

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
NORTHERN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

ARTHUR LAMAR ADAMS and MADISON  
TIMBER PROPERTIES, LLC,

Defendants.

Case No. 3:18-cv-00252

**Hon. Carlton W. Reeves**

**COMMENT OF BAKER, DONELSON, BEARMAN, CALDWELL  
& BERKOWITZ P.C. AND THE UPS STORE, INC. CONCERNING MOTION  
TO APPROVE PROPOSED SETTLEMENTS AND BAR ORDERS**

Baker, Donelson, Bearman, Caldwell & Berkowitz P.C. (“Baker Donelson”) and The UPS Store, Inc. (“TUPSS”) jointly submit this comment pursuant to the Court’s order, ECF No. 374, which invited comments or objections concerning the Receiver’s October 9 Motion to Approve Proposed Settlements and Bar Orders (“Motion for Approval”), ECF No. 372.

Baker Donelson and TUPSS propose to add a single paragraph to each of the proposed bar orders to mirror language that was included in the bar order the Court previously entered in connection with the Receiver’s settlement with Butler Snow. The Receiver has consented to this proposed amendment. *See* Ex. A (Oct. 30, 2023 Email from B. Barriere to C. Singer).

The Motion for Approval seeks an order approving settlement agreements between the Receiver and the following defendants: BankPlus; BankPlus Wealth Management, LLC; Eloise “Gee Gee” Moore Strain Patridge; Stewart Patridge; Jason Cowgill; Federal Insurance Company; and Continental Casualty Company (collectively, the “BankPlus Parties”); Trustmark National Bank, Benjamin Butts, and Jud Watkins (collectively, the “Trustmark Parties”); RiverHills Bank

and Jud Watkins (collectively, the “RiverHills Parties”); Tammy Vinson; Jeannie Chisholm; and Rawlings & MacInnis, P.A. (collectively, the “R&M Parties”); and Southern Bancorp Bank (“Southern Bancorp”) (all of these defendants collectively, the “Settling Defendants”). The Settling Defendants are defendants in actions brought by the Receiver.<sup>1</sup> The Receiver has sued Baker Donelson and TUPSS in separate actions, which remain pending (*Mills v. Butler Snow, et al.*, Case No. 3:18-cv-866-CWR-BWR; *Mills v. The UPS Store, Inc., et al.*, Case No. 3:19-cv-364-CWR-BWR).

Baker Donelson and TUPSS do not object to the Settling Defendants settling with the Receiver and does not wish to interfere with those settlements. Baker Donelson and TUPSS do, however, wish to ensure that any orders approving the settlements, to which they are not a party, do not impair their rights and defenses in the Receiver’s actions against them. Baker Donelson’s and TUPSS’s defenses to the Receiver’s claims should be adjudicated in the actions between the Receiver and them, not in the context of settlements to which Baker Donelson and TUPSS are not parties.

Baker Donelson and TUPSS thus request that language be added to the proposed partial final judgments and final bar orders, ECF Nos. 372-7, 372-8, 372-9, 372-10, 372-11 (collectively, the “Proposed Bar Orders”), substantively identical to the language that was included in the bar order the Court entered in connection with the Receiver’s prior settlement with the Butler Snow parties. That final Order Approving Settlement, ECF No. 250 (the “Order Approving the Butler Snow Settlement”), contains the following provision:

Nothing in this Order Approving Settlement or the Settlement Agreement and no aspect of the Settlement Agreement or negotiation thereof is or shall be construed

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<sup>1</sup> The cases are *Mills v. BankPlus, et al.*, Case No. 3:19-cv-196-CWR-BWR; *Mills v. The UPS Store, Inc., et al.*, Case No. 3:19-cv-364-CWR-BWR; and *Mills v. Trustmark, et al.*, Case No. 3:19-cv-941-CWR-BWR.

to be an admission, concession, or any finding of the Court, either express or by implication under the principles of collateral estoppel, res judicata, and/or issue preclusion, of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any proceeding involving the Receiver or the Butler Snow Parties. For the avoidance of doubt, nothing in this Order Approving Settlement or the Settlement Agreement shall impair or affect the right of any person to assert that the Receiver lacks standing to assert certain types of claims in any action brought by the Receiver related to the Madison Timber Ponzi scheme; however, this clarification does not affect the scope, effect, or construction of the bar order set forth herein.

*Id.* ¶ 13. The language of the proposed bar order was modified to the above, without objection by any party, in response to Baker Donelson's comment, ECF No. 230,<sup>2</sup> on the Receiver's January 11, 2021 Motion for Approval of Proposed Settlement with Butler Snow LLP, Butler Snow Advisory Services LLC, and Matt Thornton, ECF No. 221.

To protect the due process rights of non-settling parties, the Court should require a materially similar provision in each of the Proposed Bar Orders. For example, in the context of the Proposed Partial Final Judgment and Final Bar Order for the BankPlus Parties, this new paragraph could follow the current paragraph 12, and would read:

***13. Nothing in this Partial Final Judgment and Final Bar Order or the BP Settlement Agreement and no aspect of the BP Settlement Agreement or negotiation thereof is or shall be construed to be an admission, concession, or any finding of the Court, either express or by implication under the principles of collateral estoppel, res judicata, and/or issue preclusion, of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any proceeding involving the Receiver, the BP Defendants, or the BP Carriers. For the avoidance of doubt, nothing in this Partial Final Judgment and Final Bar Order or the BP Settlement Agreement shall impair or affect the right of any person to assert that the Receiver lacks standing to assert certain types of claims in any action brought by the Receiver related to the Madison Timber Ponzi scheme; however, this clarification does not affect the scope, effect, or construction of the bar order set forth herein.***

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<sup>2</sup> Several other parties, including some of the Settling Defendants, joined Baker Donelson's filing: Alexander Seawright, LLC, and Brent Alexander, ECF No. 231; Jon Seawright, ECF No. 232; BankPlus and BankPlus Wealth Management, LLC, ECF No. 233; Mutual of Omaha Insurance Company and Mutual of Omaha Investor Services, Inc., ECF No. 235; and RiverHills Bank and Jud Watkins, ECF No. 237.

*See* ECF No. 372-7.<sup>3</sup>

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<sup>3</sup> The corresponding addition for the Trustmark Parties would be:

13. Nothing in this Partial Final Judgment and Final Bar Order or the Trustmark Settlement Agreement and no aspect of the Trustmark Settlement Agreement or negotiation thereof is or shall be construed to be an admission, concession, or any finding of the Court, either express or by implication under the principles of collateral estoppel, res judicata, and/or issue preclusion, of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any proceeding involving the Receiver or the Trustmark Defendants. For the avoidance of doubt, nothing in this Partial Final Judgment and Final Bar Order or the Trustmark Settlement Agreement shall impair or affect the right of any person to assert that the Receiver lacks standing to assert certain types of claims in any action brought by the Receiver related to the Madison Timber Ponzi scheme; however, this clarification does not affect the scope, effect, or construction of the bar order set forth herein.

*See* ECF No. 372-8.

For the RiverHills Parties:

13. Nothing in this Partial Final Judgment and Final Bar Order or the RiverHills Settlement Agreement and no aspect of the RiverHills Settlement Agreement or negotiation thereof is or shall be construed to be an admission, concession, or any finding of the Court, either express or by implication under the principles of collateral estoppel, res judicata, and/or issue preclusion, of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any proceeding involving the Receiver or the RiverHills Defendants. For the avoidance of doubt, nothing in this Partial Final Judgment and Final Bar Order or the RiverHills Settlement Agreement shall impair or affect the right of any person to assert that the Receiver lacks standing to assert certain types of claims in any action brought by the Receiver related to the Madison Timber Ponzi scheme; however, this clarification does not affect the scope, effect, or construction of the bar order set forth herein.

*See* ECF No. 372-9.

For the R&M Parties:

13. Nothing in this Partial Final Judgment and Final Bar Order or the Vinson/Chisholm Settlement Agreement and no aspect of the Vinson/Chisholm Settlement Agreement or negotiation thereof is or shall be construed to be an admission, concession, or any finding of the Court, either express or by implication under the principles of collateral estoppel, res judicata, and/or issue preclusion, of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any proceeding involving the Receiver or the Vinson/Chisholm Defendants. For the avoidance of doubt, nothing in this Partial Final Judgment and Final Bar Order or the Vinson/Chisholm

Baker Donelson and TUPSS therefore respectfully request that the Court include the above language in each of the bar orders, to which the Receiver has consented.

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Settlement Agreement shall impair or affect the right of any person to assert that the Receiver lacks standing to assert certain types of claims in any action brought by the Receiver related to the Madison Timber Ponzi scheme; however, this clarification does not affect the scope, effect, or construction of the bar order set forth herein.

*See* ECF No. 372-10.

And for Southern Bancorp:

13. Nothing in this Partial Final Judgment and Final Bar Order or the Southern Bancorp Settlement Agreement and no aspect of the Southern Bancorp Settlement Agreement or negotiation thereof is or shall be construed to be an admission, concession, or any finding of the Court, either express or by implication under the principles of collateral estoppel, res judicata, and/or issue preclusion, of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any proceeding involving the Receiver or Southern Bancorp. For the avoidance of doubt, nothing in Partial Final Judgment and Final Bar Order or the Southern Bancorp Settlement Agreement shall impair or affect the right of any person to assert that the Receiver lacks standing to assert certain types of claims in any action brought by the Receiver related to the Madison Timber Ponzi scheme; however, this clarification does not affect the scope, effect, or construction of the bar order set forth herein.

*See* ECF No. 372-11.

Dated this 30th day of October, 2023

Respectfully submitted,

**BAKER, DONELSON, BEARMAN,  
CALDWELL & BERKOWITZ PC**

/s/ Craig D. Singer

James J. Crongeyer, Jr. (MSB #10536)  
WATKINS & EAGER PLLC  
400 East Capitol Street, Suite 300 (39201)  
Post Office Box 650  
Jackson, MS 39205  
Tel.: (601) 965-1900  
Fax: (601) 965-1901  
Email: jcrongeyer@watkinseager.com

Craig D. Singer (*pro hac vice*)  
WILLIAMS & CONNOLLY LLP  
680 Maine Avenue, S.W.  
Washington, DC 20024  
Tel.: (202) 434-5000  
Fax: (202) 434-5029  
Email: csinger@wc.com

*Counsel for Defendant Baker, Donelson,  
Bearman, Caldwell & Berkowitz PC*

**THE UPS STORE, INC.**

/s/ Mark R. McDonald

Mark R. McDonald (*pro hac vice*)  
MORRISON & FOERSTER LLP  
707 Wilshire Boulevard  
Los Angeles, CA 90017  
Tel.: (213) 892-5200  
Fax: (213) 892-5454  
MMcDonald@mofo.com

*Counsel for The UPS Store, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that on October 30, 2023, I caused the foregoing to be electronically filed with the Clerk of the Court using CM/ECF, which will send notification of such filing to all registered participants.

/s/ Craig D. Singer  
Craig D. Singer (*pro hac vice*)

## **Exhibit A**



**From:** [Barriere, Brent](#)  
**To:** [Singer, Craig](#)  
**Cc:** [James J. Crongeyer, Jr. - Watkins & Eager \(jcrongeyer@watkinseager.com\)](#); ["McDonald, Mark R."](#); ["Hunt, Adam J."](#); [Elmer, Kaja](#); [Alysson Mills](#); [Lilli Bass](#)  
**Subject:** RE: SEC v. Adams - Motion for settlement approval  
**Date:** Monday, October 30, 2023 1:40:27 PM

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We are fine with the language.

**Brent Barriere**  
[bbarriere@fishmanhaygood.com](mailto:bbarriere@fishmanhaygood.com)

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**FishmanHaygood LLP**  
201 St. Charles Avenue, 46th Floor  
New Orleans, Louisiana 70170  
d: 504.586.5252 f: 1504.949.8218  
[fishmanhaygood.com](http://fishmanhaygood.com)

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**From:** Singer, Craig <[CSinger@wc.com](mailto:CSinger@wc.com)>  
**Sent:** Monday, October 30, 2023 12:39 PM  
**To:** Barriere, Brent <[bbarriere@fishmanhaygood.com](mailto:bbarriere@fishmanhaygood.com)>  
**Cc:** James J. Crongeyer, Jr. - Watkins & Eager ([jcrongeyer@watkinseager.com](mailto:jcrongeyer@watkinseager.com)) <[jcrongeyer@watkinseager.com](mailto:jcrongeyer@watkinseager.com)>; 'McDonald, Mark R.' <[MMcDonald@mofo.com](mailto:MMcDonald@mofo.com)>; 'Hunt, Adam J.' <[AdamHunt@mofo.com](mailto:AdamHunt@mofo.com)>; Elmer, Kaja <[kelmer@fishmanhaygood.com](mailto:kelmer@fishmanhaygood.com)>; Alysson Mills <[amills@millsamond.com](mailto:amills@millsamond.com)>; Lilli Bass <[bass@bbjlawyers.com](mailto:bass@bbjlawyers.com)>  
**Subject:** RE: SEC v. Adams - Motion for settlement approval

Brent, I'm just checking back with you on this, since our deadline for filing comments and objections on the settlement is today. Would you please let us know whether the Receiver agrees to add this language?

Thanks,  
Craig

**Craig D. Singer**  
**Williams & Connolly LLP**  
680 Maine Avenue, S.W. | Washington, D.C. 20024  
(O) 202-434-5964 | (C) 202-369-3057  
[csinger@wc.com](mailto:csinger@wc.com) | [www.wc.com/csinger](http://www.wc.com/csinger)

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**From:** Singer, Craig  
**Sent:** Wednesday, October 25, 2023 11:53 AM  
**To:** 'Barriere, Brent' <[bbarriere@fishmanhaygood.com](mailto:bbarriere@fishmanhaygood.com)>

**Cc:** Elmer, Kaja <[kelmer@fishmanhaygood.com](mailto:kelmer@fishmanhaygood.com)>; Alysson Mills <[amills@millsamond.com](mailto:amills@millsamond.com)>; Lilli Bass <[bass@bbjlawyers.com](mailto:bass@bbjlawyers.com)>; Kaytie Pickett <[kpickett@joneswalker.com](mailto:kpickett@joneswalker.com)>; Rob Bieck <[rbieck@joneswalker.com](mailto:rbieck@joneswalker.com)>; Alexander Breckinridge <[abreckinridge@joneswalker.com](mailto:abreckinridge@joneswalker.com)>; Slattery, Thomas <[Tslattery@joneswalker.com](mailto:Tslattery@joneswalker.com)>; David Kaufman <[dkaufman@brunini.com](mailto:dkaufman@brunini.com)>; Cody Bailey <[cbailey@brunini.com](mailto:cbailey@brunini.com)>; William Ray <[wray@watkinseager.com](mailto:wray@watkinseager.com)>; Paul Stephenson III <[pstephenson@watkinseager.com](mailto:pstephenson@watkinseager.com)>; Stephanie Rippee <[srippee@watkinseager.com](mailto:srippee@watkinseager.com)>; James Crongeyer <[jcrongeyer@watkinseager.com](mailto:jcrongeyer@watkinseager.com)>; Adrienne Baker <[abaker@wlj.com](mailto:abaker@wlj.com)>; Charles Coleman <[ccoleman@wlj.com](mailto:ccoleman@wlj.com)>; Scott Jones <[Scott.Jones@arlaw.com](mailto:Scott.Jones@arlaw.com)>; Walter Willson <[wwillson@wellsmar.com](mailto:wwillson@wellsmar.com)>; Kelly Simpkins <[ksimpkins@wellsmar.com](mailto:ksimpkins@wellsmar.com)>; [manderson@wellsmar.com](mailto:manderson@wellsmar.com); Trey Byars <[Wbyars@danielcoker.com](mailto:Wbyars@danielcoker.com)>; Miles Forks <[Mforks@danielcoker.com](mailto:Mforks@danielcoker.com)>; Timothy Peebles <[tpeeples@danielcoker.com](mailto:tpeeples@danielcoker.com)>; Walter Newman <[wnewman95@msn.com](mailto:wnewman95@msn.com)>; [tburwell@be-pllc.com](mailto:tburwell@be-pllc.com); Billy Guice <[bguice@rushingguice.com](mailto:bguice@rushingguice.com)>; Mark McDonald <[mmcdonald@mofo.com](mailto:mmcdonald@mofo.com)>; Adam Hunt <[adamhunt@mofo.com](mailto:adamhunt@mofo.com)>; LaToya Merritt <[latoya.merritt@phelps.com](mailto:latoya.merritt@phelps.com)>; Mallory Bland (3334) <[mallory.bland@phelps.com](mailto:mallory.bland@phelps.com)>; Reuben Anderson <[reuben.anderson@phelps.com](mailto:reuben.anderson@phelps.com)>; James J. Crongeyer, Jr. - Watkins & Eager ([jcrongeyer@watkinseager.com](mailto:jcrongeyer@watkinseager.com)) <[jcrongeyer@watkinseager.com](mailto:jcrongeyer@watkinseager.com)>; Graham, Benjamin <[BGraham@wc.com](mailto:BGraham@wc.com)>; Daily, Hope <[HDaily@wc.com](mailto:HDaily@wc.com)>; Schmidt, Bill <[wschmidt@wc.com](mailto:wschmidt@wc.com)>

**Subject:** SEC v. Adams - Motion for settlement approval

Dear Brent (and copying the list of counsel from the consolidated discovery case for convenience),

I write regarding the Receiver's Motion to Approve Proposed Settlements and Bar Orders. This is on behalf of both Baker Donelson and The UPS Store.

Baker Donelson and TUPSS support the parties' desire to settle and to obtain bar orders as part of the settlements. We want to ensure, though, that the language of the orders doesn't impair any defenses Baker Donelson and TUPSS may assert. Consequently, we'd like to propose adding to each of the bar orders the same provision that was included in the bar order for the Butler Snow settlement, in response to our comment on that settlement, ECF No. 230 (18-cv-252).

Specifically, the Butler Snow bar order contained the following paragraph:

13. Nothing in this Order Approving Settlement or the Settlement Agreement and no aspect of the Settlement Agreement or negotiation thereof is or shall be construed to be an admission, concession, or any finding of the Court, either express or by implication under the principles of collateral estoppel, res judicata, and/or issue preclusion, of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any proceeding involving the Receiver or the Butler Snow Parties. For the avoidance of doubt, nothing in this Order Approving Settlement or the Settlement Agreement shall impair or affect the right of any person to assert that the Receiver lacks standing to assert certain types of claims in any action brought by the Receiver related to the Madison Timber Ponzi scheme; however, this clarification does not affect the scope, effect, or construction of the bar order set forth herein.

ECF No. 250 ¶ 13.

In the context of the current proposed orders (here using the BankPlus order as an example), the corresponding additional paragraph would read:

13. Nothing in this Partial Final Judgment and Final Bar Order or the BP Settlement Agreement and no aspect of the BP Settlement Agreement or negotiation thereof is or shall be construed to be an admission, concession, or any finding of the Court, either express or by implication under the principles of collateral estoppel, res judicata, and/or issue preclusion, of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any proceeding involving the Receiver, the BP Defendants, or the BP Carriers. For the avoidance of doubt, nothing in this Partial Final Judgment and Final Bar Order or the BP Settlement Agreement shall impair or affect the right of any person to assert that the Receiver lacks standing to assert certain types of claims in any action brought by the Receiver related to the Madison Timber Ponzi scheme; however, this clarification does not affect the scope, effect, or construction of the bar order set forth herein.

See ECF No. 372-7.

As Judge Reeves already has sanctioned this language, we assume its addition won't be controversial. If we can agree to add it, Baker Donaldson and TUPSS do not intend to object to any aspect of the Motion. Please let me know as soon as you can whether this will work.

Thanks,  
Craig

**Craig D. Singer**

**Williams & Connolly LLP**

680 Maine Avenue, S.W. | Washington, D.C. 20024

(O) 202-434-5964 | (C) 202-369-3057

[csinger@wc.com](mailto:csinger@wc.com) | [www.wc.com/csinger](http://www.wc.com/csinger)

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