Corp.*, 90 F.3d 152, 1543–44 (10th Cir. 1996)(Colorado did not have
 24 general jurisdiction over nonresident defendant where contacts with Colorado included admission to practice law in the
 25 Tenth Circuit, owning property in Colorado, maintaining joint bank account in Colorado and traveling to state several
 26 times a year); *Wilson v. Belin*, 20 F.3d 644, 650–51 (5th Cir.1994) (Texas did not have general jurisdiction over
 27 nonresident defendant where contacts with Texas included carrying malpractice insurance through a Texas law firm,
 28 doing three legal projects in Texas in three years, giving legal seminar in Texas and serving as a pro bono consultant to
 a Dallas historical society); *First Trust Nat'l Ass'n v. Jones, Walker, Waechter, Poitevent, Carrere & Denegre*, 996 F.
 Supp. 585 (S.D. Miss. 1998) (Louisiana law firm, a nonresident defendant in legal malpractice action, was not subject to
 general jurisdiction of Mississippi court where only contacts with Mississippi included occasional representation of
 Mississippi clients and some members of firm were licensed to practice law in Mississippi). See also *Crea v. Busby*, 48
 Cal. App. 4th 509, 515-16 (1996) (California did not have general jurisdiction over nonresident defendant in legal
 malpractice action where defendant's contacts with California included only maintenance of California law license).

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1 attorney to assist her with the same is sufficiently continuous and systematic to create jurisdiction.¹⁶
 2 This position is a stretch. The transfer of funds from a Nevada attorney and domicile of her clients
 3 is irrelevant. Ms. Dean was hired to represent Jeffrey Judd, Kennedy Judd, Khloe Judd, Jennifer
 4 Judd, Parker Judd, and Preston Judd (collectively the “Judds”) *related to Utah subpoenas* due to her
 5 licensure in Utah. Ms. Dean’s hiring of a “Nevada attorney” to assist with the subpoena responses
 6 similarly does not establish continuous and systematic contacts with Nevada.¹⁷ But even it did, Ms.
 7 Dean hired Phil Escolar, an Arizona attorney who practices in Arizona.¹⁸ There is no basis for
 8 general jurisdiction over Ms. Dean.

9 There is similarly no basis to assert specific personal jurisdiction over Ms. Dean. “[S]pecific
 10 personal jurisdiction is proper only where the cause of action arises from the defendant's contacts
 11 with the forum.”¹⁹ To make a *prima facie* showing of specific personal jurisdiction, a plaintiff must
 12 demonstrate that the nonresident defendant: (1) purposefully availed itself of the forum, (2) its
 13 activities or consequences thereof must be the basis of the cause of action, and (3) “those activities,
 14 or consequence thereof, must have a substantial enough connection with the forum state to make the
 15 exercise of jurisdiction over the defendant reasonable.”²⁰ Due process guarantees no federal court
 16 may assume personal jurisdiction of a non-resident defendant unless the defendant has “minimum
 17 contacts with [the forum state] such that the maintenance of the suit does not offend ‘traditional
 18 notions of fair play and substantial justice.’”²¹ There can be no specific jurisdiction unless the
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 21 ¹⁶ Receiver’s Omnibus Response (Dkt. 275), 14:7-10.

22 ¹⁷ *Far West Capital, Inc. v. Towne*, 46 F.3d 1071, 1074 (10th Cir. 1995) (retention of legal counsel does not establish
 23 minimum contacts with legal counsel's home forum).

24 ¹⁸ **Ex. C**, Decl. of Phil Escolar. Mr. Escolar is not licensed in Nevada and does not reside in Nevada. It appears the
 25 Receiver basis his belief that Mr. Escolar is a Nevada attorney on his billing records, which state “MP ESCOLAR *Legal
 26 Support Services* PO BOX 984, Reno, Nevada.” See Receiver’s Omnibus Response (Dkt. 275), at 21: 8-11; Dean Mot.
 27 to Quash Receiver’s Mot. of OSC (Dkt. 257), Ex. C. Mr. Escolar’s daughter resides in Reno, and receives mail at the
 28 P.O. Box address. This does not extend personal jurisdiction over Mr. Escolar, but even if it does, that cannot be used
 to extend personal jurisdiction to Ms. Dean or the funds at issue.

¹⁹ *H.E.B., LLC v. Walker*, 437 P.3d 1060 (Nev. 2019), citing *Fulbright & Jaworski LLP v. Eighth Judicial Dist. Court*, 131 Nev. 30, 36, 342 P.3d at 1001-02

²⁰ 131 Nev. at 38, 342 P.3d at 1002 (quoting *Consipio Holding, BV v. Carl berg*, 128 Nev. 454, 458, 282 P.3d 751, 755 (2012)).

²¹ *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945).

1 defendant engaged in purposeful and foreseeable conduct that resulted in the basis for the lawsuit in
2 the forum state.²² Ms. Dean engaged in no such conduct.

3 In this case, Ms. Dean did not solicit the Judds in Nevada and did not provide them services
4 in Nevada.²³ All of Ms. Dean's services were conducted in Arizona for compliance with an SEC
5 subpoena out of Utah – the whole transaction was unrelated to Nevada.²⁴ Contrary to the Receiver's
6 position, payment from a Nevada bank account to Ms. Dean's trust account does not create general
7 or specific jurisdiction.²⁵ The Receiver curiously goes so far as to claim Ms. Dean's licensure in a
8 state adjacent to Nevada is sufficient to create minimum contacts.²⁶ This position is preposterous.
9 Ms. Dean's proximity to the Nevada is not a basis for jurisdiction in Nevada.²⁷ A party must
10 purposefully avail themselves of the laws and benefits within a state, not live close by.²⁸ The
11 Receiver's claim that Ms. Dean "lives close by" is a nonsense basis for minimum contacts, which no
12 court has ever approved. Again, Ms. Dean conducted no business in Nevada, and had no activity or
13 minimum contacts in Nevada related to the controversy at issue. The Receiver has failed to establish

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16 ²² *Bristol-Myers Squibb Co. v. Superior Court*, 137 S. Ct. 1773, 1779-80 (2017).

17 ²³ See Mot. to Quash (Dkt. 257), Decl. of Kamille Dean, ¶ 15.

18 ²⁴ *Id.*

19 ²⁵ *Chancellor v. Lawrence*, 501 F. Supp. 997, 1001 (N.D. Ill. 1980) ("Moreover, Dr. Tipton's services were solicited by
20 Meridell after he was recommended by the Center's pediatrician. That Dr. Tipton may ultimately have been paid indirectly
21 by funds made available from Illinois is insufficient to confer jurisdiction."); *Ex Parte Alamo Title Co.*, 128 So. 3d 700,
22 712 (Ala. 2013) (there was no personal gestation over defendant Alamo because "Alamo had virtually no contact with
Alabama other than telephone and electronic-mail communications and the wiring of funds from the Texas bank account
to the Alabama bank account in relation to the real-estate transaction"); *Biederman v. Schnader, Harrison, Siegal &*
Lewis, 765 F. Supp. 1057 (D. Kan. 1991)(holding **checks received by defendant from a Kansas plaintiff** [were] not
sufficient contacts to support an exercise by the court of personal jurisdiction over this defendant."); *Worthington v.*
Small, 46 F.Supp.2d 1126 (D.Kan.1999) (holding the Kansas court did not have jurisdiction over a Missouri attorney
where the contract was formed in Missouri, and no business related to the representation occurred in Kansas).

23 ²⁶ The Receiver argues that "[A]s an attorney licensed in the states surrounding Nevada, subjecting Ms. Dean to
24 jurisdiction for this limited matter does not impose an undue burden of travel or logistics." Receiver's Omnibus Response
(Dkt. 275), at 22: 8-10.

25 ²⁷ *Shoppers Food Warehouse v. Moreno*, 746 A.2d 320, 324 (D.C. 2000) ("This court has never determined whether
26 newspaper and other advertisements in the District by a nonresident corporation owning a chain of stores, some of which
are located in very close proximity to the District's borders, are sufficient to meet the minimum contacts requirement of
the District's long-arm statute.").

27 ²⁸ *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297, 100 S. Ct. 559, 567, 62 L. Ed. 2d 490 (1980) (to have
28 minimum contacts a party must "purposefully avails itself of the privilege of conducting activities within the forum
State").

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1 jurisdiction over Ms. Dean.

2 **II. MS. DEAN HAS BEEN IRREPARABLY PREJUDICED BY THE SECTION 754**
3 **VIOLATION.**

4 The Receiver provides no evidence refuting Ms. Dean’s claimed prejudice, and wholly fails
5 to address the repercussions of his failure to comply with § 754. Instead, the Receiver merely argues
6 that any alleged prejudice is “outweighed by the irrefutable precedent which establishes defendant
7 cannot use tainted and/or ill-gotten funds for their defense.”²⁹ This conflates two separate issues: (1)
8 whether the Receiver’s § 754 violation resulted in prejudice to Ms. Dean; and (2) whether the funds
9 used for Ms. Dean’s retainer were tainted and/or ill-gotten, making them a receivership asset.

10 **A. The Receiver Fails to Address the Prejudice to Ms. Dean Due to his Failure to**
11 **Comply with § 754.**

12 Ms. Dean set forth specific prejudice she experienced as a result of the Receiver’s failure to
13 comply with § 754:³⁰

14 (1) Ms. Dean has been irreparably injured because she provided
15 \$201,060 in emergency service to the Judds to comply with SEC subpoenas, for
16 which she has not been paid. Ms. Dean was retained by the Judds on March 25,
17 2022.³¹ Ms. Dean received the retainer on or about March 30, 2022, began working
18 on the responses to the SEC subpoenas, and hired contract attorneys to do the
19 same.³² This matter was not filed until April 12, 2022; the freeze order was not
20 issued until April 21, 2022, and the Order Appointing Receiver was not filed until
21 June 3, 2022; and Ms. Dean was not contacted by the Receiver regarding the funds
22 at issue until June 8, 2022.³³ Importantly, Ms. Dean was retained and was provided
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25 ²⁹ Receiver’s Omnibus Response (Dkt. 275), at 14:23-15:9.

26 ³⁰ See Mot. to Quash (Dkt. 257), at 8:3-21, Ex. D.

27 ³¹ See Mot. to Quash (Dkt. 257), at 8:3-21, Ex. B.

28 ³² See Mot. to Quash (Dkt. 257), Decl. of Kamille Dean, ¶ 5.

³³ Compl. (Dkt.1); Injunction (Dkt. 56), Order Appointing Receiver (Dkt. 88); see also Mot. to Quash (Dkt. 257), Decl. of Kamille Dean, ¶ 6.

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1 with the Retainer *prior to entry of the freeze order*, and incurred over \$200,000 in
2 fees *prior to appointment of the Receiver and notice of the same*.³⁴ Ms. Dean
3 performed this work in good faith, incurred fees prior to appointment of the
4 Receiver, and deserves to be paid for her good faith work.

5 (2) Despite the Receiver’s failure to comply with § 754 and her
6 objection based upon the same, Ms. Dean turned over \$48,940 in funds to the
7 Receiver;

8 (3) The Receiver’s demands put Ms. Dean at odds with five (5) of her
9 clients, who are not the subject of the SEC complaint, and who have requested that
10 the money be applied to their legal fees, not turned over to the Receiver.³⁵ This
11 catch-22 has caused Ms. Dean severe emotional distress, financial harm, and
12 physical injury. It has also created an inability for Ms. Dean to fulfill her service
13 to her clients or potentially face contempt;

14 (4) Ms. Dean has been unable to pay her contract attorneys, Phil Escolar
15 and Maureen Jaroscak, for work performed related to the Utah SEC subpoenas.
16 This has caused irreparable harm to Ms. Dean’s relationship with these attorneys,
17 and has harmed her ability to hire contract attorneys in the future;

18 (5) Ms. Dean has suffered irreparable injury to her relationship with her
19 staff due to her inability to fulfill her financial commitments to them due to the
20 Receiver’s demands;

21 (6) All of this injury occurred due to the Receiver’s failure to timely and
22 properly notify Ms. Dean of his intent to seek return of her retainer.

23 Notably, the Receiver ignores Ms. Dean’s alleged prejudice and has presented no evidence
24 to refute the same.

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27 ³⁴ In fact, Ms. Dean billed 208 hours responding to the SEC subpoenas prior to SEC Complaint being filed and the TRO
being entered.

28 ³⁵ See Mot. to Quash (Dkt. 257), Decl. of Kamille Dean, ¶ 16.

1 **B. The Receiver Failed to Make a *Prima Facie* Showing the Funds Used for Ms.**
 2 **Dean’s Retainer were Tainted.**

3 In the Motion to Compel or Alternative Motion for OSC and Omnibus Response, the Receiver
 4 takes the position that Ms. Dean has the burden to establish her Retainer was not the result of the
 5 fraud at issue in the SEC Complaint.³⁶ This is not the standard. The *burden of proof in a turnover*
 6 *proceeding is at all times on the receiver or trustee; he must at least establish a prima facie case.*
 7 After that, the burden of explaining or going forward shifts to the other party, but *the ultimate burden*
 8 *or risk of persuasion is upon the receiver or trustee.*³⁷ While *Gorenz* may be factually distinct from
 9 the instant matter because it dealt with a bankruptcy proceeding, this does not negate the Court’s
 10 legal holding that the burden of proof is also on a *receiver*.³⁸

11 The Receiver wholly fails to set forth any evidence that the funds used for Ms. Dean’s retainer
 12 were the result of the Ponzi scheme alleged in this case, and therefore fails to meet his burden.
 13 However, even if this Court finds that Ms. Dean has the burden to establish her retainer was not
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15 ³⁶ The Receiver relies on several inapplicable cases in support of this position. Receiver’s Omnibus Response (Dkt. 275).
 16 At 17:8-28. *FTC v. Digital Altitude, LLC*, 2018 U.S. Dist. LEXIS 224949 (C. D. Cal. July 26, 2018) involved *defendants*
 17 seeking to unfreeze funds for living expenses. Here, Ms. Dean was not subject to the freeze order and is not asking to
 18 unfreeze anything. Rather, she is asking to retain those funds that were earned prior to appointment of the receiver, and
 19 her notice of the same. *SEC v. Rosenthal*, 42 Fed. App’x 1 (2d Cir. 2011) applies solely to cases involving insider trading,
 20 not Ponzi schemes like the instant case. This case also discussed the disgorgement by *defendants* and *relief*
 21 *defendants*. Ms. Dean is neither. Cases cited in the Receiver’s Motion to Compel or Alternative Motion for OSC
 22 regarding the burden of proof are similarly inapplicable. (Dkt. 210), at 8:16-9:3, 10:8-17. SEC uses *Santillo* for the
 23 proposition that Ms. Dean has the burden to “establish that the funds [s]he seeks to [retain] are untainted and that there
 24 are sufficient funds to satisfy any disgorgement remedy that might be ordered in the event a violation is established.”
 25 *SEC v. Santillo*, No. 18-CV-5491 (JGK), 2018 WL 3392881, at *4 (S.D.N.Y. July 11, 2018). But *Santillo* sets forth the
 standard for a *defendant to request assets be unfrozen* for living expenses, attorney’s fees etc. *SEC v. Fujinaga*, 2020
 WL 3050713 at *3 (D. Nev. June 8, 2020) also deals with a *defendant’s* request to unfreeze assets to pay attorney’s fees
 after transferring \$100,000 to an attorney following an asset freeze and appointment of a receiver. Again, Ms. Dean is
 not the Defendant, and she is not seeking to unfreeze assets. Rather, it is Ms. Dean’s position that the earned portion of
 her retainer is not a receivership asset. Her fees were also earned for past services prior to the appointment of the Receiver
 – not future services such as in *Santillo*. *SEC v. Marino* also deals with a *defendant* who transferred \$100,000 to an
 attorney after an asset freeze and requested the court unfreeze assets to be used in his defense. 29 Fed. Appx. 538, 541
 (10th Cir. 2002) (quoting *SEC v. Quinn*, 997 F.2d 287, 289 (7th Cir. 1993). *Quinn*, the case cited in *Marino*, supports
 Ms. Dean’s position that the burden of proof rests with the receiver. In *Quinn*, the court *requested that the SEC make*
a preliminary showing that Quinn’s assets could be traced to fraud. Satisfied with the response, the court than invited
 the defendant to demonstrate that he had fund that were not tainted. Quinn failed to do so.

26 ³⁷ *Evans v. Robbins*, 897 F.2d 966, 968 (8th Cir. 1990), citing *Gorenz v. Illinois Dept. of Agriculture*, 653 F.2d 1179,
 1184 (7th Cir. 1981) (emphasis added); *see also Maggio v. Zeitz*, 333 U.S. 56, 63-64, 92 L. Ed. 476, 68 S. Ct. 401 (1948).
 27 The receiver has the burden to establish the Retainer is a receivership asset. *SEC v. Ross*, 504 F.3d 1130, 1146 (9th Cir.
 2007).

28 ³⁸ *Evans*, 897 F.2d at 968; *see also SEC v. Ross*, 504 F.3d 1130, 1146 (9th Cir. 2007).

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1 obtained from the alleged Ponzi scheme, Ms. Dean has set forth sufficient evidence in the Motion to
2 Quash and her Certification.³⁹ Specifically, Ms. Dean and other attorney’s retained by the Judds
3 conducted due diligence regarding the source of the funds, including investigation by former federal
4 agents, compliance with the DOJ’s Asset Forfeiture Policy Manual, review of financials, bank
5 records, emails, text exchanges and other materials turned over in the investigation into Jeffrey Judd,
6 and the expert analysis of former federal agents.⁴⁰ Ms. Dean also relied upon the representations of
7 her clients that the funds came from a family trust and were not the result of the alleged Ponzi
8 scheme.⁴¹ This information is sufficient to make a *prima facie* case that the funds are not tainted.
9 Notably, the Receiver completely disregards this discussion because it does not serve his interests,
10 and in doing so, fails to rebut this evidence. There is simply no basis before the Court to find the
11 funds were tainted, and therefore belong to the receivership estate. Ms. Dean’s Motion to Quash
12 should be granted.

13 **III. CONCLUSION**

14 For the foregoing reasons, Non-Party Kamille Dean requests that this Honorable Court grant
15 her Motion to Quash Jurisdiction Over Kamille Dean and Receiver's August 1, 2022, OSC re
16 Contempt and Turn Over Order (Dkt. 257), and the Receiver’s Motion to Compel or Alternative
17 Motion for OSC (Dkt. 210) be denied.

18 DATED this 8th day of September 2022.

19 **JONES LOVELOCK**

20 By: /s/ Kimberley A. Hyson, Esq.
21 Nicole Lovelock, Esq. (11187)
22 Kimberley A. Hyson, Esq. (11611)
23 6600 Amelia Earhart Ct., Suite C
24 Las Vegas, Nevada 89119
25 Tel: (702) 805-8450
26 Fax: (702) 805-8451

Attorneys for Kamille Dean

26 _____
27 ³⁹ Mot. to Quash (Dkt. 257), at 8:3-21, Ex. D.

28 ⁴⁰ *Id.*

⁴¹ *Id.* See **Ex. D**, Decl. of Kamille Dean.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 8th day of September 2022, a true and correct copy of the foregoing **NON-PARTY KAMILLE DEAN’S REPLY IN SUPPORT OF MOTION TO QUASH JURISDICTION OVER KAMILLE DEAN AND THE RECEIVER’S AUGUST 1, 2022, OSC RE CONTEMPT AND TURN OVER ORDER (DKT 257)** was served by electronically submitting with the Clerk of the Court using the electronic system and serving all parties with an email-address on record.

By /s/ Julie Linton
An Employee of JONES LOVELOCK

JONES LOVELOCK
6600 Amelia Earhart Ct., Suite C
Las Vegas, NV 89119

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EXHIBIT “A”

ORDER

EXHIBIT “A”

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
ANDERSON/GREENWOOD DIVISION**

IN RE: RECEIVER FOR) Civil Action No. 8:12-cv-02078-JMC
RONNIE GENE WILSON AND)
ATLANTIC BULLION & COIN, INC.) **ORDER**
_____)

This matter is before the court on the Receiver’s Motion to Amend the Order of Appointment filed October 20, 2015. (ECF No. 160.) In the Motion, the Receiver asks the court to amend the January 13, 2015 Order of Appointment (ECF No. 118) to remove “Gordon L. Hall and Benton T. Hall (the “Halls”), limited solely to the Halls’ financial connection to Howell, Wilson and AB&C and the corresponding criminal convictions, and their subsidiaries, successors and assigns” as Receivership Entities. After consideration, the court **GRANTS** the Receiver’s Motion to remove the Halls from the January 13, 2015 Order. This Order replaces and supersedes the Order of January 13, 2015.

At the beginning of this case, the United States requested with the consent of Defendants, and the court granted, pursuant to Title 18, United States Code, Section 1956(b)(4)(A), a motion for an appointment of a Federal Receiver regarding Ronnie Gene Wilson (“Wilson”) and Atlantic Bullion & Coin, Inc. (“AB&C”) (collectively, “Defendants”) (Criminal Action No. 8:12-cr-0320-JMC). It now appears to the court that there are entities and individuals controlled by and/or alter egos of the Defendants to include Republic Bullion & Coin, Inc.; Henry & Crowder Family Ltd. Partnership; Henry & Crowder, LLC; Bailey & Rice Family Ltd. Partnership; Live Oak Farms; Smallwood Family Trust; Professional Planning of Easley, LLC; Wallace Lindsey Howell (“Howell”) and all businesses and/or trusts owned or controlled by Howell including, but not limited to, Julie A. Asset Management Trust, the Kingdom Estate

Trust, Wallace Lindsey Howell Trust, Bill Porter Construx Home, WMA World Marketing, Upstate OSR, Protective Solutions, and RHYS & Company, LLC; Tracy Neily (“Neily”) and all businesses and/or trusts owned or controlled by Neily including, but not limited to, the Atwell Family Trust. Collectively, these individuals and Defendants shall be referred to as the “AB&C Receivership Entities”.

Whereas, the Government and Defendants ask that the Receiver be vested with full and exclusive power, duty and authority to administer and manage the business affairs, funds, assets, choses in action and any other property of the AB&C Receivership Entities, marshal and safeguard all of the assets of the AB&C Receivership Entities, and take whatever actions are necessary for the protection of the United States and investors.

Whereas, the court has appointed Beattie B. Ashmore, Esquire, Greenville, South Carolina who the court finds is eminently qualified to be appointed as Receiver of all of the assets, properties, books and records, and other items of the AB&C Receivership Entities.

Now, Therefore, **IT IS ORDERED, ADJUDGED AND DECREED** that the appointed Receiver for the AB&C Receivership Entities is hereby authorized, empowered, and directed to:

1. Take immediate possession of all property, assets and estates owned, controlled, used, accessed or authorized by or for the benefit of the AB&C Receivership Entities, (including assets and property directly traceable to the AB&C Receivership Entities that may be in the possession of Wilson, Howell and/or Neily’s family members and acquaintances) that have and continue to receive, withdraw, hold, and /or disburse money on behalf of the AB&C Receivership Entities or in the possession of the AB&C Receivership Entities of every kind whatsoever and wheresoever located, including, but not limited to, rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment,

and all real property of the AB&C Receivership Entities, wherever situated, and to administer such assets as is required in order to comply with the directions contained in this Order, and to hold all other assets pending further order of this court.

Access to Seized Documents and Property

In the event that any of the foregoing documents or property have been seized by the United States Secret Service (“USSS”), such authorities are directed to grant the Receiver and his agents full and unfettered access to review and copy such documents and property to permit the Receiver to discharge his duties, subject to the USSS’s ability to review, store, and assure said documents are safeguarded for use in future legal proceedings. In addition, the USSS is directed to turn over any and all assets seized from the AB&C Receivership Entities directly to the Receiver. Any entity that has possession, custody, or control of any asset of the AB&C Receivership Entities is directed to turn over such asset to the Receiver.

2. Investigate the manner in which the affairs of the AB&C Receivership Entities were conducted and institute such actions and legal proceedings, for the benefit and on behalf of the AB&C Receivership Entities, and their respective investors or other creditors, as the Receiver deems necessary against those individuals, corporations, agencies, partnerships, associations and/or unincorporated organizations, that the Receiver may claim to have wrongfully, illegally or otherwise improperly be in the possession of or misappropriated/transferred monies or other proceeds directly or indirectly traceable from investors in the Ponzi scheme operated by Defendants, including their respective officers, directors, employees, affiliates, subsidiaries or any persons acting in concert or participation with them, or against any transfers of monies or other proceeds directly or indirectly traceable from investors in AB&C; provided such actions may include, but not be limited to, seeking imposition of constructive trusts, disgorgement of profits, of debts, and such orders from this court as may be necessary to enforce this Order.

3. Present to this court a report reflecting the existence and value of the assets and liabilities of the AB&C Receivership Entities. If the Receiver in executing his duties believes it is in the best interest of all parties and persons affected that certain assets seized should be liquidated prior to a final liquidation of assets in order to maximize the value, the Receiver shall submit to the court a request for approval, and, if good cause be shown, such approval will be granted. However, the court is aware that the Receiver is in the possession of certain assets including but not limited to livestock and perishable food items that may need to be sold forthwith in order to preserve their value. As to these assets, the Receiver is authorized to conduct a sale at his discretion without obtaining a specific order from the court.

4. Appoint one or more special agents, employ legal counsel, actuaries, accountants, clerks, consultants and assistants as he deems necessary and to fix and pay their reasonable compensation and reasonable expenses thereof and all reasonable expenses of taking possession of the AB&C Receivership Entities' assets and businesses, and exercising the power granted by this Order, subject to approval by this court at the time the Receiver accounts to the court for such expenditures and compensation.

5. Engage persons in his discretion to assist him in carrying out his duties and responsibilities as Receiver, including, but not limited to, the United States Marshal's Service or a private security firm.

6. Defend, compromise or settle legal actions, including the instant proceeding, wherein Defendants or the Receiver are a party, commenced either prior to or subsequent to this Order, with authorization of this court; except, however, in actions where any Defendant is a nominal party, as in certain foreclosure actions where the action does not affect the assets of Defendants, the Receiver may file appropriate pleadings in his discretion.

7. Assume control of, and be named as authorized signatory for, all accounts at any bank,

brokerage firm or financial institution that has possession, custody or control of any assets or funds, wherever situated, of—or for the benefit of—the AB&C Receivership Entities and, upon order of this court, of any of their subsidiaries or affiliates, provided that the Receiver deems it necessary.

8. Make or authorize such payments and disbursements from the funds and assets taken into control, or thereafter received by the Receiver, that which are reasonable in discharging his duties as Receiver.

9. Have access to and review all mail except for mail from Defendants' attorney to Defendant, as more fully set forth in paragraph 21 of this Order.

10. Upon conviction or guilty plea, if such a conviction or guilty plea comes to bear, do all things necessary, including, but not limited to fashioning and distributing a proof of claim form in order to obtain, collect, analyze, verify and present to the court information related to the financial loss of victims.

11. Upon entry of an Order of Restitution, if such an order is entered, do all things necessary to effectuate a distribution, including, but not limited to fashioning and submitting a Plan for Claims Administration and Distribution of Proceeds to be approved by the court; locating, seizing, managing and liquidating, with court approval, assets held or obtained by the Receiver; and distributing, at the court's discretion, the corpus of the Receiver Estate to those persons who have met the requirement for and are entitled to restitution.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, in connection with the appointment of the Receiver provided for above:

12. The AB&C Receivership Entities and all of their respective directors, officers, agents, employees, attorneys, attorneys-in-fact, shareholders, sales representatives and other persons who are in custody, possession, or control of any assets, books, records, or other property of the

AB&C Receivership Entities shall deliver forthwith upon demand such property, monies, books and records to the Receiver, and shall forthwith grant to the Receiver authorization to be a signatory as to all accounts at banks, brokerage firms or financial institutions that have possession, custody or control of any assets or funds in the name of or for the benefit of the AB&C Receivership Entities.

13. All banks, brokerage firms, financial institutions, or other business entities that have or may have—per information provided by the Receiver—possession, custody or control of any assets, funds or accounts in the name of, or for the benefit of the AB&C Receivership Entities or in the name of or for the benefit of individuals known to be working in concert with the AB&C Receivership Entities (including those acting in the capacity of sales representatives) shall cooperate expeditiously in providing necessary information and in the granting of control and authorization as a necessary signatory as to said assets and accounts to the Receiver. Any required disclosure and notification of the Receiver’s request for information and/or control of said assets and accounts shall occur in a manner so as not to impede the duties of the Receiver.

14. Unless and as authorized by the Receiver, the AB&C Receivership Entities, and their respective principals or anyone purporting to act on their behalf shall take no action on behalf of or for the benefit of the AB&C Receivership Entities.

15. The AB&C Receivership Entities, and their respective principals, officers, agents, employees, attorneys-in-fact, and sales representatives shall cooperate fully with the Receiver, including, if requested, appearing for deposition testimony and producing documents, upon two business days’ notice (which may be sent by facsimile), and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere with the Receiver in the conduct of his duties or to interfere in any manner, directly or indirectly, with the custody, possession, management, or control by the Receiver of the funds, assets, premises, or choses in action

described above.

16. The Receiver, or any counsel who the Receiver may select, is entitled to reasonable compensation from the assets now in the possession or control of, or which may be received by the AB&C Receivership Entities; said amount or amounts of compensation shall be commensurate with the duties performed, subject to approval of the court.

17. During the period of this Receivership, all persons, including creditors, banks, investors, or others, with actual notice of this Order, are enjoined from filing a petition for relief under the United States Bankruptcy Code without prior permission from this court, or from in any way disturbing the assets or proceeds of the receivership or from prosecuting any actions or proceedings that interfere with the discharge of the Receiver's obligations.

18. Title to all property, contracts, rights of action, and books and records of the AB&C Receivership Entities, and their respective principals, wherever located, is vested by operation of law in the Receiver.

19. Upon request by the Receiver, any company providing telephonic services to the AB&C Receivership Entities, shall provide a reference of calls from all numbers presently assigned to the AB&C Receivership Entities, to any such number designated by the Receiver or perform any other changes necessary to the conduct of the receivership.

20. Any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to the AB&C Receivership Entities shall maintain such service and transfer any such accounts to the Receiver unless otherwise instructed by the Receiver without the need to post a bond or security deposit.

21. The United States Postal Service is directed to provide any information requested by the Receiver regarding any Defendant, and handle future deliveries of Defendants' mail as directed by the Receiver. All personal mail or mail to or from Defendants' attorney will be

delivered to Defendants' attorney by the Receiver.

22. No bank, savings and loan association, financial institution, or any other person or entity, shall exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this court.

23. No bond shall be required in connection with the appointment of the Receiver. Except for an act of gross negligence, the Receiver shall not be liable for any loss or damage incurred by the AB&C Receivership Entities, or the Receiver's officers, agents, employees, independent representatives or any other person, by reason of any act or omission by the Receiver in connection with the discharge of his duties and responsibilities hereunder.

24. Service of this Order shall be sufficient if made upon the AB&C Receivership Entities or their respective principals by facsimile or overnight courier.

25. In the event that the Receiver discovers that funds of persons who have invested in the AB&C Receivership Entities, have been transferred to other persons or entities, the Receiver shall apply to this court for an Order giving the Receiver possession of such funds and, if the Receiver deems it advisable, extending this receivership over any person or entity holding such investor funds.

26. The Receiver is ordered to periodically file a Report on his activities with the court.

IT IS SO ORDERED.



United States District Judge

October 28, 2015
Columbia, South Carolina

FILED
U.S. DISTRICT COURT
SAVANNAH DIV.

2015 NOV -2 AM 10:19

CLERK *B. Wait*
SO. DIST. OF GA.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
ANDERSON/GREENWOOD DIVISION

IN RE: RECEIVER FOR)
RONNIE GENE WILSON AND)
ATLANTIC BULLION & COIN, INC.)
_____)

Civil Action No. 8:12-cv-02078-JMC

ORDER

MC415-019

This matter is before the court on the Receiver's Motion to Amend the Order of Appointment filed October 20, 2015. (ECF No. 160.) In the Motion, the Receiver asks the court to amend the January 13, 2015 Order of Appointment (ECF No. 118) to remove "Gordon L. Hall and Benton T. Hall (the "Halls"), limited solely to the Halls' financial connection to Howell, Wilson and AB&C and the corresponding criminal convictions, and their subsidiaries, successors and assigns" as Receivership Entities. After consideration, the court **GRANTS** the Receiver's Motion to remove the Halls from the January 13, 2015 Order. This Order replaces and supersedes the Order of January 13, 2015.

At the beginning of this case, the United States requested with the consent of Defendants, and the court granted, pursuant to Title 18, United States Code, Section 1956(b)(4)(A), a motion for an appointment of a Federal Receiver regarding Ronnie Gene Wilson ("Wilson") and Atlantic Bullion & Coin, Inc. ("AB&C") (collectively, "Defendants") (Criminal Action No. 8:12-cr-0320-JMC). It now appears to the court that there are entities and individuals controlled by and/or alter egos of the Defendants to include Republic Bullion & Coin, Inc.; Henry & Crowder Family Ltd. Partnership; Henry & Crowder, LLC; Bailey & Rice Family Ltd. Partnership; Live Oak Farms; Smallwood Family Trust; Professional Planning of Easley, LLC; Wallace Lindsey Howell ("Howell") and all businesses and/or trusts owned or controlled by Howell including, but not limited to, Julie A. Asset Management Trust, the Kingdom Estate

Trust, Wallace Lindsey Howell Trust, Bill Porter Construx Home, WMA World Marketing, Upstate OSR, Protective Solutions, and RHYS & Company, LLC; Tracy Neily (“Neily”) and all businesses and/or trusts owned or controlled by Neily including, but not limited to, the Atwell Family Trust. Collectively, these individuals and Defendants shall be referred to as the “AB&C Receivership Entities”.

Whereas, the Government and Defendants ask that the Receiver be vested with full and exclusive power, duty and authority to administer and manage the business affairs, funds, assets, choses in action and any other property of the AB&C Receivership Entities, marshal and safeguard all of the assets of the AB&C Receivership Entities, and take whatever actions are necessary for the protection of the United States and investors.

Whereas, the court has appointed Beattie B. Ashmore, Esquire, Greenville, South Carolina who the court finds is eminently qualified to be appointed as Receiver of all of the assets, properties, books and records, and other items of the AB&C Receivership Entities.

Now, Therefore, **IT IS ORDERED, ADJUDGED AND DECREED** that the appointed Receiver for the AB&C Receivership Entities is hereby authorized, empowered, and directed to:

1. Take immediate possession of all property, assets and estates owned, controlled, used, accessed or authorized by or for the benefit of the AB&C Receivership Entities, (including assets and property directly traceable to the AB&C Receivership Entities that may be in the possession of Wilson, Howell and/or Neily’s family members and acquaintances) that have and continue to receive, withdraw, hold, and /or disburse money on behalf of the AB&C Receivership Entities or in the possession of the AB&C Receivership Entities of every kind whatsoever and wheresoever located, including, but not limited to, rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment,

and all real property of the AB&C Receivership Entities, wherever situated, and to administer such assets as is required in order to comply with the directions contained in this Order, and to hold all other assets pending further order of this court.

Access to Seized Documents and Property

In the event that any of the foregoing documents or property have been seized by the United States Secret Service (“USSS”), such authorities are directed to grant the Receiver and his agents full and unfettered access to review and copy such documents and property to permit the Receiver to discharge his duties, subject to the USSS’s ability to review, store, and assure said documents are safeguarded for use in future legal proceedings. In addition, the USSS is directed to turn over any and all assets seized from the AB&C Receivership Entities directly to the Receiver. Any entity that has possession, custody, or control of any asset of the AB&C Receivership Entities is directed to turn over such asset to the Receiver.

2. Investigate the manner in which the affairs of the AB&C Receivership Entities were conducted and institute such actions and legal proceedings, for the benefit and on behalf of the AB&C Receivership Entities, and their respective investors or other creditors, as the Receiver deems necessary against those individuals, corporations, agencies, partnerships, associations and/or unincorporated organizations, that the Receiver may claim to have wrongfully, illegally or otherwise improperly be in the possession of or misappropriated/transferred monies or other proceeds directly or indirectly traceable from investors in the Ponzi scheme operated by Defendants, including their respective officers, directors, employees, affiliates, subsidiaries or any persons acting in concert or participation with them, or against any transfers of monies or other proceeds directly or indirectly traceable from investors in AB&C; provided such actions may include, but not be limited to, seeking imposition of constructive trusts, disgorgement of profits, of debts, and such orders from this court as may be necessary to enforce this Order.

3. Present to this court a report reflecting the existence and value of the assets and liabilities of the AB&C Receivership Entities. If the Receiver in executing his duties believes it is in the best interest of all parties and persons affected that certain assets seized should be liquidated prior to a final liquidation of assets in order to maximize the value, the Receiver shall submit to the court a request for approval, and, if good cause be shown, such approval will be granted. However, the court is aware that the Receiver is in the possession of certain assets including but not limited to livestock and perishable food items that may need to be sold forthwith in order to preserve their value. As to these assets, the Receiver is authorized to conduct a sale at his discretion without obtaining a specific order from the court.

4. Appoint one or more special agents, employ legal counsel, actuaries, accountants, clerks, consultants and assistants as he deems necessary and to fix and pay their reasonable compensation and reasonable expenses thereof and all reasonable expenses of taking possession of the AB&C Receivership Entities' assets and businesses, and exercising the power granted by this Order, subject to approval by this court at the time the Receiver accounts to the court for such expenditures and compensation.

5. Engage persons in his discretion to assist him in carrying out his duties and responsibilities as Receiver, including, but not limited to, the United States Marshal's Service or a private security firm.

6. Defend, compromise or settle legal actions, including the instant proceeding, wherein Defendants or the Receiver are a party, commenced either prior to or subsequent to this Order, with authorization of this court; except, however, in actions where any Defendant is a nominal party, as in certain foreclosure actions where the action does not affect the assets of Defendants, the Receiver may file appropriate pleadings in his discretion.

7. Assume control of, and be named as authorized signatory for, all accounts at any bank,

brokerage firm or financial institution that has possession, custody or control of any assets or funds, wherever situated, of or for the benefit of the AB&C Receivership Entities and, upon order of this court, of any of their subsidiaries or affiliates, provided that the Receiver deems it necessary.

8. Make or authorize such payments and disbursements from the funds and assets taken into control, or thereafter received by the Receiver, that which are reasonable in discharging his duties as Receiver.

9. Have access to and review all mail except for mail from Defendants' attorney to Defendant, as more fully set forth in paragraph 21 of this Order.

10. Upon conviction or guilty plea, if such a conviction or guilty plea comes to bear, do all things necessary, including, but not limited to fashioning and distributing a proof of claim form in order to obtain, collect, analyze, verify and present to the court information related to the financial loss of victims.

11. Upon entry of an Order of Restitution, if such an order is entered, do all things necessary to effectuate a distribution, including, but not limited to fashioning and submitting a Plan for Claims Administration and Distribution of Proceeds to be approved by the court; locating, seizing, managing and liquidating, with court approval, assets held or obtained by the Receiver; and distributing, at the court's discretion, the corpus of the Receiver Estate to those persons who have met the requirement for and are entitled to restitution.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, in connection with the appointment of the Receiver provided for above:

12. The AB&C Receivership Entities and all of their respective directors, officers, agents, employees, attorneys, attorneys-in-fact, shareholders, sales representatives and other persons who are in custody, possession, or control of any assets, books, records, or other property of the

AB&C Receivership Entities shall deliver forthwith upon demand such property, monies, books and records to the Receiver, and shall forthwith grant to the Receiver authorization to be a signatory as to all accounts at banks, brokerage firms or financial institutions that have possession, custody or control of any assets or funds in the name of or for the benefit of the AB&C Receivership Entities.

13. All banks, brokerage firms, financial institutions, or other business entities that have or may have—per information provided by the Receiver—possession, custody or control of any assets, funds or accounts in the name of, or for the benefit of the AB&C Receivership Entities or in the name of or for the benefit of individuals known to be working in concert with the AB&C Receivership Entities (including those acting in the capacity of sales representatives) shall cooperate expeditiously in providing necessary information and in the granting of control and authorization as a necessary signatory as to said assets and accounts to the Receiver. Any required disclosure and notification of the Receiver's request for information and/or control of said assets and accounts shall occur in a manner so as not to impede the duties of the Receiver.

14. Unless and as authorized by the Receiver, the AB&C Receivership Entities, and their respective principals or anyone purporting to act on their behalf shall take no action on behalf of or for the benefit of the AB&C Receivership Entities.

15. The AB&C Receivership Entities, and their respective principals, officers, agents, employees, attorneys-in-fact, and sales representatives shall cooperate fully with the Receiver, including, if requested, appearing for deposition testimony and producing documents, upon two business days' notice (which may be sent by facsimile), and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere with the Receiver in the conduct of his duties or to interfere in any manner, directly or indirectly, with the custody, possession, management, or control by the Receiver of the funds, assets, premises, or choses in action

described above.

16. The Receiver, or any counsel who the Receiver may select, is entitled to reasonable compensation from the assets now in the possession or control of, or which may be received by the AB&C Receivership Entities; said amount or amounts of compensation shall be commensurate with the duties performed, subject to approval of the court.

17. During the period of this Receivership, all persons, including creditors, banks, investors, or others, with actual notice of this Order, are enjoined from filing a petition for relief under the United States Bankruptcy Code without prior permission from this court, or from in any way disturbing the assets or proceeds of the receivership or from prosecuting any actions or proceedings that interfere with the discharge of the Receiver's obligations.

18. Title to all property, contracts, rights of action, and books and records of the AB&C Receivership Entities, and their respective principals, wherever located, is vested by operation of law in the Receiver.

19. Upon request by the Receiver, any company providing telephonic services to the AB&C Receivership Entities, shall provide a reference of calls from all numbers presently assigned to the AB&C Receivership Entities, to any such number designated by the Receiver or perform any other changes necessary to the conduct of the receivership.

20. Any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to the AB&C Receivership Entities shall maintain such service and transfer any such accounts to the Receiver unless otherwise instructed by the Receiver without the need to post a bond or security deposit.

21. The United States Postal Service is directed to provide any information requested by the Receiver regarding any Defendant, and handle future deliveries of Defendants' mail as directed by the Receiver. All personal mail or mail to or from Defendants' attorney will be

delivered to Defendants' attorney by the Receiver.

22. No bank, savings and loan association, financial institution, or any other person or entity, shall exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this court.

23. No bond shall be required in connection with the appointment of the Receiver. Except for an act of gross negligence, the Receiver shall not be liable for any loss or damage incurred by the AB&C Receivership Entities, or the Receiver's officers, agents, employees, independent representatives or any other person, by reason of any act or omission by the Receiver in connection with the discharge of his duties and responsibilities hereunder.

24. Service of this Order shall be sufficient if made upon the AB&C Receivership Entities or their respective principals by facsimile or overnight courier.

25. In the event that the Receiver discovers that funds of persons who have invested in the AB&C Receivership Entities, have been transferred to other persons or entities, the Receiver shall apply to this court for an Order giving the Receiver possession of such funds and, if the Receiver deems it advisable, extending this receivership over any person or entity holding such investor funds.

26. The Receiver is ordered to periodically file a Report on his activities with the court.

IT IS SO ORDERED.



United States District Judge

October 28, 2015
Columbia, South Carolina

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF SOUTH CAROLINA
ANDERSON DIVISION

UNITED STATES OF AMERICA)	CR. NO. _____
)	18 U.S.C. § 1341
vs.)	18 U.S.C. § 2
)	18 U.S.C. § 981(a)(1)(C)
RONNIE GENE WILSON)	28 U.S.C. § 2461(c)
ATLANTIC BULLION & COIN, INC.)	<u>INFORMATION</u>

COUNT 1

THE UNITED STATES ATTORNEY CHARGES:

1. That beginning in or about January 2001, and continuing until in or about March 2012, the Defendants, RONNIE GENE WILSON and ATLANTIC BULLION & COIN, INC., did knowingly devise a scheme and artifice to defraud and to obtain monies by means of false and fraudulent pretenses, representations, and promises.

THE SCHEME AND ARTIFICE

2. It was a part of the scheme and artifice to defraud that RONNIE GENE WILSON was the President and sole shareholder of ATLANTIC BULLION & COIN, INC. (hereinafter "AB&C").

3. It was further part of the scheme and artifice that RONNIE GENE WILSON and AB&C encouraged clients to invest in silver.

4. It was further part of the scheme and artifice that RONNIE GENE WILSON and AB&C represented to clients that their silver would be held at a depository located in Delaware.

5. In was further part of the scheme and artifice that RONNIE GENE WILSON and

AB&C did not purchase silver in sufficient quantities when asked to do so by clients.

6. It was further part of the scheme and artifice that RONNIE GENE WILSON and AB&C did not have silver holdings at a depository located in Delaware.

7. It was further part of the scheme and artifice that RONNIE GENE WILSON and AB&C created fraudulent account statements showing that clients owned large quantities of silver when, in fact, no silver had been purchased for the clients.

8. It was further part of the scheme and artifice that RONNIE GENE WILSON and AB&C used monies supplied by later clients to pay earlier clients who asked to liquidate all or a portion of their silver holdings. In this manner, the investment program operated by RONNIE GENE WILSON and AB&C was a "Ponzi scheme."

9. It was further part of the scheme and artifice that RONNIE GENE WILSON converted client funds to his own use to support a lavish lifestyle.

10. It was further part of the scheme and artifice that RONNIE GENE WILSON and AB&C caused losses to clients of approximately \$59 million during the course of the scheme and artifice to defraud.

MAILING IN FURTHERANCE OF SCHEME AND ARTIFICE

11. On or about October 29, 2009, in the District of South Carolina and elsewhere, for the purpose of executing the above-described scheme and artifice to defraud, RONNIE GENE WILSON and AB&C knowingly caused AB&C customer number 91277 to mail checks from Louisville, Kentucky, to AB&C in Easley, South Carolina.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT 2

THE UNITED STATES ATTORNEY FURTHER CHARGES::

1. The allegations of paragraphs 1 through 10 of Count 1 in this information are alleged herein as setting forth a scheme and artifice to defraud.

2. On or about January 30, 2012, in the District of South Carolina and elsewhere, for the purpose of executing the scheme and artifice to defraud, RONNIE GENE WILSON and AB&C knowingly mailed a fraudulent AB&C account statement to customer number 12232 from Easley, South Carolina, to Acton, Massachusetts.

In violation of Title 18, United States Code, Sections 1341 and 2.

FORFEITURE

A. **SPECIFIED UNLAWFUL ACTIVITY - MAIL FRAUD**

1. Upon conviction for violation of Title 18, United States Code, Sections 1341 as charged in Counts 1 and 2 of this Information, the Defendant, RONNIE GENE WILSON, and ATLANTIC BULLION & COIN, INC., shall forfeit to the United States any property, real or personal, constituting, derived from or traceable to proceeds the Defendants obtained directly or indirectly as a result of such offenses, including, but not limited to the following:

B. The property subject to forfeiture includes, but is not limited to, the following:

1. **CASH PROCEEDS/MONEY JUDGMENT:**

- a. A sum of money equal to all proceeds the Defendants obtained directly or indirectly from the offense charged in Count 1 of the Information, that is, a minimum of approximately \$59,000,000 in United States currency, and all interest and proceeds traceable thereto, including but not limited to the following, for which the Defendants are jointly and severally liable:
- b. \$47,213 in US currency seized from 900 East North Street, Greenville, SC, on 3/23/12;
- c. \$3,820 in US currency seized from 900 East North Street, Greenville, SC, on 3/16/12;
- d. \$16,541 in US currency seized from 203 Siloam Road, Easley, SC, on 3/15/12;
- e. \$12,412.25 in US currency seized from 203 Siloam Road, Easley, SC, on 3/15/12;

2. **REAL PROPERTY:**

- a. 203 Siloam Road, Lot B,
Anderson County, State of South Carolina
Titled in the Name of: Bailey and Rice Family Limited Partnership
Tax Map Number 236-07-04-011-000

ALL that piece, parcel or tract of land located in 81 Plaza in Powdersville, Anderson County, South Carolina, containing 0.148 acres, and having

according to a plat prepared for Ronnie G. Wilson by Alex A. Moss, P.E. & P.L.S. No. 1194, dated August 11, 1995, recorded in the R.M.C. Office for Anderson County in Plat 110 at Page 766, the following metes and bounds, to wit:

BEGINNING at an old iron pin on the easterly side of a 50' public street, which iron pin is 37.12 feet from the intersection of the 50' public street and Siloam Church Road and running thence N. 78-13-00 E., 222.02 feet to an iron pin; thence N. 11-29-32 W., 30 feet to an iron pin; thence S. 78-13-00 W., 210.05 feet to an iron pin on the easterly side of a 50' public street; thence along said side of the public street, S. 6-53-00 W., 31.62 feet to an iron pin, *the point of beginning.*

This conveyance is Subject to any and all existing reservations, easements, rights of way, zoning ordinances and restrictive covenants that may appear of record or on the premises.

This is the same property conveyed to the Bailey & Rice Family Limited Partnership by deed dated December 28th, 1995, and recorded in the R.M.C. Office for Anderson County on January 4, 1996, in Deed Book 2256 at Page 95.

- b. 10 Blythewood Drive, Greenville, SC 29607
Greenville County, South Carolina
Tax Map No. 0281 00 02 107 00
Titled in the Name of: Jena G. Eison

ALL that lot of land, with the buildings and improvements thereon, situate on the northeast side of Blythewood Drive, in the City of Greenville, Greenville County, South Carolina, being shown as Lot 24 on plat of University Circle, made by Piedmont Engineering Service, May, 1948, recorded in the RMC Office for Greenville County, in Plat Book Y at Page 111, and as shown on a more recent plat of survey prepared for Janice A. Joss by Freeland & Associates, Inc., dated January 13, 1998, recorded in the RMC Office for Greenville County, S.C., in Plat Book 37-8 at Page 9 on January 16, 1998, with reference to said plat for a more complete description by metes and bounds.

DERIVATION: THIS being the same property conveyed by Deed of Distribution of Janice A. Joss, Deceased, Estate Case No. 04 ES2301237, dated August 2, 2003, recorded in the ROD Office for Greenville County, S.C., in Deed Book 2158 at Page 814 on August 3, 2005.

- c. 203 Siloam Road, Lot C,
Anderson County, State of South Carolina
Tax Map Number 236-07-04-008
Titled in the Name of: Bailey and Rice Family Limited Partnership

ALL that certain piece, parcel or lot of land with any improvements thereon or thereafter constructed thereon, situate, lying and being in the State of South Carolina, County of Anderson and being shown and designated as Lot C on survey prepared by Robert R. Spearman for Norman S. Garrison and R. Heyward Ballard, dated December 6, 1984 and recorded in the Register of Deeds Office for Anderson County in Plat Book 92 at Page 562 on December 12, 1984. Reference to the above described survey is hereby made for a more complete and accurate metes and bounds description thereof.

This being a portion of the same property conveyed to WWB Limited Partnership by virtue of a deed from W.W. Bridwell, dated October 5, 1999 and recorded in the Register of Deeds Office for Anderson County in Deed Book 3527 at Page 163 on October 7, 1999.

- d. 230 Sam Davis Road
Woodruff, SC
Spartanburg County, South Carolina
TMS# 4-27-00-041.00
Titled in the Name of: Allison and Charles Schaum

All that certain, piece, parcel or lot of land with any improvements thereon, situate, lying and being in the State of South Carolina, County of Spartanburg and being shown and designated as 2.00 acres on survey prepared by Ralph Smith, PLS entitled "Survey for Charles and Allison Schaum, being a portion of the property shown on my plat for Ronald G. Wilson" dated November 8, 1999 and recorded in the Register of Deeds Office for Spartanburg County in Plat Book 154 at Page 324 on June 18, 2003. Reference to the above described survey is hereby made for a more complete and accurate metes and bounds description thereof.

ALSO, given is the right of ingress, egress and regress in, over and to the certain 50 foot right-of-way as set forth and delineated on aforesaid plat. It is further understood that Cassie Kendall, her heirs and assigns forever, gave unto Allison J. Schaum the right of ingress, egress, and regress in, over and to the certain 50 foot right-of-way as set forth and delineated on aforesaid plat by deed recorded in Deed Book 78-G at page 998 on July 17, 2003.

This being the same property conveyed to Allison J. Schaum by virtue of a deed from Cassie Kendall, dated June 19, 2003 and recorded in the Register of Deeds Office for Spartanburg County in Deed Book 78-G at Page 998 on July 17, 2003.

This conveyance is made subject to all restrictions, easements, rights of way, setback lines, roadways, and zoning ordinances, if any, of record on the recorded plat(s), or on the premises affecting said property.

- e. 253 Sam Davis Road
Woodruff, South Carolina
Spartanburg County, South Carolina
Parcel # 4-34-00-016.00
Titled in the Name of: Cassie Kendall

All that certain piece, parcel or tract of land lying, situate in the County of Spartanburg, State of South Carolina, being shown and designated as containing 59.74 acres, more or less, on a plat prepared for Ronald G. Wilson by Ralph Smith, P.L.S., dated November 8, 1999, to be recorded herewith in the RMC Office for Spartanburg County. For a more complete and particular description, reference is hereby made to the above referred to plat and record thereof.

This is a portion of the same property conveyed to Corinne Renshaw and Cassie Kendall by Deed of Diane H. King, dated November 4, 1999, and recorded November 10, 1999, in Deed Book 70-Y, page 682 said RMC Office for Spartanburg County, South Carolina.

This property conveyed subject to all rights-of-ways of record

- f. 375 Sam Davis Road
Woodruff, SC 29388
Spartanburg County, South Carolina
TMS # (portion of) 4-34-00-016.01
Titled in the Name of: Michael & Jennifer Pressley

All that certain piece, parcel or tract of land with any improvements thereon or thereafter constructed thereon, situate, lying and being in the State of South Carolina, County of Spartanburg and being shown and designated as TOTAL AREA = 6.58 ACRES on survey prepared by Ralph Smith P.L.S. for Michael S. & Jennifer L. Pressley, dated December 23, 2007 and recorded in the Register of Deeds Office for Spartanburg County in Plat Book 162 at Page 592 on January 3, 2008. Reference to the above described survey is

hereby made for a more complete and accurate metes and bounds description thereof.

This being a portion of the same property conveyed to Cassie Kendall by virtue of a deed from Corinne Renshaw, dated December 22, 1999 and recorded in the Register of Deeds Office for Spartanburg County in Deed Book 71-E at Page 711 on December 28, 1999. Reference is also made to the Title to Real Estate from Dianne H. King to Cassie Kendall and Corinne Renshaw, dated November 3, 1999 and recorded in the Register of Deeds Office for Spartanburg County in Deed Book 70-Y at Page 682 on November 10, 1999.

This conveyance is made subject to all restrictions, easements, rights of way, setback lines, roadways, and zoning ordinances, if any, of record on the recorded plat(s), or on the premises affecting said property.

- g. 1300 Heritage Club Drive
Greenville, South Carolina 29615
Greenville County, South Carolina
TMS # 0540 42 01 034 00
Titled in the Name of: Herman E. Cox, Trustee of the Smallwood Family Trust

All that certain piece, parcel or lot of land situate, lying and being in the County of Greenville, State of South Carolina being shown and designated as Unit No. 34, Heritage Club Villas on a plat thereof, prepared by Wooten Surveying Co., dated October 10, 2001 and recorded in Plat Book 44-O at Page 84 in the ROD Office for Greenville, South Carolina. Reference is hereby made to said plat of record for a more complete and accurate description as to the metes and bounds, courses and distances as appear thereon.

This being the same property conveyed unto Marie W. Seymour by deed of Aurie C. Thomas, as Trustee of the Richard R. Thomas and Aurie C. Thomas Living Trust dated December 1, 1993, and Aurie C. Thomas, individually dated November 8, 2004, and recorded November 10, 2004 in Deed Book 2116, page 1401, in the ROD Office for Greenville County, South Carolina.

- h. 2420 S J Workman Hwy
Woodruff, South Carolina
Spartanburg County, South Carolina
Parcel No. 4-27-00-040.08
Titled in the Name of: Cassie Wilson

All that certain piece, parcel or lot of land, situate, lying and being in the State of South Carolina, County of Spartanburg, being shown and designated as Lot No. 9, containing 22.27 acres, more or less, as shown on survey entitled "Hugh Harrison Farms", prepared by Ralph Smith, PLS, dated October 8, 2004 and recorded in Plat Book 156, page 944, ROD office for Spartanburg County, South Carolina. For a more complete and particular description, reference is hereby made to the above referred to plat and record thereof.

The above described property is conveyed subject to the restrictive Covenants as recorded in Deed Book 81-P, page 513, ROD Office for Spartanburg County, South Carolina.

This being the same property conveyed to Walson Development, LLC by deed of Dianne H. King, dated October 21, 2004, recorded in Deed Book 81-R, Page 127, ROD Office for Spartanburg County, South Carolina

- i. 1308 Circle Road
Easley, South Carolina 29642
Anderson County, South Carolina
TMS#: portion of 213-00-06-006(to be combined with Tract B - 213-00-06-025)
Titled in the Name of: Cassie Wilson

All that certain piece, parcel or lot of land with any improvements thereon or thereafter constructed thereon, situate, lying and being in the State of South Carolina, County of Anderson and being shown and designated as 2.50 Acres (Including all R/W and Easements) on survey prepared by John F. Tinsley for Cassie Wilson, dated December 4, 2007 and recorded in the Register of Deeds Office for Anderson County in Plat Book 1779 at Page 8-A on May 28, 2008. Reference to the above described survey is hereby made for a more complete and accurate metes and bounds description thereof.

This being a portion of the same property conveyed to Joe E. Cely, as Personal Representative of the Estate of Irene Carolyn Cely a/k/a Irene M. Cely, a 53.072% interest; Joe E. Cely, a 23.464% interest, Marvin S. Cely, III, a 11.732% interest; and Celia C. Hamilton, a 11.732% interest by virtue of a deed from The Brushy Creek, FLP, dated February 25, 2008 and recorded in the Register of Deeds Office for Anderson County in Deed Book 8536 at Page 53 on March 5, 2008. Reference is also made to the Certificate of Dissolution of Limited Partnership "The Brushy Creek, FLP" as recorded in the Register of Deeds Office for Anderson County in Deed Book 8536 at Page 59 on March 5, 2008.

This conveyance is made subject to all restrictions, easements, rights of way, setback lines, roadways, and zoning ordinances, if any, of record on the recorded plat(s), or on the premises affecting said property.

- j. 114 Barfield Drive
Easley, South Carolina 29642
Anderson County, South Carolina
TMS# 213-09-01-009
Titled in the Name of: Henry & Crowder LLC

All that certain piece, parcel or lot of land lying and being in the State of South Carolina, County of Anderson, being shown and designated as Lot No. 9, Hawthorne Ridge, as shown on plat prepared by Freeland and Associates, Inc., dated October 19, 2000 and recorded in Plat Book 1174, at Page 8 in the R/D Office for Anderson County, South Carolina, reference to said plat being hereby made for a more complete metes and bounds description thereof.

This being property conveyed to The Peoples National Bank by deed from Landco Builders, Inc. dated 3/14/08 and recorded 3/17/08 in Deed Book 8558, at Page 102 in the Register of Deeds Office for Anderson County, South Carolina.

The above described property is subject to any and all easements and/or rights of way for roads, utilities, drainage, etc. as may appear of record and/or on the premises and to any and all restrictions, covenants or zoning ordinances affecting such property as may appear of record. The above described property is specifically subject to restrictions governing said property as appear in the Register of Deeds Office for Anderson County, South Carolina in Book 3934, page 273.

- k. 881 Old Plantation Road
Fountain Inn, South Carolina, 29644
Laurens County, South Carolina
Titled in the Name of: Wallace Lindsey Howell, Director of Kingdom Estate Trust
TMS# 213-00-00-006

All that piece, parcel, or lot of land, situate, lying and being in Laurens County, State of South Carolina, being known and designated as on the Enoree River containing 117 acres, more or less being formerly bounded by lands of L.W. Gray, Carrie Coker, C.B. Redd, Jane Miller, and Enoree River, and now bounded on the North by the Enoree River, the center of which is Spartanburg County, on the East by lands now or formerly of Dorothy Lee

Clayton and Rhonda Clayton, on the South by lands now or formerly of Clyde Redd, on the West by lands now or formerly of David G. Coker, and on the Northwest by lands now or formerly of Crescent Land and Timber Company.

Also, a right-of-way or easements of ingress and egress 20 feet in width beginning at the southwestern most corner of the tract conveyed herewith and extending across other property of grantors in a direct line to an existing gravel road which leads to a public roadway this easement also includes the right of use the existing dirt roadway above mentioned which leads to a public roadway

Less and except portions conveyed in Deed Book 210 Page 551, Book 214-Page 236, Book 214 Page 370 and in Book 211 Page 829.

This being a portion the same property conveyed to grantors by Deed of James Redd, recorded 08-16-71 in Book 197, Page 239 in the RMC Office for Laurens County. See also Deed Book 516 Page 84 and Book 635 Page 291 for half interests to and from said grantors.

3. VEHICLES:

- a. 1997 Land Rover
VIN: SALDV3242VA124074
Tag: BWM-192
Registered to: Bailey Rice Family LTD Partnership
- b. 2011 Ford F350
VIN: 1FT8W3DTXBEA09513
Tag: 10965FM
Registered to: Henry & Crowder Family Limited Partnership
- c. 2008 Ford F250
VIN: 1FTSW21R78ED13903
Registered to: Charles Edward Schaum, Jr.
- d. 1994 MITS FH100 Refrigerated Box Truck
VIN: JW6CEE1GXRL000333
Registered to: Live Oak Farm, LLC
- e. 2006 Exis ES 18 Sport Trailer (flat bed)
VIN: 4LAAH182665038199
Registered to: Live Oak Farm, LLC

- f. 2010 Honda Element
VIN: 5J6YH1H31AL002463
Registered to: Jena Eison

4. PERSONAL PROPERTY:

- a. Miscellaneous coins, bars, and monies seized from 900 East North Street, Greenville, SC, on 3/16/12;
- b. Miscellaneous coins, bars, and monies seized from 1308 Circle Road, Easley, SC, on 3/19/12;
- c. Miscellaneous coins, bars and monies seized from 205 Siloam Road, Easley, SC, on 3/15/12;
- d. Miscellaneous coins and monies seized from 203 Siloam Road, Easley, SC on 3/15/12;
- e. six items of artwork/sculpture seized from 203 Siloam Road, Easley, SC, on 3/15/12;
- f. two items of artwork/sculpture seized from 1308 Circle Road, Easley, SC, on 3/16/12;
- g. 1 item of artwork/sculpture seized from 203 Siloam Road, Easley, SC, on 3/19/12;
- h. four items of artwork/sculpture seized from 205 Siloam Road, Easley, SC, on 3/15/12;

5. BANKING/INVESTMENT:

- a. Allied Energy Escrow/Compass Bank/Cornerstone Bank/Edmonton State Bank (oil well)
Beneficiary Acct: xxxx0418
- b. Southern First Bank (DBA Greenville First Bank)
100 Verdae Boulevard, Ste 100, Greenville, SC 29607
Account Name: Atlantic Bullion & Coin
Account number: xx451
Amount: \$213,008.17

6. FIREARMS/AMMUNITION:

- a. Weapon, Cal.36, long handle, serial # 20151
- b. Weapon, Col Sam Colt New York, serial # 171759
- c. Weapon, Ruger SP101, serial # 571-81915
- d. Weapon, Sears 30-30 Winchester Rifle, serial # 12234

- e. Weapon, Winchester 190 .22 LR, serial # B1524762
- f. Rifle, SKS 7.62 x 39 semi automatic, serial # 03891
- g. Rifle, SKS 7.62 x 39, semi automatic, serial # 02182
- h. Revolver, Ruger Super Blackhawk .44 MAG, serial # 85-01584
- i. Revolver, Smith & Wesson Mod 36 .38 SPCL, serial# 408002
- j. Shotgun, JC Higgins Mod 20, 12G, serial # 5832001
- k. Shotgun, Remington 870 12 G, serial # 1269455V
- l. Rifle, FN .30 .06 Cal half action, serial # 10331
- m. Shotgun, Winchester Mod 1897, serial # 390620
- n. Rifle, Winchester Remington Mod 7400, serial # 8535944
- o. Rifle, Marlin 39A .22LR, serial # 17270310
- p. Rifle, Marlin 336 .44 mag, serial # AC48452
- q. Rifle, SKS 7.62 x 39, serial # 10255863A
- r. Remington 1100 12GA, serial # M543775V
- s. Remington 870 12GA, serial # A746329M
- t. Remington 1100 12GA, serial # N863063M
- u. Winchester 1300 12 GA, serial # L2689923
- v. Browning, Light 12, 12GA, serial # G62081
- w. Rifle, Marlin 30AW .30 .30 Win, serial # 02076451
- x. Rifle, Marlin 336 .30 Win, serial # 24156649
- y. Rifle, Remington 742, .308 Win, serial # 7178036
- z. Winchester, Med 70, .300 Win Mag, serial # G320285
- aa. Rifle, Marlin 336 .30 .30 Win, serial # 22005921
- bb. Lever Action Henry, .44-40 Cal, serial # 20500
- cc. Pistol, Remington 1911.45 ACP, serial # 4134642
- dd. Revolver, Ruger Single .22LR, serial # 65-58910
- ee. Pistol, Ruger Mark II .22 LR, serial #19-94646
- ff. Revolver, S&W .38 Cal, serial #39321
- gg. Revolver, Ruger Single .22LR, serial # 67-76528
- hh. Rifle, Ruger 10/22 .22LR, serial # 247-09843
- ii. Norinco 90 7.62 x 39, serial # 9323450
- jj. New Haven 600 A 12GA, serial # H462853
- kk. Remington 870 12 GA, serial # T669796X
- ll. Rifle, SKS 7.62 x 39, serial # 16653
- mm. Rifle, SKS 7.62 x 39, serial # 002562
- nn. Rifle, KBI SA-85M 7.62 x 39, serial # SM17889
- oo. Rifle, SKS 7.62 x 39, serial # 003891
- pp. Savage 94 410, serial # P842290
- qq. Garcha 410, serial # 415741
- rr. Mossberg 500A 12 GA. Serial # K688377
- ss. Pistol, Colt 1911 .38 Super, serial # FR25137E
- tt. Revolver, Colt Frontier Seat .22LR, serial # 23311F
- uu. Revolver S&W .38, serial # 245911

- vv. Revolver, Dan Wesson .357 mag, serial # 38404
- ww. 12 GA IMP by Stoeger, serial # 412903
- xx. Pistol, Python 357 Magnum, serial # T81106
- yy. M-16, serial # 000647
- zz. Single bolt action, Italian carbine, serial # RT37
- aaa. Winchester 33, serial# 2086000
- bbb. Ruger 223, serial # 185-77181
- ccc. Sig Sauer 229, serial # AB22408

C. SUBSTITUTE ASSETS:

1. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the Defendants –

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the said Defendant up to the value of the above described forfeitable property;

Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

William N. Nettles
WILLIAM N. NETTLES (wjw)
UNITED STATES ATTORNEY

EXHIBIT “B”

Arizona filing of Complaint and Appointment Order

EXHIBIT “B”

<input checked="" type="checkbox"/> FILED	<input type="checkbox"/> LODGED
<input type="checkbox"/> RECEIVED	<input type="checkbox"/> COPY
AUG 05 2022	
CLERK U S DISTRICT COURT DISTRICT OF ARIZONA	
BY	DEPUTY

1 TRACY S. COMBS (California Bar No. 298664)
 2 Email: combst@sec.gov
 3 CASEY R. FRONK (Illinois Bar No. 6296535)
 4 FronkC@sec.gov
 5 Securities and Exchange Commission
 6 351 South West Temple, Suite 6.100
 7 Salt Lake City, UT 84101-1950
 8 Tel.: (801) 524-5796
 9 Fax: (801) 524-3558

10 UNITED STATES DISTRICT COURT
 11 DISTRICT OF NEVADA

12 SECURITIES AND EXCHANGE
 13 COMMISSION,

14 Plaintiff,

15 v.

16 MATTHEW WADE BEASLEY; BEASLEY
 17 LAW GROUP PC; JEFFREY J. JUDD;
 18 CHRISTOPHER R. HUMPHRIES; J&J
 19 CONSULTING SERVICES, INC., an Alaska
 20 Corporation; J&J CONSULTING
 21 SERVICES, INC., a Nevada Corporation; J
 22 AND J PURCHASING LLC; SHANE M.
 23 JAGER; JASON M. JONGEWARD; DENNY
 24 SEYBERT; and ROLAND TANNER;

25 Defendants,

26 THE JUDD IRREVOCABLE TRUST; PAJ
 27 CONSULTING INC; BJ HOLDINGS LLC;
 STIRLING CONSULTING, L.L.C.; CJ
 INVESTMENTS, LLC; JL2
 INVESTMENTS, LLC; ROCKING HORSE
 PROPERTIES, LLC; TRIPLE THREAT
 BASKETBALL, LLC; ACAC LLC;
 ANTHONY MICHAEL ALBERTO, JR.; and
 MONTY CREW LLC;

Relief Defendants.

Case No.: **MC22-00034-PHX**

COMPLAINT

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1 Plaintiff, Securities and Exchange Commission (the “Commission”), alleges as follows:

2 **SUMMARY**

3 1. This case concerns a long-running fraudulent offering of securities perpetrated by
4 Defendants Matthew Wade Beasley, Esq., his law firm Beasley Law Group PC (“Beasley Law
5 Group”), Jeffrey Judd, Christopher Humphries, and three entities that Judd controlled: J&J
6 Consulting Services, Inc. (a Nevada corporation), J&J Consulting Services, Inc. (an Alaska
7 corporation), and J and J Purchasing LLC (unless otherwise noted, collectively, the “J&J
8 Entities”), a scheme for which Judd, Humphries, and Defendants Shane M. Jager, Jason M.
9 Jongeward, Denny Seybert, Roland Tanner, and others acted as promoters.

10 2. The scheme worked as follows: from at least 2017 and continuing through March
11 2022, the J&J Entities offered investments in purported settlement contracts with tort plaintiffs
12 called “purchase agreements.” These investments in the so-called “purchase agreements”
13 constituted securities under federal law. Judd, Humphries, and others told investors:

- 14 a. that they could purchase interests in insurance tort settlements, and that the
15 invested money was used to make advance payments to tort plaintiffs who had
16 reached settlements with insurance companies for tort claims and who were
17 willing to pay a premium to receive a portion of their settlement in advance
18 rather than wait for payment from the insurance companies;
- 19 b. that investors would receive returns on their investments of at least 12.5%
20 every 90 days, for an annualized return of 50%, sometimes more, and that the
21 investment had almost zero risk; and
- 22 c. that Beasley and Beasley Law Group managed relationships with numerous
23 personal injury attorneys around the country to maintain a supply of purchase
24 agreements to the J&J Entities and their investors.

25 3. From at least 2017 to March 2022, over 600 investors invested in the scheme, and
26 it appears that at least \$449 million in investor funds flowed into the scheme through Beasley
27 Law Group’s attorney trust (“IOLTA”) account at Wells Fargo, N.A. The amount that investors

1 may have been paid in Ponzi payments is as yet unknown. During that time, Beasley and Judd
2 acted as business partners in the J&J Entities and Beasley purported to act as an attorney for the
3 J&J Entities.

4 4. In fact, the purchase agreements were fictitious, a fact which Beasley, Judd, and
5 Humphries knew or were reckless in not knowing. Beasley, Beasley Law Group PC, Judd, and
6 the J&J Entities did not use investor money to purchase interests in personal injury settlements,
7 as Judd, Humphries, Jager, Jongeward, Seybert, and Tanner represented to actual and
8 prospective investors.

9 5. Beasley, Judd, and others used a portion of investors' money to make periodic
10 payments of fictitious "returns" on the purchase agreements to investors in a Ponzi-like fashion,
11 but used the bulk of investor money to fund lavish lifestyles, including purchasing luxury homes
12 and properties, a private jet, ATVs, boats, and numerous luxury cars for themselves and their
13 relatives. Each of Judd, Humphries, Jager, Jongeward, Seybert, and Tanner recruited dozens, if
14 not hundreds, of investors into the scheme and received transaction-based compensation for
15 bringing in additional investors and more money from existing investors, even though none of
16 them was a registered broker or dealer, nor associated with a broker or dealer, registered with the
17 Commission.

18 6. On March 3, 2022, agents from the Federal Bureau of Investigation ("FBI")
19 executed search warrants at the homes of Judd, Humphries, and Beasley. When agents arrived at
20 Beasley's home, Beasley brandished a pistol and the agents shot him twice. Beasley then locked
21 himself inside his home for nearly four hours. During that standoff, Beasley repeatedly confessed
22 to an FBI negotiator that the J&J Entities' investment scheme was actually a Ponzi scheme that
23 started in 2016 or 2017.

24 7. The Commission brings this action to halt Defendants' violations of the federal
25 securities laws, prevent further harm to investors, and to seek disgorgement and civil penalties
26 stemming from Defendants' wrongdoing, among other remedies.

27

JURISDICTION AND VENUE

8. The Commission brings this action pursuant to Sections 20(b) and 20(d) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77t(b) and (g)] and Sections 21(d) and (e) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78u(d) and (e)] to enjoin such acts, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil money penalties, and such other and further relief as this Court may deem just and appropriate.

9. This Court has jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v] and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

10. Venue is proper in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa] because Defendants and Relief Defendants are found, inhabit, and/or transacted business in the District of Nevada and because one or more acts or transactions constituting the violations alleged herein occurred in the District of Nevada.

11. Defendants were, individually and collectively, involved in the offer and sale of the securities, as that term is defined under Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)], issued by Defendants J&J Consulting Services, Inc., a Nevada corporation, J&J Consulting Services, Inc., an Alaska corporation, and J and J Purchasing LLC.

12. Defendants, directly or indirectly, made use of the mails or the means or instrumentalities of interstate commerce in connection with the conduct alleged in this Complaint.

DEFENDANTS

13. **Matthew Wade Beasley** (“Beasley”), age 49, is a resident of Las Vegas, Nevada. Beasley is President, Secretary, Treasurer, and Director of Beasley Law Group PC. Beasley has been licensed to practice law in Nevada since May 2006.

14. **Jeffrey Jason Judd** (“Judd”), age 50, is a resident of Henderson, Nevada. Judd is director, president, and treasurer of J & J Consulting Services, Inc. (Nevada) and director,

1 president, shareholder, and treasurer of J & J Consulting Services, Inc. (Alaska). Judd is a
2 manager of J & J Purchasing, LLC. Judd personally promoted the “purchase agreement”
3 investment scheme to multiple investors with false and misleading statements and omissions, and
4 he compensated promoters who in turn found additional investors. On information and belief,
5 Judd is a trustee of The Judd Irrevocable Trust.

6 15. **Christopher Ronn Humphries** (“Humphries”), age 48, is a resident of
7 Henderson, Nevada. He personally promoted the “purchase agreement” investment scheme to
8 multiple investors. He is a managing member of CJ Investments LLC.

9 16. **Beasley Law Group PC** (“Beasley Law Group”) is a professional corporation
10 organized in Nevada in 2011 with its principal place of business in Nevada. Beasley controls this
11 entity.

12 17. **J&J Consulting Services, Inc.** is a Nevada corporation formed in 2005 with its
13 principal place of business in Nevada (“J&J Nevada”). Judd controls this entity.

14 18. **J&J Consulting Services, Inc.** is also the name of an Alaska corporation,
15 incorporated in 2019, with its principal place of business in Nevada (“J&J Alaska”). Judd
16 controls this entity.

17 19. **J and J Purchasing LLC** (“J and J Purchasing”) is a Florida limited liability
18 company formed in October 2021 with its principal place of business in Nevada. Judd controls
19 this entity.

20 20. **Shane Michael Jager** (“Jager”), age 47, is a resident of Henderson, Nevada. He
21 personally promoted the Ponzi scheme to multiple investors and also recruited several additional
22 promoters who worked under his supervision. He received compensation for the investments he
23 procured. Jager is the managing member and owner of Stirling Consulting, L.L.C.

24 21. **Jason Myers Jongeward** (“Jongeward”), age 50, is a resident of Washington,
25 Utah. Jongeward promoted the “purchase agreement” investment scheme to multiple investors
26 and received compensation for the investments he procured. Jongeward is the governor of JL2
27 Investments LLC.

1 from the Beasley Law Group IOLTA, which are proceeds from the fraud to which it has no
2 legitimate claim.

3 27. **Stirling Consulting, L.L.C.** is a Nevada limited liability company formed in
4 April 2018. Its principal place of business is Las Vegas, Nevada. Jager controls this entity.
5 Stirling Consulting, L.L.C. received at least \$30 million from the Beasley Law Group IOLTA
6 account. On information and belief, these were proceeds from the fraud to which it has no
7 legitimate claim.

8 28. **CJ Investments LLC** is a Nevada limited liability company formed in November
9 2019. Its principal place of business is in Henderson, Nevada. Humphries and Jessica Humphries
10 are both managing members of CJ Investments LLC. It received at least \$25 million from the
11 Beasley Law Group IOLTA account. On information and belief, these were proceeds from the
12 fraud to which it has no legitimate claim.

13 29. **JL2 Investments, LLC** is a Washington limited liability company formed in
14 November 2019. Its principal place of business was initially Cheney, Washington. Upon
15 information and belief, its principal place of business moved to Washington, Utah in 2021.
16 Jongeward controls this entity. On information and belief, JL2 Investments received proceeds
17 from the fraud to which it has no legitimate claim.

18 30. **Rocking Horse Properties LLC** is a Nevada limited liability company formed in
19 January 1997. Its principal place of business is in Nevada. Seybert controls this entity. It received
20 over \$690,000 from the Beasley Law Group IOLTA account. On information and belief, these
21 were proceeds from the fraud to which it has no legitimate claim.

22 31. **Triple Threat Basketball, LLC** is a Nevada limited liability company formed in
23 April 2009. Its managers are Warren Rosegreen and Priscilla Rosegreen. It received transfers of
24 over \$9 million from the Beasley Law Group IOLTA account. On information and belief, these
25 were proceeds from the fraud to which Triple Threat Basketball, LLC has no legitimate claim.

26 32. **ACAC LLC** is a limited liability company of unknown domicile. A bank account
27 in the name of ACAC LLC received at least \$6.5 million from the Beasley Law Group IOLTA

1 account. On information and belief, these were proceeds from the fraud to which it has no
2 legitimate claim.

3 33. **Anthony Michael Alberto, Jr.** (“Alberto”), age 34, is believed to be a resident of
4 Nevada or Pennsylvania. He received nearly \$4 million in transfers from the Beasley Law Group
5 IOLTA account. Beasley confessed to an FBI negotiator that Alberto was his bookie and he used
6 investor money to pay gambling debts he owed to Alberto. Alberto has received proceeds from
7 the fraud to which he has no legitimate claim.

8 34. **Monty Crew LLC** was a Nevada limited liability company formed in January
9 2019. Its principal place of business was in Nevada. It became inactive in September 2021 and
10 was revoked in February 2022. Its manager was Alberto. It received nearly \$3 million in
11 transfers from the Beasley Law Group IOLTA account. As stated in paragraph 33 above, Beasley
12 confessed that the money paid to Alberto was proceeds from the fraud used to pay gambling
13 debts. Money Crew LLC received investor money to which it has no legitimate claim.

14 FACTS

15 **I. Judd, Humphries, and the J&J Entities Raised Money from Investors with False** 16 **Representations of an Investment in Personal Injury Settlements.**

17 35. Beginning at least as of January 1, 2017 and continuing until March 2022, the J&J
18 Entities, directly and through Judd, Humphries, Jager, Jongeward, Seybert, and Tanner, offered
19 investments in purported personal injury settlement contracts. Judd told investors that he had a
20 litigation financing business with his attorney, Matthew Beasley, whereby Judd invested money
21 in contracts with personal injury plaintiffs while Beasley procured those contracts through his
22 contacts with other attorneys around the country. Judd told investors that Beasley and his law
23 firm Beasley Law Group had relationships with personal injury attorneys whose clients had
24 settlements with insurance companies, and who were willing to pay a premium to receive a
25 portion of their settlement in advance rather than wait for payment from the insurance
26 companies. Judd told investors that the J&J Entities entered into “purchase agreements” with the
27 personal injury plaintiffs whereby the J&J Entities advanced to the personal injury plaintiffs a

1 portion of their expected insurance settlement payout, and the plaintiffs repaid the J&J Entities
2 plus interest and fees when their insurance payout arrived.

3 36. Judd told investors that the purchase agreements came in amounts of \$80,000 or
4 \$100,000, with a term of 90 days, although he also said he allowed investors to split contracts
5 with him or other investors if they wanted to invest less than \$80,000. Judd told different
6 investors that they would receive different returns. Judd told some investors that they would
7 make up to \$22,000 within 90 days on an investment of \$100,000. Judd told other investors they
8 would receive 12.5% on their investments (50% on an annual basis), for a return of \$12,500
9 within 90 days on an investment of \$100,000 or \$10,000 within 90 days on an investment of
10 \$80,000.

11 37. Judd told investors that at the end of the 90-day period, the J&J Entities would
12 reinvest the principal in a new purchase agreement with a new tort plaintiff, and the investor
13 could continue to receive his or her promised returns every 90 days. Judd told investors that they
14 could get their principal back rather than reinvesting it at the end of the contract term if they
15 chose.

16 38. Judd told investors that the tort plaintiffs who entered the purchase agreements
17 paid an administrative fee of \$5,000, half of which went to Beasley and Beasley Law Group, and
18 the other half of which went to the tort plaintiff's attorney. Judd also told investors that Beasley
19 and Beasley Law Group managed the relationships with the various personal injury attorneys and
20 wrote the agreements with the personal injury plaintiffs, while Judd managed the investment side
21 of the business with assistance from his son Parker Judd. On information and belief, Judd
22 highlighted the fact that attorney Beasley was involved and that investor funds flowed through
23 Beasley Law Group's IOLTA account.

24 39. Judd told investors that the risk from investing in the purchase agreements was
25 almost zero. Judd also told some investors that he would make good any investor loss, saying
26 that he and Beasley had a separate fund to make investors whole if a personal injury plaintiff
27

1 failed to pay on a contract. He claimed he had “never had to use” this fund, because “we’ve
2 never had one go bad.”

3 40. Humphries, like Judd, promoted the J&J Entities investment scheme to numerous
4 investors. Like Judd, Humphries told investors that the investment involved funding purchase
5 agreements with personal injury plaintiffs who had settlements with insurance companies but
6 wanted to obtain a portion of their money in advance. Humphries told investors that Matthew
7 Beasley and his law firm Beasley Law Group managed the relationships with various attorneys
8 to supply the purchase agreements to Judd and the J&J Entities. Humphries told investors that
9 the purchase agreements were in amounts of \$80,000 or \$100,000 and paid returns of 13% every
10 90 days. Humphries told investors that their capital would be reinvested in a new purchase
11 agreement at the expiration of each prior purchase agreement. Humphries told investors that
12 there was little to no risk on the investment.

13 41. Humphries received compensation for bringing new investors into the scheme and
14 for raising additional money from existing investors. He told one investor that he received 5% of
15 the investor funds he raised and that he made around \$250,000 every three months.

16 42. Judd and Humphries typically instructed investors to wire their investment money
17 to Beasley Law Group’s IOLTA account at Wells Fargo Bank N.A., but sometimes instructed
18 investors to wire their investment money to other accounts as well, including an account in the
19 name of J&J Consulting Services, Inc. at U.S. Bank, and an account in the name of Humphries’
20 entity CJ Investments LLC.

21 **II. Defendants’ Representations Were Materially False and Misleading**

22 43. The foregoing representations made to investors by Judd, the J&J Entities, and
23 Humphries were materially false and misleading. Judd and the J&J Entities did not invest the
24 investors’ funds in contracts with personal injury plaintiffs. Beasley and Beasley Law Group did
25 not actually procure contracts with personal injury plaintiffs and their attorneys.

26 44. Beasley confessed on March 3, 2022 to an FBI negotiator that the business was a
27 Ponzi scheme. Beasley and Judd returned a small portion of the invested money to investors in

1 Ponzi-type payments to meet investors' expectations of the promised percentages of returns
2 every 90 days. These payments promoted investor confidence in the scheme, encouraged current
3 investors to invest more money, and allowed Beasley, Judd, and Humphries to continue to find
4 new victims. In reality, Beasley, Judd, and Humphries used the majority of investor money for
5 lavish personal expenses and to pay others to promote the scheme.

6 45. To lend credibility to the scheme, Beasley created fake "purchase agreements"
7 between J&J Consulting or J and J Purchasing and various purported injured tort plaintiffs and
8 their attorneys, which were then shared with investors by Judd, Humphries and other promoters.
9 Beasley often used the names of real attorneys from around the country (and sometimes even
10 used the names of real personal injury tort plaintiffs) on the fake purchase agreements, but there
11 were no actual underlying tort settlements and the attorneys whose names appeared on the fake
12 purchase agreements had no actual connection to Beasley. An example of one of these "purchase
13 agreements" is attached as **Exhibit A**.

14 46. Until approximately December 2020, Judd provided investors "Investment
15 Agreements" or "Buyer Agreements" purporting to memorialize the investor's investment in a
16 tort plaintiff's purchase agreement. The agreements were between the investor, and Judd and J&J
17 Consulting Services, Inc. An example of one of the "Investment Agreements" is attached as
18 **Exhibit B**. An example of one titled a "Buyer Agreement" is attached as **Exhibit C**. These
19 agreements were signed by Judd.

20 47. In approximately October 2021, Judd began telling investors that he was making
21 modifications to the business at the suggestion an attorney who conducted a review of the
22 business. As part of these purported business modifications, Judd formed J and J Purchasing
23 LLC in October 2021 and started operating the investment business through J and J Purchasing.
24 In approximately December 2021, as part of the business modifications, Judd started requiring
25 investors to sign new documentation with J and J Purchasing: a Confidential Private Placement
26 Memorandum ("PPM"); a Non-Compete, Non-Disclosure and Non-Solicitation Agreement; a
27 Mutual Confidentiality and Non-Disclosure Agreement, and a Confidential Subscription

1 Agreement. Judd personally distributed these documents to some investors, and the Promoter
2 Defendants and other promoters distributed copies to their investors. A copy of the PPM is
3 attached as **Exhibit D**.

4 48. Judd and Humphries told investors that Beasley managed the relationship with the
5 personal injury attorneys and, on information and belief, told investors that they were not
6 allowed to contact the attorneys or plaintiffs whose names appeared on the purchase agreements.
7 This kept investors from learning that the attorneys and plaintiffs on the purchase agreements
8 were not actually parties to the purchase agreements, and that the purchase agreements were
9 fake.

10 49. Despite this admonition from Judd and Humphries, some investors contacted the
11 attorneys named in the purchase agreements to inquire whether the purchase agreements were
12 real, only to discover that the attorneys had no such personal injury clients and no relationship
13 with Matthew Beasley or Beasley Law Group.

14 **III. Beasley, Beasley Law Group, Judd, the J&J Entities, and Humphries Acted With** 15 **Scienter**

16 50. Defendants Beasley, Beasley Law Group, Judd, the Judd Entities, and Humphries
17 knowingly or recklessly engaged in the fraudulent scheme detailed in the paragraphs above.

18 51. On March 3, 2022, when the FBI attempted to serve a search warrant at his home,
19 Beasley engaged in a standoff for approximately four hours with FBI agents, during which
20 Beasley spoke by telephone with an FBI negotiator. In the recorded calls with the FBI negotiator,
21 Beasley repeatedly confessed that the J&J investment was a Ponzi scheme that he started in 2016
22 or 2017. He confessed that the purchase agreements were fake and he used the names of
23 attorneys he did not know on the purchase agreements.

24 52. Beasley confessed that investors were promised that their investment money
25 would be given to someone who had settled a personal injury case but had not received their
26 settlement money yet. He confessed that he “got names of attorneys” for the scheme but “I never
27 actually talked to them.” He confessed that as Jeffrey Judd found more investors, “I made up

1 more attorney's deals and just kept growing it." Beasley confessed that investors "would give
2 their money to me, and I would supposedly send it to a bunch of attorneys" but actually "I kept it
3 and used it to pay, basically pay them back to pay off gambling debts."

4 53. Judd knew or was reckless in not knowing that the purchase agreements were fake
5 and that the investment scheme was a fraud. Judd, as Beasley's business partner in the scheme
6 for over seven years, either knew that the business was a fraud, or was reckless in not knowing.
7 Judd worked intimately with Beasley throughout the entire scheme. Judd told investors that he
8 and Beasley operated the business together and that Beasley was his attorney. Judd told at least
9 one investor that he saw bank statements and other documentation from Beasley. Had Judd
10 reviewed the bank statements of the Beasley IOLTA account—where, on information and belief,
11 he knew investor funds were aggregated—he would have readily seen that the investment
12 scheme was not a legitimate business and that there were very few, if any, proceeds of personal
13 injury tort settlements pursuant to the purchase agreements flowing into the account.

14 54. Further, the J&J Entities, which Judd controlled, were the counterparties on all the
15 purported purchase agreements and Judd supposedly signed them on behalf of his entities. As of
16 February 24, 2022, Judd boasted that he had \$475 million "under management," was doing 450
17 contracts per week, and had done over 16,000 contracts to date. Judd either knew or was reckless
18 in not knowing that the purported counterparties on those 16,000 contracts did not actually enter
19 the agreements. Judd knew the purchase agreements were never signed by the purported
20 counterparties, or he recklessly disregarded that fact. Had Judd conducted the most basic of due
21 diligence on the fake purchase agreements and the flow of funds to and from Beasley Law
22 Group, it would have revealed the scheme.

23 55. Upon information and belief, Humphries also knew or was reckless in not
24 knowing that the purchase agreement investment scheme was a fraud. Upon information and
25 belief, Humphries was at least aware of indicia that the tort settlements at issue in the investment
26 were fictitious and acted to hide that fact from investors.

1 56. Judd and Humphries acted to hide the fraud from investors by telling them that
2 they were prohibited from contacting the parties to the purchase agreements. Over the years,
3 despite being told not to do so, several investors contacted the attorneys listed on the purchase
4 agreements and the attorneys denied having such clients or entering the purchase agreements. On
5 information and belief, this information made its way back to the promoters, including
6 Humphries, and ultimately to Judd himself. Various investors pushed their promoters, Judd, and
7 the J&J Entities to answer questions about the inability to verify that the purchase agreements
8 were real, or asked to see documentation such as bank statements showing actual money flows to
9 the purported counterparties on the purchase agreements. When promoters confronted Judd and
10 the J&J Entities about the fact that attorneys on the purchase agreements denied that the purchase
11 agreements were legitimate, Judd hid the fraud by stating to investors that the law firms were
12 probably denying the existence of the contracts simply due to client confidentiality concerns.

13 57. At least as early as 2019, Judd started requiring investors to enter non-disclosure
14 agreements as a condition of investing. Judd and his promoters also often required investors to
15 sign a document saying that they were prohibited from contacting any parties related to the
16 personal injury settlement or purchase agreement without the written consent of Jeffrey Judd.
17 Also, the “Investor Agreement” and “Buyer Agreement” documents (Exs. B and C hereto)
18 expressly prohibited investors from contacting the parties on the purchase agreements without
19 Judd’s consent.

20 58. Ultimately, on or around January 2022, Judd and certain of his promoters decided
21 to stop sending the fake purchase agreements to investors altogether. Judd gave investors the
22 excuse that his “attorneys” had advised him to stop sending the purchase agreements to them.

23 59. On information and belief, Judd required investors to sign the document
24 prohibiting them from contacting the parties related to the personal injury settlement or purchase
25 agreement, and ultimately stopped disseminating the fake purchase agreements, because he was
26 attempting to hide their fictitious nature from investors.

27

1 60. Despite that they knew or were reckless in not knowing that the Purchase
2 Agreements were fake, Humphries and Judd nonetheless continued to solicit new investors and
3 additional investments from existing investors.

4 **IV. Defendants Judd, Humphries, Jager, Jongeward, Seybert, and Tanner Violated the**
5 **Federal Securities Laws by Acting as Unregistered Brokers.**

6 61. In addition to Humphries, Judd had several other promoters working underneath
7 him to locate new investors and funnel investment money into the J&J Entities scheme.
8 Defendants Jager, Jongeward, Seybert, and Tanner were among these promoters.

9 62. Jager, Jongeward, Seybert, and Tanner, like Judd and Humphries, each solicited
10 dozens of investors to invest in the purchase agreements and received transaction-based
11 compensation in return. The investors' interests in the purchase agreements issued by the J&J
12 Entities—which Judd, Jager, Jongeward, Seybert, and Tanner solicited investors to buy—
13 constituted securities as that term is defined under the federal securities laws.

14 63. In 2020, Humphries stated to at least one investor that he personally made
15 \$250,000 every three months from his investor solicitations and received a 5% commission on
16 investments he solicited.

17 64. Jongeward also made a percentage on each investment he obtained on behalf of
18 the J&J Entities. In early 2022, Jongeward stated to at least one prospective investor that he
19 personally “managed” over 150 investors and about \$52 million in investment funds, that this
20 was his “full-time job,” and that he had been doing it for two years.

21 65. In early 2022, Jager stated to at least one prospective investor that he had been
22 soliciting investors for the J&J Entities investment for five years, had solicited 250 investors, and
23 that he and Jongeward together had raised over \$200 million from investors for the J&J Entities.
24 Jager also stated to at least one prospective investor that Judd had negotiated a rate of payment to
25 Jager and Jongeward on the investments they raised, and that Tanner worked “under Jager”
26 soliciting investments in the purchase agreements. Judd, Jager, Jongeward, Seybert, and Tanner
27 each used means or instrumentalities of interstate commerce to solicit and sell securities as part

1 of their regular business. Judd, Jager, Jongeward, Seybert, and Tanner each used the internet to
2 solicit investors, transferred cash through wire transfers, and used email and telephone to
3 negotiate and effect sales transactions.

4 66. Humphries, Jager, Jongeward, and Seybert also handled investor funds. While
5 investor funds typically (but not always) flowed into Beasley Law Group's IOLTA account, the
6 payments of purported "returns" to investors whom Humphries, Jager, Jongeward, and Seybert
7 recruited would flow from accounts held by Beasley Law Group or the J&J Entities into bank
8 accounts for entities controlled by Humphries, Jager, Jongeward, and Seybert. From there,
9 Humphries, Jager, Jongeward, and Seybert would distribute purported "returns" to investors they
10 had solicited. Sometimes Humphries, Jongeward, and Seybert also instructed investors to wire
11 their investment money directly to the accounts in the names of the entities they controlled rather
12 than to Beasley Law Group's account.

13 67. Jager used an account in the name of his entity Stirling Consulting, L.L.C., and
14 possibly others, to receive investor funds and also to distribute purported "returns" to investors.
15 Humphries used an account in the name of CJ Investments LLC and JCH Consulting, L.L.C.,
16 among others, to receive investor funds and also distribute Ponzi payments to his investors.
17 Jongeward used an account in the name of his entity JL2 Investments LLC, and possibly others,
18 to receive investor funds and to distribute Ponzi payments to his investors. Seybert used an
19 account in the name of his entity Rocking Horse Properties, LLC, and possibly others, to receive
20 investor funds and distribute purported returns to his investors. Tanner used an account in the
21 name of Anthem Assets, LLC, and possibly others, to receive investor funds and distribute
22 purported returns to his investors. On information and belief, Jager, Humphries, Jongeward,
23 Seybert, and Tanner also received commission payments for their investor solicitations in the
24 accounts of those entities that they controlled.

25 68. Tanner solicited numerous investors for the J&J Entities scheme over a period of
26 many months or years. In early 2022, Jager represented to prospective investors that Tanner
27 worked under his supervision to solicit additional investors for the J&J Entities investment and

1 that Tanner had raised over \$50 million for the J&J Entities. On information and belief, Tanner
2 and received transaction-based compensation for the investors and investments he solicited.

3 69. At all relevant times while Judd, Jager, Jongeward, Seybert, and Tanner engaged
4 in soliciting investors to buy interests in the purchase agreements in exchange for transaction-
5 based compensation, none of them were registered with the Commission as a broker or dealer,
6 nor were they associated with a broker or dealer registered with the Commission.

7 **V. The Securities Offered and Sold Were Not Registered**

8 70. The securities offered and sold by Judd, Humphries, Jager, Jongeward, Seybert,
9 and Tanner were not registered with the Commission.

10 71. J and J Purchasing LLC filed a Form D on December 13, 2021, purporting to give
11 notice of an exempt offering under Rule 506(b), but the J&J Entities' offers and sales of
12 securities were not exempt under Rule 506(b) because, among other things, investors were never
13 provided with the required disclosures of information under Rule 502(b) [17 CFR § 230.502]. In
14 addition, the Form D was itself false and misleading in its description of, *inter alia*, the
15 investment and the use of investor funds.

16 **FIRST CLAIM FOR RELIEF**

17 **Violations of Section 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)]**

18 ***(Against All Defendants)***

19 72. The Commission re-alleges and incorporates by reference each and every
20 allegation in paragraphs 1–71, inclusive, as if they were fully set forth herein.

21 73. Defendants Beasley, Beasley Law Group, Judd, the J&J Entities, Humphries,
22 Jager, Jongeward, Seybert, and Tanner, by engaging in the conduct described above, directly or
23 indirectly,

- 24 a. made use of means or instruments of transportation or communication in
25 interstate commerce or of the mails to sell securities, as to which no
26 registration statement was in effect, through the use or medium of any
27 prospectus or otherwise;

- b. carried or caused to be carried through the mails or in interstate commerce, by any means or instrument of transportation, securities as to which no registration statement was in effect, for the purpose of sale or for delivery after sale; and
- c. made use of any means or instruments of transportation or communications in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise securities as to which no registration statement had been filed.

74. In regard to the sale of securities described herein, no exemption validly applied to the registration requirements described above.

75. By reason of the foregoing, Defendants Beasley, Beasley Law Group, Judd, the J&J Entities, Jager, Jongeward, Humphries, Seybert, and Tanner violated, and unless enjoined, will continue to violate, Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77 e(a) and (c)].

SECOND CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)(1)]

(Against Beasley, Beasley Law Group, Judd, the J&J Entities, and Humphries)

76. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1–75, inclusive, as if they were fully set forth herein.

77. By engaging in the conduct described above, Beasley, Beasley Law Group, Judd, the J&J Entities, and Humphries, and each of them, directly or indirectly, individually or in concert with others, in the offer and sale of securities, by use of the means and instruments of transportation and communication in interstate commerce or by use of the mails,

- a. employed devices, schemes, or artifices to defraud;
- b. obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

1 c. engaged in transactions, practices, or courses of business which operated or
2 would operate as a fraud or deceit.

3 78. With respect to violations of Section 17(a)(1) of the Securities Act, each of
4 Defendants Beasley, Beasley Law Group, Judd, the J&J Entities, and Humphries engaged in the
5 above-referenced conduct knowingly or with severe recklessness.

6 79. With respect to violations of Sections 17(a)(2) and (a)(3) of the Securities Act,
7 each of Defendants Beasley, Beasley Law Group, Judd, the J&J Entities, and Humphries
8 engaged in the above-referenced conduct was at least negligent in its/his conduct and in making
9 the untrue and misleading statements alleged herein.

10 80. By reason of the foregoing, Beasley, Beasley Law Group, Judd, the J&J Entities,
11 and Humphries violated and, unless enjoined, will continue to violate Section 17(a) of the
12 Securities Act [15 U.S.C. § 77q(a)].

13 **THIRD CLAIM FOR RELIEF**

14 **Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule**

15 **10b-5 [17 C.F.R. § 240.10b-5]**

16 *(Against Beasley, Beasley Law Group, Judd, the J&J Entities, and Humphries)*

17 81. The Commission re-alleges and incorporates by reference each and every
18 allegation in paragraphs 1–80, inclusive, as if they were fully set forth herein.

19 82. By engaging in the conduct described above, Beasley, Beasley Law Group, Judd,
20 the J&J Entities, and Humphries, directly or indirectly, individually or in concert with others, in
21 connection with the purchase or sale of securities, by use of the means and instrumentalities of
22 interstate commerce or by use of the mails,

- 23 a. employed devices, schemes, and artifices to defraud;
- 24 b. made untrue statements of material facts and/or omitted to state material facts
25 necessary in order to make the statements made, in light of the circumstances
26 under which they were made, not misleading; and
- 27

1 c. engaged in acts, practices, and course of business which operated as a fraud
2 and deceit upon purchasers, prospective purchasers, and other persons.

3 83. Each of Beasley, Beasley Law Group, Judd, the J&J Entities, and Humphries
4 engaged in the above-referenced conduct and made the above-referenced untrue and misleading
5 statements knowingly or with severe recklessness.

6 84. By reason of the foregoing, each of Beasley, Beasley Law Group, Judd, the J&J
7 Entities, and Humphries have violated and, unless enjoined will continue to violate, Section
8 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R.
9 § 240.10b-5].

10 **FOURTH CLAIM FOR RELIEF**

11 **Violations of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]**

12 ***(Against Judd, Humphries, Jager, Jongeward, Seybert, and Tanner)***

13 85. The Commission re-alleges and incorporates by reference each and every
14 allegation in paragraphs 1–84, inclusive, as if they were fully set forth herein.

15 86. By engaging in the conduct described above, Judd, Humphries, Jager, Jongeward,
16 Seybert, and Tanner, and each of them:

- 17 a. engaged in the business of effecting transactions in securities for the account
18 of others; and
19 b. directly or indirectly, made use of the mails or the means or instrumentalities
20 of interstate commerce to effect transactions in, or to induce or attempt to
21 induce the purchase or sale of, securities without being registered as a broker
22 or dealer with the Commission or associated with a broker or dealer registered
23 with the Commission.

24 87. By reason of the foregoing, Judd, Humphries, Jager, Jongeward, Seybert, and
25 Tanner each violated, and unless enjoined will continue to violate, Section 15(a)(1) of the
26 Exchange Act [15 U.S.C. §78o(a)(1)].
27

1 **FIFTH CLAIM FOR RELIEF**

2 **Equitable Disgorgement**

3 ***(Against All Relief Defendants)***

4 88. The Commission re-alleges and incorporates by reference each and every
5 allegation in paragraphs 1–87, inclusive, as if they were fully set forth herein.

6 89. Each of the Relief Defendants named in paragraphs 24-34 above obtained money,
7 property, and assets as a result of the violations of the securities laws by Beasley, Beasley Law
8 Group, Judd, the J&J Entities, and Humphries, to which they have no legitimate claim.

9 90. Each of the Relief Defendants should be required to disgorge all ill-gotten gains
10 which inured to their benefit under the equitable doctrines of disgorgement, unjust enrichment
11 and constructive trust.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, the Commission respectfully requests that this Court enter a final
14 judgment:

15 **I.**

16 Permanently restraining and enjoining all Defendants from, directly or indirectly,
17 engaging in conduct in violation of Section 5 of the Securities Act [15 U.S.C. § 77e(a)(1)];

18 **II.**

19 Permanently restraining and enjoining Defendants Beasley, the Beasley Law Group,
20 Judd, the J&J Entities, and Humphries from, directly or indirectly, engaging in conduct in
21 violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the
22 Exchange Act [15 U.S.C. § 78j(b)], and Exchange Act Rule 10b–5 thereunder [17 C.F.R. §
23 240.10b–5];

24 **III.**

25 Permanently restraining and enjoining Defendants Judd, Humphries, Jager, Jongeward,
26 Seybert, and Tanner from, directly or indirectly, engaging in conduct in violation of Section
27 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)];

1 **IV.**

2 Permanently restraining and enjoining each of Defendants Beasley, Beasley Law Group,
3 Judd, and the J&J Entities from, directly or indirectly, including, but not limited to, through any
4 entity owned or controlled by each, the issuance, purchase, or sale of any security related to
5 settled litigation claims, except for the purchase or sale of securities listed on a national securities
6 exchange by these Defendants for their own personal accounts;

7 **V.**

8 Permanently restraining and enjoining each of Defendants Judd, Humphries, Jager,
9 Jongeward, Seybert, and Tanner from, directly or indirectly, including, but not limited to,
10 through any entity owned or controlled by each, soliciting any person or entity to purchase or sell
11 any security;

12 **VI.**

13 Ordering Defendants and Relief Defendants to disgorge all ill-gotten gains or unjust
14 enrichment derived from the activities set forth in this Complaint, together with prejudgment
15 interest thereon;

16 **VII.**

17 Ordering all Defendants to pay a civil penalty pursuant to Section 20(d) of the Securities
18 Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

19 **VIII.**

20 Retaining jurisdiction of this action in accordance with the principles of equity and the
21 Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and
22 decrees that may be entered, or to entertain any suitable application or motion for additional
23 relief within the jurisdiction of this Court; and,

24 **IV.**

25 Granting such other and further relief as this Court may deem just, equitable, or necessary
26 in connection with the enforcement of the federal securities laws and for the protection of
27 investors.

1 Dated: April 12, 2022.

2 Respectfully submitted,

3 **SECURITIES AND EXCHANGE COMMISSION**

4
5 /s/ Tracy S. Combs
6 Tracy S. Combs
7 Casey R. Fronk
8 Attorneys for Plaintiff
9 Securities and Exchange Commission
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JS 44 (Rev. 10/20)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS: Securities and Exchange Commission; (b) County of Residence of First Listed Plaintiff: Clark County; (c) Attorneys: Tracy S. Combs and Casey R. Fronk, Securities and Exchange Commission, 351 S. West Temple, Ste. 6.100, Salt Lake City, UT 84101: (801) 524-5796; DEFENDANTS: Matthew Wade Beasley, et al. (See Attachment); County of Residence of First Listed Defendant: Clark County; NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.; Attorneys (If Known): See Attachment

II. BASIS OF JURISDICTION (Place an "X" in One Box Only); III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant); Includes checkboxes for U.S. Government Plaintiff/Defendant, Federal Question, Diversity, and various citizenship options for Plaintiff and Defendant.

IV. NATURE OF SUIT (Place an "X" in One Box Only); Click here for: Nature of Suit Code Descriptions. Includes categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only); Includes checkboxes for Original Proceeding, Removed from State Court, Remanded from Appellate Court, Reinstated or Reopened, Transferred from Another District, Multidistrict Litigation - Transfer, Multidistrict Litigation - Direct File.

VI. CAUSE OF ACTION; Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity); Brief description of cause: Offering fraud

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.; DEMAND \$; CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE; DOCKET NUMBER

DATE: Apr 12, 2022; SIGNATURE OF ATTORNEY OF RECORD: /s/ Tracy S. Combs

FOR OFFICE USE ONLY: RECEIPT #, AMOUNT, APPLYING IFF, JUDGE, MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. **Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
- United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; NOTE: federal question actions take precedence over diversity cases.)
- III. **Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. **Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. **Origin.** Place an "X" in one of the seven boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for farther action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
- Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
- PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. **Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.
- VII. **Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. **Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

ATTACHMENT TO CIVIL COVER SHEET
SEC V. MATTHEW WADE BEASLEY, ET AL.

ATTORNEYS FOR DEFENDANTS AND RELIEF DEFENDANTS:

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Law Office of Kamille Dean P.L.C
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Counsel for Defendant Jeffrey J. Judd and Relief Defendant The Judd Irrevocable Trust

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Christiansen Trial Lawyers
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Counsel for Defendant Christopher R. Humphries

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949-837-8600

Counsel for Defendant Roland Tanner

DEFENDANTS:

Matthew Wade Beasley;

Beasley Law Group PC;

Jeffrey J. Judd;

Christopher R. Humphries;

J&J Consulting Services, Inc., an Alaska corporation;

J&J Consulting Services, Inc., a Nevada Corporation;

J and J Purchasing LLC;

Shane M. Jager;

Jason M. Jongeward;

Denny Seybert;

Roland Tanner

RELIEF DEFENDANTS:

The Judd Irrevocable Trust;

PAJ Consulting Inc;

BJ Holdings LLC;

Stirling Consulting, L.L.C.;

CJ Investments, LLC;

JL2 Investments, LLC;

Rocking Horse Properties, LLC;

Triple Threat Basketball, LLC;

ACAC LLC;

Anthony Michael Alberto, Jr.;

Monty Crew LLC

Securities and Exchange Commission v. Beasley, et al.

Case No. _____

Complaint

Index of Exhibits

Exh. No.	Description	Date
A	Example of Fake Purchase Agreement	12.18.2020
B	Example of Investor Agreement	12.29.2020
C	Example of Buyer Agreement	10.19.2021
D	Confidential Private Placement Memorandum (“PPM”)	12.02.2021

<input checked="" type="checkbox"/> FILED	<input type="checkbox"/> LODGED
<input type="checkbox"/> RECEIVED	<input type="checkbox"/> COPY
AUG 05 2022	
CLERK U.S. DISTRICT COURT DISTRICT OF ARIZONA	
BY _____	DEPUTY _____

1 TRACY S. COMBS (California Bar No. 298664)
 Email: combst@sec.gov
 2 CASEY R. FRONK (Illinois Bar No. 6296535)
 Email: fronkc@sec.gov
 3 SECURITIES AND EXCHANGE COMMISSION
 351 South West Temple, Suite 6.100
 4 Salt Lake City, Utah 84101
 Tel: (801) 524-5796
 5 Fax: (801) 524-3558

6 **UNITED STATES DISTRICT COURT
 FOR THE DISTRICT OF NEVADA**

7 **MC22-00034-PHX**

8 SECURITIES AND EXCHANGE
 COMMISSION,

Case No.: 2:22-cv-00612

9 Plaintiff,

Judge: James C. Mahan

10 vs.

Magistrate Judge: Elayna J. Youchah

11 MATTHEW WADE BEASLEY; BEASLEY
 LAW GROUP PC; JEFFREY J. JUDD;
 12 CHRISTOPHER R. HUMPHRIES; J&J
 CONSULTING SERVICES, INC., an Alaska
 Corporation; J&J CONSULTING SERVICE,
 13 INC., a Nevada Corporation; J AND J
 PURCHASING LLC; SHANE M. JAGER;
 14 JASON M. JONGEWARD; DENNY
 SEYBERT; and ROLAND TANNER;

15 **ORDER APPOINTING
 RECEIVER**

16 Defendants;

17 THE JUDD IRREVOCABLE TRUST; PAJ
 CONSULTING INC; BJ HOLDINGS LLC;
 18 STIRLING CONSULTING, L.L.C.; CJ
 INVESTMENTS, LLC; JL2
 INVESTMENTS, LLC; ROCKING HORSE
 19 PROPERTIES, LLC; TRIPLE THREAT
 BASKETBALL, LLC; ACAC LLC;
 20 ANTHONY MICHAEL ALBERTO, JR.; and
 21 MONTY CREW LLC;

22 Relief Defendants.
 23

1 **WHEREAS** this matter has come before this Court upon motion of the Plaintiff U.S.
2 Securities and Exchange Commission (“SEC”, “Commission” or “Plaintiff”) to appoint a
3 receiver in the above-captioned action and for related relief;

4 **WHEREAS** the Court has found based on the evidence presented and record in this case
5 that the Commission has made a proper *prima facie* showing that Defendants directly and
6 indirectly engaged in violations of the federal securities laws as alleged in the Complaint, and
7 thus, the equity jurisdiction of this Court has been properly invoked and the Court possesses the
8 power and authority to fashion appropriate remedies and relief;

9 **WHEREAS** the Court finds that, based on the record in these proceedings, the
10 appointment of a receiver in this action is necessary and appropriate for the purposes of
11 marshaling and preserving all assets of the Defendants and those assets of certain Relief
12 Defendants that: (a) are attributable to funds derived from investors or clients of the Defendants;
13 (b) are held in constructive trust for the Defendants; (c) were fraudulently transferred by the
14 Defendants; and/or (d) may otherwise be includable as assets of the estates of the Defendants;

15 **WHEREAS** this Court has subject matter jurisdiction over this action and personal
16 jurisdiction over the Defendants and Relief Defendants, has jurisdiction to determine the
17 applicability of the automatic stay to this action, and venue properly lies in this district; and

18 **WHEREAS**, the Court finds that the Commission has brought this action to enforce the
19 federal securities laws, in furtherance of the Commission’s police and regulatory powers, and the
20 relief sought by the Commission and provided in this Order is in the public interest by preserving
21 the illicit proceeds of fraudulent conduct, penalizing past unlawful conduct and deterring future
22 wrongdoing, and is not in furtherance of a pecuniary purpose, and therefore, the Court concludes
23 that the entry of this Order is excepted from the automatic stay pursuant to Section 362(b)(4) of
24 the Bankruptcy Code, 11 U.S.C. §362(b)(4).

25 //

26 //

27 //

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1 **NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED**
2 **THAT:**

3 1. This Court hereby takes exclusive jurisdiction and possession of the assets, of
4 whatever kind and wherever situated, of the following Defendants and/or Relief Defendants:
5 J&J Consulting Services, Inc., an Alaska corporation; J&J Consulting Services, Inc., a Nevada
6 corporation; J and J Purchasing LLC; The Judd Irrevocable Trust; and BJ Holdings LLC
7 (collectively, the "J&J Receivership Defendants").

8 2. Subject to further order of the Court, the Court shall not take exclusive
9 jurisdiction and possession of the assets of Defendant Beasley Law Group PC, except for the
10 Wells Fargo Interest On Lawyers' Trust Account ("IOLTA") No. XXXXXX5598 in the name of
11 Beasley Law Group PC (the "Beasley IOLTA").

12 3. This Court hereby takes exclusive jurisdiction and possession of the personal
13 assets, of whatever kind and wherever situated, of the following Defendants: Matthew Wade
14 Beasley; Jeffrey J. Judd; Christopher R. Humphries; Shane M. Jager; Jason M. Jongeward;
15 Denny Seybert; and Roland Tanner (collectively, the "Individual Receivership Defendants", and
16 together with the J&J Receivership Defendants and the Beasley IOLTA, the "Receivership
17 Defendants").

18 4. Until further Order of this Court, **GEOFF WINKLER** of **AMERICAN**
19 **FIDUCIARY SERVICES LLC** (the "Receiver") is hereby appointed to serve without bond as
20 receiver for the estates of the J&J Receivership Defendants, the assets of the Beasley IOLTA,
21 and the assets of the Individual Receivership Defendants (collectively, the "Receivership
22 Estate"). In addition to and independent of his appointment as Receiver, pursuant to the Court's
23 equitable powers and inherent authority, the Court further appoints **GEOFF WINKLER** as the
24 sole and exclusive officer, director and managing member of each of the J&J Receivership
25 Defendants.

26 //

27 //

28 //

1 **I. GENERAL POWERS AND DUTIES OF RECEIVER**

2 5. The Receiver shall have all powers, authorities, rights and privileges heretofore
3 possessed by the officers, directors, managers and general and limited partners of the J&J
4 Receivership Defendants under applicable state and federal law, by the governing charters, by-
5 laws, articles and/or agreements in addition to all powers and authority of a receiver at equity,
6 and all powers conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959 and 1692,
7 and Federal Rule of Civil Procedure 66.

8 6. The trustees, directors, officers, managers, employees, investment advisors,
9 accountants, attorneys and other agents of the J&J Receivership Defendants shall have no
10 authority with respect to the J&J Receivership Defendants' operations or assets, except to the
11 extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume control
12 of the J&J Receivership Defendants' assets and any affiliated entities owned or controlled by the
13 J&J Receivership Defendants and shall pursue and preserve all of their claims.

14 7. Subject to the specific provisions in Sections III through XIV, below, the
15 Receiver shall have the following general powers and duties:

- 16 A. To use reasonable efforts to determine the nature, location and value of all
17 property interests of the Receivership Defendants, including, but not
18 limited to, monies, funds, securities, credits, effects, goods, chattels, lands,
19 premises, leases, claims, rights and other assets, together with all rents,
20 profits, dividends, interest or other income attributable thereto, of
21 whatever kind, which the Receivership Defendants own, possess, have a
22 beneficial interest in, or control directly or indirectly (collectively,
23 "Receivership Property");
- 24 B. To take custody, control and possession of all Receivership Property and
25 records relevant thereto from the Receivership Defendants; to sue for and
26 collect, recover, receive and take into possession from third parties all
27 Receivership Property and records relevant thereto;
- 28

- 1 C. To manage, control, operate and maintain the Receivership Estate and
2 hold in his possession, custody and control all Receivership Property,
3 pending further Order of this Court;
- 4 D. To use Receivership Property for the benefit of the Receivership Estate,
5 making payments and disbursements and incurring expenses as may be
6 necessary or advisable in the ordinary course of business in discharging
7 his duties as Receiver;
- 8 E. To take any action which, prior to the entry of this Order, could have been
9 taken by the officers, directors, partners, managers, trustees and agents of
10 the Receivership Defendants;
- 11 F. To engage and employ persons in his discretion, subject to approval of the
12 Court, to assist him in carrying out his duties and responsibilities
13 hereunder, including, but not limited to, accountants, attorneys, securities
14 traders, registered representatives, financial or business advisers,
15 liquidating agents, real estate agents, forensic experts, brokers, traders or
16 auctioneers;
- 17 G. To take such action as necessary and appropriate for the preservation of
18 Receivership Property or to prevent the dissipation or concealment of
19 Receivership Property;
- 20 H. To issue subpoenas for documents and testimony consistent with the
21 Federal Rules of Civil Procedure, without further Court order;
- 22 I. To bring such legal actions based on law or equity in any state, federal, or
23 foreign court as the Receiver deems necessary or appropriate in
24 discharging his duties as Receiver;
- 25 J. To pursue, resist and defend all suits, actions, claims and demands which
26 may now be pending or which may be brought by or asserted against the
27 Receivership Estate; and,
- 28 K. To take such other action as may be approved by this Court.

1 **II. ACCESS TO INFORMATION**

2 8. The Individual Receivership Defendants and the past and/or present officers,
3 directors, agents, managers, general and limited partners, trustees, attorneys, accountants and
4 employees of the J&J Receivership Defendants, are hereby ordered and directed to preserve and
5 turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the
6 Receivership Defendants and/or all Receivership Property; such information shall include but not
7 be limited to books, records, documents, accounts and all other instruments and papers.

8 9. Within fourteen (14) days of the entry of this Order, the Individual Receivership
9 Defendants shall file with the Court and serve upon the Receiver and the Commission a sworn
10 statement, listing: (a) the identity, location and estimated value of all Receivership Property; (b)
11 all employees (and job titles thereof), other personnel, attorneys, accountants and any other
12 agents or contractors of the Receivership Defendants; and, (c) the names, addresses and amounts
13 of claims of all known creditors of the Receivership Defendants.

14 10. Within thirty (30) days of the entry of this Order, the Individual Receivership
15 Defendants shall file with the Court and serve upon the Receiver and the Commission a sworn
16 statement and accounting, with complete documentation, covering the period from January 1,
17 2016 to the present:

18 A. Of all Receivership Property, wherever located, held by or in the name of
19 the Receivership Defendants, or in which any of them, directly or
20 indirectly, has or had any beneficial interest, or over which any of them
21 maintained or maintains and/or exercised or exercises control, including,
22 but not limited to: (a) all securities, investments, funds, real estate,
23 automobiles, jewelry and other assets, stating the location of each; and/or
24 (b) any and all accounts, including all funds held in such accounts, with
25 any bank, brokerage or other financial institution held by, in the name of,
26 or for the benefit of any of them, directly or indirectly, or over which any
27 of them maintained or maintains and/or exercised or exercises any direct
28 or indirect control, or in which any of them had or has a direct or indirect

1 beneficial interest, including the account statements from each bank,
2 brokerage or other financial institution, and/or law or professional firm
3 holding a retainer;

4 B. Identifying every account at every bank, brokerage or other financial
5 institution: (a) over which Receivership Defendants have signatory
6 authority; and (b) opened by, in the name of, or for the benefit of, or used
7 by, the Receivership Defendants;

8 C. Identifying all credit, bank, charge, debit or other deferred payment card
9 issued to or used by each Receivership Defendant or for which such
10 Receivership Defendant may be liable, including but not limited to the
11 issuing institution, the card or account number(s), all persons or entities to
12 which a card was issued and/or with authority to use a card, the balance of
13 each account and/or card as of the most recent billing statement, and all
14 statements for the last twelve months;

15 D. Of all assets received by any of them from any person or entity, including
16 the value, location, and disposition of any assets so received;

17 E. Of all funds received by the Receivership Defendants, and each of them,
18 in any way related, directly or indirectly, to the conduct alleged in the
19 Commission's Complaint. The submission must clearly identify, among
20 other things, all investors, the securities they purchased, the date and
21 amount of their investments, and the current location of such funds;

22 F. Of all expenditures exceeding \$1,000 made by any of them, including
23 those made on their behalf by any person or entity; and

24 G. Of all transfers of assets made by any of them.

25 11. Within thirty (30) days of the entry of this Order, the Receivership Defendants
26 shall provide to the Receiver and the Commission copies of the Receivership Defendants' federal
27 income tax returns for January 1, 2016 to the present with all relevant and necessary underlying
28 documentation.

1 12. The Individual Receivership Defendants and the J&J Receivership Defendants'
2 past and/or present officers, directors, agents, attorneys, managers, shareholders, employees,
3 accountants, debtors, creditors, managers and general and limited partners, and other appropriate
4 persons or entities shall answer under oath to the Receiver all questions which the Receiver may
5 put to them and produce all documents as required by the Receiver regarding the business of the
6 Receivership Defendants, or any other matter relevant to the operation or administration of the
7 receivership or the collection of funds due to the Receivership Defendants. In the event that the
8 Receiver deems it necessary to require the appearance of the aforementioned persons or entities,
9 the Receiver shall make its discovery requests in accordance with the Federal Rules of Civil
10 Procedure.

11 13. The Receiver may issue subpoenas to compel testimony of persons or production
12 of records, consistent with the Federal Rules of Civil Procedure and applicable Local Rules,
13 except for the provisions of Federal Rule of Civil Procedure 26(d)(1), concerning any subject
14 matter within the powers and duties granted by this Order, without further order of the Court.

15 14. The Receivership Defendants are required to assist the Receiver in fulfilling his
16 duties and obligations. As such, they must respond promptly and truthfully to all requests for
17 information and documents from the Receiver.

18 **III. ACCESS TO BOOKS, RECORDS AND ACCOUNTS**

19 15. The Receiver is authorized to take immediate possession of all assets, bank
20 accounts or other financial accounts, books and records and all other documents or instruments
21 relating to the J&J Receivership Defendants. The Receiver is authorized to take immediate
22 possession of all assets, bank accounts or other financial accounts, books and records and all
23 other documents or instruments for the Individual Receivership Defendants upon application to
24 the Court. All persons and entities having control, custody or possession of any Receivership
25 Property are hereby directed to turn such property over to the Receiver.

26 16. The Receivership Defendants, as well as their agents, servants, employees,
27 attorneys, any persons acting for or on behalf of the Receivership Defendants, and any persons
28 receiving notice of this Order by personal service, facsimile transmission or otherwise, having

1 possession of the property, business, books, records, accounts or assets of the Receivership
2 Defendants are hereby directed to deliver the same to the Receiver, his agents and/or employees.

3 17. All banks, brokerage firms, financial institutions, and other persons or entities
4 which have possession, custody or control of any assets or funds held by, in the name of, or for
5 the benefit of, directly or indirectly, and of the Receivership Defendants that receive actual
6 notice of this Order by personal service, facsimile transmission or otherwise shall:

- 7 A. Not liquidate, transfer, sell, convey or otherwise transfer any assets, securities,
8 funds, or accounts in the name of or for the benefit of the Receivership
9 Defendants except upon instructions from the Receiver;
- 10 B. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help
11 whatsoever, or refuse to transfer any funds or assets to the Receiver's control
12 without the permission of this Court;
- 13 C. Within five (5) business days of receipt of that notice, file with the Court and
14 serve on the Receiver and counsel for the Commission a certified statement
15 setting forth, with respect to each such account or other asset, the balance in the
16 account or description of the assets as of the close of business on the date of
17 receipt of the notice; and,
- 18 D. Cooperate expeditiously in providing information and transferring funds, assets
19 and accounts to the Receiver or at the direction of the Receiver.

20 **IV. ACCESS TO REAL AND PERSONAL PROPERTY**

21 18. The Receiver is authorized to take immediate control of all personal property of
22 the Receivership Defendants, including jewelry, artwork, and other valuables.

23 19. The Receiver is authorized to take immediate control of all real property of the
24 Receivership Defendants, wherever located, including but not limited to all ownership and
25 leasehold interests and fixtures. Upon receiving actual notice of this Order by personal service,
26 facsimile transmission or otherwise, all persons other than law enforcement officials acting
27 within the course and scope of their official duties, are (without the express written permission of
28

1 the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such
2 premises; or, (c) destroying, concealing or erasing anything on such premises.

3 20. In order to execute the express and implied terms of this Order, the Receiver is
4 authorized to change door locks to any premises used by the J&J Receivership Defendants. The
5 Receiver shall have exclusive control of the keys. The J&J Receivership Defendants, or any
6 other person acting or purporting to act on their behalf, are ordered not to change the locks in any
7 manner, nor to have duplicate keys made, nor shall they have keys in their possession during the
8 term of the receivership.

9 21. The Receiver is authorized to open all mail directed to or received by or at the
10 offices or post office boxes of the J&J Receivership Defendants, and to inspect all mail opened
11 prior to the entry of this Order, to determine whether items or information therein fall within the
12 mandates of this Order.

13 22. Upon the request of the Receiver and direction of the Court, the United States
14 Marshal Service, in any judicial district, is hereby ordered to assist the Receiver in carrying out
15 his duties to take possession, custody and control of, or identify the location of, any assets,
16 records or other materials belonging to the Receivership Estate.

17 **V. NOTICE TO THIRD PARTIES**

18 23. The Receiver shall promptly give notice of his appointment to all known officers,
19 directors, agents, employees, shareholders, creditors, debtors, managers and general and limited
20 partners of the Receivership Defendants, as the Receiver deems necessary or advisable to
21 effectuate the operation of the receivership.

22 24. All persons and entities owing any obligation, debt, or distribution with respect to
23 an ownership interest to any Receivership Defendant shall, until further ordered by this Court,
24 pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for
25 such payments shall have the same force and effect as if the Receivership Defendant had
26 received such payment.

27 25. In furtherance of his responsibilities in this matter, the Receiver is authorized to
28 communicate with, and/or serve this Order upon, any person, entity or government office that he

1 deems appropriate to inform them of the status of this matter and/or the financial condition of the
2 Receivership Estate. All government offices which maintain public files of security interests in
3 real and personal property shall, consistent with such office's applicable procedures, record this
4 Order upon the request of the Receiver or the SEC.

5 26. The Receiver is authorized to instruct the United States Postmaster to hold and/or
6 reroute mail which is related, directly or indirectly, to the business, operations or activities of any
7 of the J&J Receivership Defendants (the "Receiver's Mail"), including all mail addressed to, or
8 for the benefit of, the J&J Receivership Defendants. The Postmaster shall not comply with, and
9 shall immediately report to the Receiver, any change of address or other instruction given by
10 anyone other than the Receiver concerning the Receiver's Mail. The J&J Receivership
11 Defendants shall not open any of the Receiver's Mail and shall immediately turn over such mail,
12 regardless of when received, to the Receiver. The foregoing instructions shall apply to any
13 proprietor, whether individual or entity, of any private mail box, depository, business or service,
14 or mail courier or delivery service, hired, rented or used by the J&J Receivership Defendants.
15 The J&J Receivership Defendants shall not open a new mailbox, or take any steps or make any
16 arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a
17 private mail depository or courier service.

18 27. Subject to payment for services provided, any entity furnishing water, electric,
19 telephone, sewage, garbage or trash removal services to the Receivership Defendants shall
20 maintain such service and transfer any such accounts to the Receiver unless instructed to the
21 contrary by the Receiver.

22 28. The Receiver is authorized to assert, prosecute and/or negotiate any claim under
23 any insurance policy held by or issued on behalf of the Receivership Defendants, or their
24 officers, directors, agents, employees or trustees, and to take any and all appropriate steps in
25 connection with such policies.

26 //

27 //

28 //

1 **VIII. MANAGING ASSETS**

2 35. For each of the Receivership Estate, the Receiver shall establish one or more
3 custodial accounts at a federally insured bank to receive and hold all cash equivalent
4 Receivership Property (the "Receivership Funds").

5 36. The Receiver's deposit account shall be entitled "Receiver's Account, Estate of
6 SEC v. Beasley, et al. Receivership Defendants" together with the name of the action.

7 37. The Receiver may, without further Order of this Court, incur expenses in the
8 ordinary course of business, except for professional fees, in an amount not to exceed \$25,000, on
9 terms and in the manner the Receiver deems most beneficial to the Receivership Estate.

10 38. Upon appropriate order of the Court, subject to Paragraph 40, immediately below,
11 the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause
12 the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all
13 real or personal property in the Receivership Estate, either at public or private sale, on terms and
14 in the manner the Receiver deems most beneficial to the Receivership Estate, and with due
15 regard to the realization of the true and proper value of such real or personal property.

16 39. Upon further Order of this Court, pursuant to such procedures as may be required
17 by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be
18 authorized to sell, and transfer clear title to, all real property in the Receivership Estate. The
19 Receiver shall take all legal steps necessary to obtain authority to obtain control over real or
20 personal property including making any necessary filings in the counties where such properties
21 are located.

22 40. The Receiver is authorized to take all actions to manage, maintain, and/or wind-
23 down business operations of the Receivership Estate, including making legally required
24 payments to creditors, employees, and agents of the Receivership Estate and communicating
25 with vendors, investors, governmental and regulatory authorities, and others, as appropriate,
26 subject to Paragraph 38.

27 41. If appropriate, the Receiver shall take all necessary steps to enable the
28 Receivership Funds to obtain and maintain the status of a taxable "Settlement Fund," within the

1 meaning of Section 468B of the Internal Revenue Code and of the regulations, when applicable,
2 whether proposed, temporary or final, or pronouncements thereunder, including the filing of the
3 elections and statements contemplated by those provisions. The Receiver shall be designated the
4 administrator of the Settlement Fund, pursuant to Treas. Reg. § 1.468B-2(k)(3)(i), and shall
5 satisfy the administrative requirements imposed by Treas. Reg. § 1.468B-2, including but not
6 limited to (a) obtaining a taxpayer identification number, (b) timely filing applicable federal,
7 state, and local tax returns and paying taxes reported thereon, and (c) satisfying any information,
8 reporting or withholding requirements imposed on distributions from the Settlement Fund. The
9 Receiver shall cause the Settlement Fund to pay taxes in a manner consistent with treatment of
10 the Settlement Fund as a "Qualified Settlement Fund." The Receivership Defendants shall
11 cooperate with the Receiver in fulfilling the Settlement Funds' obligations under Treas. Reg.
12 § 1.468B-2.

13 **IX. INVESTIGATE AND PROSECUTE CLAIMS**

14 42. Subject to the requirement, in Section VII above, that leave of this Court is
15 required to resume or commence certain litigation, the Receiver is authorized, empowered and
16 directed to investigate, prosecute, defend, intervene in or otherwise participate in, compromise,
17 and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in his
18 discretion, and in consultation with Commission counsel, be advisable or proper to recover
19 and/or conserve Receivership Property.

20 43. Subject to his obligation to expend receivership funds in a reasonable and cost-
21 effective manner, the Receiver is authorized, empowered and directed to investigate the manner
22 in which the financial and business affairs of the Receivership Defendants were conducted and
23 (after obtaining leave of this Court) to institute such actions and legal proceedings, for the benefit
24 and on behalf of the Receivership Estate, as the Receiver deems necessary and appropriate; the
25 Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts,
26 disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and
27 restitution, collection of debts, and such other relief from this Court as may be necessary to
28

1 enforce this Order. Where appropriate, the Receiver should provide prior notice to Counsel for
2 the Commission before commencing investigations and/or actions.

3 44. The Receiver hereby holds, and is therefore empowered to waive, all privileges,
4 including the attorney-client privilege, held by all J&J Receivership Defendants.

5 45. The Receiver has a continuing duty to ensure that there are no conflicts of interest
6 between the Receiver, his Retained Personnel (as that term is defined below), and the
7 Receivership Estate.

8 **X. BANKRUPTCY MATTERS**

9 46. Effective immediately, the Receiver, as sole and exclusive officer, director and
10 managing member, of Defendant J & J Consulting Services, Inc. (a Nevada corporation) and J
11 and J Purchasing LLC (together, “the J&J Debtors”) shall possess sole and exclusive authority
12 and control over the J&J Debtors, as debtors-in-possession, in their respective Chapter 11 cases
13 (the “Bankruptcy Cases”) pending in the U.S. Bankruptcy Court for the District of Nevada (the
14 “Bankruptcy Court”). The employment of any and all other officers, directors, managers or
15 other employees of either of the J&J Debtors (including Peter Kravitz, as Chief Restructuring
16 Officer) is and are hereby terminated by the Court. All such persons shall comply with the
17 applicable provisions of this Order.

18 47. Within thirty (30) days of the entry of this Order, the Receiver shall report to this
19 Court as to whether the Bankruptcy Cases should continue in Chapter 11, or be converted to
20 Chapter 7, dismissed or suspended during the course of the receivership. The Receiver shall file
21 the appropriate pleadings with the Court and the Bankruptcy Court effectuating this Order.

22 48. The Receiver may seek authorization of this Court to file petitions for relief under
23 Title 11 of the United States Code (the “Bankruptcy Code”) for other Receivership Defendants.
24 If a J&J Receivership Defendant is placed in Chapter 11 bankruptcy proceedings, the Receiver,
25 pursuant to the powers provided herein, shall become, and shall be empowered to operate each of
26 the J&J Receivership Defendants as a debtor in possession. In such a situation, the Receiver
27 shall have all of the powers and duties as provided a debtor in possession under the Bankruptcy
28 Code to the exclusion of any other person or entity. Pursuant to Paragraph 4 above, the Receiver

1 is vested with management authority for all J&J Receivership Defendants and may therefore file
2 and manage a Chapter 11 petition.

3 49. All persons and entities, other than the Receiver, are barred from commencing
4 any bankruptcy proceedings against any of the Receivership Defendants.

5 **XI. LIABILITY OF RECEIVER**

6 50. Until further Order of this Court, the Receiver shall not be required to post bond
7 or give an undertaking of any type in connection with his fiduciary obligations in this matter.

8 51. The Receiver and his agents, acting within scope of such agency (“Retained
9 Personnel”) are entitled to rely on all outstanding rules of law and Orders of this Court and shall
10 not be liable to anyone for their own good faith compliance with any order, rule, law, judgment,
11 or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their
12 good faith compliance with their duties and responsibilities as Receiver or Retained Personnel,
13 nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted
14 by them except upon a finding by this Court that they acted or failed to act as a result of
15 malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

16 52. This Court shall retain jurisdiction over any action filed against the Receiver or
17 Retained Personnel based upon acts or omissions committed in their representative capacities.

18 53. In the event the Receiver decides to resign, the Receiver shall first give written
19 notice to the Commission’s counsel of record and the Court of its intention, and the resignation
20 shall not be effective until the Court appoints a successor. The Receiver shall then follow such
21 instructions as the Court may provide.

22 **XII. RECOMMENDATIONS AND REPORTS**

23 54. The Receiver is authorized, empowered and directed to develop a plan for the fair,
24 reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable
25 Receivership Property (the “Liquidation Plan”).

26 55. Within ninety (90) days of the entry date of this Order, the Receiver shall file a
27 preliminary plan for the liquidation of assets in the above-captioned action, with service copies
28 to counsel of record. This time may be altered based on appropriate motion to the Court.

1 56. Within thirty (30) days after the end of each calendar quarter, the Receiver shall
2 file and serve a full report and accounting of each Receivership Estate (the “Quarterly Status
3 Report”), reflecting (to the best of the Receiver’s knowledge as of the period covered by the
4 report) the existence, value, and location of all Receivership Property, and of the extent of
5 liabilities, both those claimed to exist by others and those the Receiver believes to be legal
6 obligations of the Receivership Estate.

7 57. The Quarterly Status Report shall contain the following:

- 8 A. A summary of the operations of the Receiver;
- 9 B. The amount of cash on hand, the amount and nature of accrued administrative
10 expenses, and the amount of unencumbered funds in the estate;
- 11 C. A schedule of all the Receiver’s receipts and disbursements (attached as Exhibit A
12 to the Quarterly Status Report), with one column for the quarterly period covered
13 and a second column for the entire duration of the receivership;
- 14 D. A description of all known Receivership Property, including approximate or
15 actual valuations, anticipated or proposed dispositions, and reasons for retaining
16 assets where no disposition is intended;
- 17 E. A description of liquidated and unliquidated claims held by the Receivership
18 Estate, including the need for forensic and/or investigatory resources;
19 approximate valuations of claims; and anticipated or proposed methods of
20 enforcing such claims (including likelihood of success in: (i) reducing the claims
21 to judgment; and, (ii) collecting such judgments);
- 22 F. A list of all known creditors with their addresses and the amounts of their claims;
- 23 G. The status of Creditor Claims Proceedings, after such proceedings have been
24 commenced; and,
- 25 H. The Receiver’s recommendations for a continuation or discontinuation of the
26 receivership and the reasons for the recommendations.

27 58. On the request of the Commission, the Receiver shall provide the Commission
28 with any documentation that the Commission deems necessary to meet its reporting

1 requirements, that is mandated by statute or Congress, or that is otherwise necessary to further
2 the Commission's mission.

3 **XIII. FEES, EXPENSES AND ACCOUNTINGS**

4 59. Subject to Paragraphs 61—67 immediately below, the Receiver need not obtain
5 Court approval prior to the disbursement of Receivership Funds for expenses in the ordinary
6 course of the administration and operation of the receivership. Further, prior Court approval is
7 not required for payments of applicable federal, state or local taxes.

8 60. Subject to Paragraph 62 immediately below, the Receiver is authorized to solicit
9 persons and entities ("Retained Personnel") to assist him in carrying out the duties and
10 responsibilities described in this Order. The Receiver shall not engage any Retained Personnel
11 without first obtaining an Order of the Court authorizing such engagement.

12 61. The Receiver and Retained Personnel are entitled to reasonable compensation and
13 expense reimbursement from the Receivership Estate as described in the "Billing Instructions for
14 Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission" (the
15 "Billing Instructions") agreed to by the Receiver. Such compensation shall require the prior
16 approval of the Court.

17 62. Within forty-five (45) days after the end of each calendar quarter, the Receiver
18 and Retained Personnel shall apply to the Court for compensation and expense reimbursement
19 from the Receivership Estate (the "Quarterly Fee Applications"). At least thirty (30) days prior to
20 filing each Quarterly Fee Application with the Court, the Receiver will serve upon counsel for the SEC
21 a complete copy of the proposed Application, together with all exhibits and relevant billing
22 information in a format to be provided by SEC staff.

23 63. All Quarterly Fee Applications will be interim and will be subject to cost benefit
24 and final reviews at the close of the receivership. At the close of the receivership, the Receiver
25 will file a final fee application, describing in detail the costs and benefits associated with all
26 litigation and other actions pursued by the Receiver during the course of the receivership.

27 64. Quarterly Fee Applications may be subject to a holdback in the amount of 20% of
28 the amount of fees and expenses for each application filed with the Court. The total amounts

1 held back during the course of the receivership will be paid out at the discretion of the Court as
2 part of the final fee application submitted at the close of the receivership.

3 65. Each Quarterly Fee Application shall:

4 A. Comply with the terms of the Billing Instructions agreed to by the Receiver; and,

5 B. Contain representations (in addition to the Certification required by the Billing
6 Instructions) that: (i) the fees and expenses included therein were incurred in the
7 best interests of the Receivership Estate; and, (ii) with the exception of the Billing
8 Instructions, the Receiver has not entered into any agreement, written or oral,
9 express or implied, with any person or entity concerning the amount of
10 compensation paid or to be paid from the Receivership Estate, or any sharing
11 thereof.

12 66. At the close of the Receivership, the Receiver shall submit a Final Accounting, in
13 a format to be provided by SEC staff, as well as the Receiver's final application for
14 compensation and expense reimbursement.

15
16 **IT IS SO ORDERED.**

17
18 Date: June 3, 2022

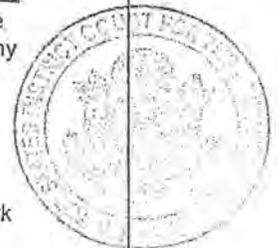
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20 James C. Mahan
21 JAMES C. MAHAN
22 UNITED STATES DISTRICT JUDGE

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24
25 Presented by:
26 Tracy S. Combs
27 Casey R. Fronk
28 Attorneys for Plaintiff
Securities and Exchange Commission

I hereby attest and certify on 6/6/22
that the foregoing document is a full, true
and correct copy of the original on file in my
legal custody.

CLERK, U.S. DISTRICT COURT
DISTRICT OF NEVADA

By [Signature] Deputy Clerk



1 DAVID R. ZARO (BAR NO. 124334)
 2 JOSHUA A. DEL CASTILLO (BAR NO. 239015)
 3 MATTHEW D. PHAM (BAR NO. 287704)
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 11 jdelcastillo@allenmatkins.com
 12 mpham@allenmatkins.com

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13 Attorneys for Court-Appointed Receiver
 14 GEOFF WINKLER

15 UNITED STATES DISTRICT COURT
 16 DISTRICT OF ARIZONA

17 SECURITIES AND EXCHANGE
 18 COMMISSION,

19 Plaintiff,

20 vs.

21 MATTHEW WADE BEASLEY;
 22 BEASLEY LAW GROUP PC;
 23 JEFFREY J. JUDD; CHRISTOPHER R.
 24 HUMPHRIES; J & J CONSULTING
 25 SERVICES, INC., an Alaska
 26 corporation; J & J CONSULTING
 27 SERVICES, INC., a Nevada corporation;
 28 J AND J PURCHASING, LLC; SHANE
 M. JAGER; JASON M. JONGEWARD;
 DENNY SEYBERT; and ROLAND
 TANNER,

Defendants.

Case No. **MC22-00034-PHX**

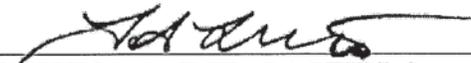
**NOTICE OF APPOINTMENT OF
 RECEIVER (28 U.S.C. § 754)**

1 Pursuant to 28 U.S.C. section 754, receiver Geoff Winkler, appointed by the
2 United States District Court for the District of Nevada in the case entitled *SEC v.*
3 *Matthew Wade Beasley, et al.*, Case No. 2:22-cv-00612-JCM-EJY, hereby files true
4 and correct copies of the following in this district:

- 5 Exhibit 1. Complaint; and
- 6 Exhibit 2. Order Appointing Receiver.

7
8 Dated: August 4, 2022

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

9 By: 
10 JOSHUA A. DEL CASTILLO
11 Attorneys for Court-Appointed
12 Receiver GEOFF WINKLER

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EXHIBIT “C”

Declaration of Phil Escolar

EXHIBIT “C”

DECLARATION OF PHIL ESCOLAR

I, Phil Escolar, declare and say:

I am an attorney at law admitted to practice law in the State of Arizona. I am not admitted to practice law in the State of Nevada, and I do not practice law in Nevada. I have never attempted to take the bar examination in Nevada nor have I submitted any type of application to be admitted to practice law in Nevada. I do not represent clients from or in Nevada, and I have engaged in no conduct as part of my legal assistance of Kamille Dean in the State of Nevada.

My daughter attends the University of Nevada as a full time student. Because I often travel, I utilize a mailing address in Nevada that she is able to regularly check for me, and she frequently assists me in processing mailings and legal documents, which she digitally copies and transmits to me via email. For that reason the Reno, Nevada, Post Office Box appears on my billing and as my current mailing address.

I declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Executed in Oroville, California, on September 7, 2022.



Philip Escolar

EXHIBIT “D”

Declaration of Kamille Dean

EXHIBIT “D”

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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MATTHEW WADE BEASLEY et. al.

Defendants,

THE JUDD IRREVOCABLE TRUST et. al,

Relief Defendants.

Case No. 2:22-cv-0612-CDS-EJY

**DECLARATON OF KAMILLE DEAN
(FILED IN CAMERA)**

TIME: TBD

DATE: TBD

PLACE: Courtroom 6B

I Kamille Dean, declare and say:

1. I previously provided a Declaration in this matter and incorporate said Declaration hereto for this Reply as well.
2. I have been a licensed attorney since 2004 and have never had my fees contested or taken by the federal, state or local government. I have worked on many high-profile federal matters, including criminal matters.
3. I am always very careful to ensure that I do not take dirty money. I always do my due diligence and work with other attorneys that do the same.
4. I have been of counsel attorney for Oberheiden P.C. for several years. Oberheiden referred Mr. Judd and his family to me after the Judd's received subpoenas from the SEC. Oberheiden assured me all funds were legally obtained before I received the retainer.
5. Oberheiden required Judd to sign a fee agreement with assurances that all funds given to Oberheiden P.C. originate from lawful U.S. Sources. I was informed of this by Oberheiden before agreeing to provide services to Judd and his family in response to the SEC subpoenas.
6. Judd also assured me that all funds were legally obtained.
7. I also spoke to Judd and his family members, including Preston and Jennifer Judd, who were also served with subpoenas and were assured the funds were transferred to Attorney Mike Peters previous to any alleged ponzi scheme allegations and the funds were not tainted.

- 1 8. Neither Mr. Judd or any of his family members who retained me have been criminally charged with
2 any matter.
- 3 9. I oversaw two attorneys, including Phil Escolar and Maureen Jaroscak and two former special
4 agents, including Marie Kondzielski, a former FBI Special Agent (retired), and Maura Kelley, a FBI
5 Special Agent in reviewing all of Judd's emails to respond to the SEC's subpoena. I reviewed
6 summaries of all emails and read any notated attorney client privilege emails to prepare for
7 disclosure to the SEC in creating a privilege log.
- 8 10. In doing so, I never became aware of any information which indicated Mr. Judd or any of his family
9 members that retained me were part of any ponzi scheme.
- 10 11. During my initial review of the case, I also personally reviewed over 500,000 emails from Judd's
11 email account. Nothing during my review indicated that Judd or any of his family members that
12 retained me were part of any ponzi scheme.
- 13 12. As a matter of standard policy and for many years of my practice of law, I also consulted the
14 Department of Justice Assets Forfeiture Manual The Forfeiture Manual (2021) to make sure that my
15 receipt of funds on March 30, 2022, was not improper and that it was within the standards of
16 attorneys who practice law in my area. I do this as a matter of standard practice whenever I receive
17 funds from a client no matter what the matter might be or how or why I represent clients. In the case
18 of my six (6) Clients and Attorney-Client Agreement signed on March 25, 2022, I had no notice any
19 of the funds were tainted, subject to forfeiture, or otherwise the product of illegality. This Manual is
20 a standard in the industry to follow when receiving attorneys' fees from all clients, even when we
21 have no notice of impropriety.
- 22 13. The Manual emphasized the importance of "ensuring that current an accurate information on the
23 ownership of, and any encumbrances against, personal property." Department of Justice, Assets
24 Forfeiture Manual, ¶ D.3.a p. 10 (2021)). <https://www.justice.gov/criminal-afmls/file/839521/download>. When information is not available immediately, the Manual requires
25 "this information must be compiled and made available as soon as possible." *Id.* When the assets
26 cannot be identified with ownership in the defendant, the seizing agency must "take immediate
27 action to terminate forfeiture of the asset. *Id.* p. 11, ¶ D.3.b.3.
- 28 14. When the funds were transferred to me on March 30, 2022, I had no information showing the funds
were tainted or illegal. I set about examining 500,000 emails and communications between my
clients, third parties, and attorneys in order to comply with the March 18, 2022, subpoenas which
had been issued from the SEC, and I conducted a privilege review for their documents. Two former
FBI Special Agents reviewed over two million emails and there was still no indication of tainted

1 funds. At no time during this massive review of documents which included years of
2 communications between Judd, his attorney Michael Beasley and among third parties was there any
3 indication that any of the funds in my Trust Amount were tainted, illegal, or the product of unlawful
4 activity.

5 15. The Manual states that “Certain property may be release following federal seizure for forfeiture, but
6 prior to the filing of any claim pursuant to 28 U.S.C. § 8.7” which includes “property belonging to
7 an innocent owner having an immediate right to possess.” *Id.* p. 14, ¶ E.1. In my case, I was an
8 innocent owner of the funds transferred. I gave full value for the \$201,060 I earned as my fees prior
9 to June 4, 2022, when I learned of the Receiver’ existence.

10 16. The Forfeiture Manual states:

11 “Persons who acquired an interest in the property after the illegal conduct occurred can also defeat the
12 government’s proven forfeiture claim by establishing that they qualify as a bona fide purchaser for value
13 of the interest, and at the time they acquired the interest, they did not know and were reasonably without
14 cause to believe that the property was subject to forfeiture. See § 983(d)(3).... If, however, the likely
15 owner is not the perpetrator of, or knowing participant in, the underlying criminal activity, prosecutors
16 must take all reasonable steps, such as the use of special interrogatories under Rule G(6) of the
17 Supplemental Rules of Admiralty or Maritime Claims and Asset Forfeiture Actions (Supplemental
18 Rules), before filing a civil forfeiture complaint to ascertain whether the likely owner may have a viable
19 “innocent owner” defense.” *Id.* p. 86 ¶ D.2.a.

20 17. In my case, I met the standards of an innocent owner. I had no notice of any unlawful activity
21 associated with the funds. My Clients assured me there was no illegality or taint involved in the
22 funds, and the attorney who represented them on the ongoing SEC investigation also assured me that
23 they had verified the funds were lawful, that former FBI agents and IRS personnel they used as
24 experts had also verified the funds were law. I was an innocent owner with no notice of knowledge
25 of any taint in these funds prior to June 4, 2022.

26 18. The Manual states that an innocent owner will qualify as a BFP “who was reasonably without cause
27 to believe that the property was subject to forfeiture, if the likely owner acquired the property after
28 the criminal activity subjecting the property to forfeiture had been completed.” *Id.* The Manual
further states that “If a pre-filing investigation reveals that an owner with standing has a viable
innocent owner defense, prosecutors should refrain from proceeding with a forfeiture action against
that property.” *Id.* If there is an indictment, an attorney who holds funds belonging to the defendant
may lose their BFP status based on their learning form the indictment that the funds are the product
of illegal activity. *Id.* p. 96, ¶ B.1 citing *United States v. McCorkle*, 321 F.3d 1292, 1294 n.2 (11th
Cir. 2003) (attorney may lose bona fide purchaser status as to advance fee received from client
“because the client is indicted and the attorney learns additional information about his client’s
guilt”). Under the Department of Justice Manual, the government may seize funds from an

1 attorney's Trust Account or IOLTA (Interest on Lawyer Trust Accounts).

2 19. The government utilizes the citation to the *McCorkle* case was of great importance to me because
3 that Court stated that where Attorney F. Lee Bailey had no knowledge of any illegality of funds
4 transferred to him from a potential criminal defendant, he was a Bona Fide Purchaser for value prior
5 to receive of knowledge or information the funds were tainted. Once he received such notice, he
6 would lose his BFP status.

7 20. In my case, I had no knowledge any of the funds were tainted or unlawful until June 4, 2022, when I
8 learned of the receiver. Even after June 4, 3033, I still have no notice or knowledge that the funds
9 are tainted and I have never seen any evidence of taint, illegality or the funds being the product of
10 unlawful activity.

11 21. I have also consulted the Department of Justice Attorney's Fees Forfeiture Guidelines Manual for
12 many years of practicing law for many different clients to determine if funds should be forfeited
13 from a Trust Account. In my case, I met all of the Standards in the Department of Justice Attorney
14 Fees Forfeiture Guidelines Manual and Department of Justice Assets Forfeiture Manual.

15 22. The Department of Justice Attorney Fees Forfeiture Guidelines state:

16 "The mere fact that an attorney has received a forfeitable asset as payment for legal fees by itself
17 does not provide reasonable grounds to believe the transfer was a fraudulent or sham transaction.
18 There must be reasonable cause to believe the asset was transferred for the purpose of impeding or
19 defeating the government's ability to forfeit it. Generally, there should be some proof that a scheme
20 existed to maintain the client's interest in the asset or ability to use it to his/her benefit. This may be
21 shown, for example, by proof that the value of services actually rendered was disproportionately low
22 compared to the value of the asset transferred and that there was agreement by the attorney to
23 transfer the asset or some portion of it back to the client. In other situations there may be evidence
24 that the attorney agreed to transfer the asset to another third party for the benefit of the client or to an
25 account or corporation that is controlled by the client. The evidence, however, need not establish that
26 the attorney was a participant in the criminal activity giving rise to the forfeiture or that he/she
27 otherwise violated any law." Department of Justice, Attorney fees Forfeiture Guidelines Manual, ¶
28 9-120.102 (2022) <https://www.justice.gov/jm/jm-9-120000-attorney-fee-forfeiture-guidel>.

29 23. In my case the transfer was not fraudulent or sham and was done before any claims were asserted
30 against one (1) of my clients. The funds were immediately utilized on an emergency basis to comply
31 to civil subpoenas issued by the SEC on March 18, 2022, prior to any lawsuit being filed by the
32 SEC, and clearly before I received notice of the existence of the Receiver on June 4, 2022. There
33 was no scheme to maintain the client's interest in the asset and the services rendered were not
34 disproportionate in caparison to the assets transferred. The services were rendered on an emergency
35 basis by the SEC itself who demanded immediate compliance with its subpoenas.

36 24. The Justice Department goes on to state:

37 "The principal issue to be addressed in the application of these guidelines is what constitutes "actual
38

1 knowledge" or "reasonable cause to know" that an asset is subject to forfeiture "at the time of the
2 transfer." This issue must be resolved on a case-by-case basis. However, the following principles
3 shall be applied in determining whether the prerequisite of actual knowledge or reasonable cause to
4 know exists in a particular case." Department of Justice, Attorney fees Forfeiture Guidelines
5 Manual, ¶ 9-120.105 (2022).

6 25. In my case I had no actual knowledge or reasonable cause to know that the asset I received on March
7 30, 2022, for which I was already providing emergency work as of March 25, 2022, was subject to
8 forfeiture.

9 26. I did not know of the existence of the Receiver's claim until June 4, 2022, and I had a good faith
10 belief as a Bona Fire Purchaser and Seller of Services without notice that these funds were untainted
11 and not involved in criminality.

12 27. Under the Department of Justice guidelines, I had every right to take, receive, and utilize the \$250,00
13 which was in my Trust Account of which I used \$201,060 before I ever heard of the Receiver or his
14 claims.

15 28. I declare under penalty of perjury under the laws of the State of Arizona the foregoing is true and
16 correct.

17 Executed this 8th day of September, 2022, at Phoenix, Arizona.

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Kamille Dean