

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiffs,

v.

**ARTHUR LAMAR ADAMS AND
MADISON TIMBER PROPERTIES, LLC,**

Defendants.

No: 3:18-cv-252-CWR-BWR

**Carlton W. Reeves, District Judge
Bradley W. Rath, Magistrate Judge**

RECEIVER'S REPORT

January 10, 2024

/s/ Alysson Mills

Alysson Mills, Miss. Bar No. 102861
650 Poydras Street Suite 1525
New Orleans, Louisiana 70130
Telephone: 504-586-5253
Fax: 504-586-5253
alysson@alyssonmills.com

*Receiver for Arthur Lamar Adams and
Madison Timber Properties, LLC*

Introduction

For many years Arthur Lamar Adams, through his companies Madison Timber Company, Inc. and Madison Timber Properties, LLC, operated a Ponzi scheme that defrauded hundreds of investors. On May 9, 2018, Adams pleaded guilty to the federal crime of wire fraud. On October 30, 2018, he was sentenced to 19.5 years in prison.

On June 22, 2018, the Court appointed me receiver of the estates of Adams and Madison Timber. The order of appointment sets forth my responsibilities and duties. Among other things, the order instructs me to take any action necessary and appropriate to preserve the assets of Adams and his businesses, to maximize funds available to victims. I have undertaken these tasks with substantial assistance from my counsel.

I report to the Court quarterly, or approximately every 90 days. I filed my last report on September 28, 2024, and this report picks up where that report left off. It contains the following parts:

	<i>page</i>
Highlights	3
Criminal cases’ statuses	6
Civil cases’ statuses	7
Next 90 days	13
Summary of status of assets	14

My reports are for the Court, but I write them for a broader audience, knowing that they may be read by non-lawyers including victims. All the filings mentioned in my reports are available at madisontimberreceiver.com.

Highlights

The Receivership Estate already sold or otherwise resolved its interests in any property or real estate belonging to Adams or Madison Timber. I now focus primarily on its lawsuits. I offer the following highlights here:

Settlements:

I announced proposed settlements totaling \$19.2 million with BankPlus, Trustmark, RiverHills Bank, Southern Bancorp, and Tammy Vinson and Jeannie Chisholm (in full and complete settlement and release of them and their former employer, the law firm Rawlings & MacInnis) in my last report.

On October 9, 2023, I filed a motion that asked the Court to approve the settlements. The Court invited public comment and held a hearing on November 6, 2023. Only a handful of investors, all represented by attorney John Hawkins, objected to the settlements, and only in part. On November 14, 2023, the Court overruled the objection and, separately, entered five orders approving settlements with each of the five settling defendants.

The settlements became final on December 15, 2023, after no party appealed any of the five orders.

I had hoped to have all settling defendants' agreed funds by now. Each settling defendant's settlement agreement provides that, upon finality, the settling defendant has a certain number of days to make payment. By my counsel's calculations, the latest any settling defendant may pay under any settlement agreement is January 10, 2024. For reasons too complicated to detail here, the settling defendants' counsel calculated January 22, 2024 instead.

I am disappointed by this disagreement, but litigating it would waste more time. The solution is as follows: I will accept payment on January 22, 2024, but only with interest. I attach here my counsel's letter to the settling defendants' counsel which evidences this offer and calculates each settling defendant's interest.

Second distribution:

I wanted to be in a position to make a second distribution as soon as possible. On November 15, 2023, I filed a motion that asked the Court to pre-approve a proposed second distribution. The Court granted that motion on December 1, 2023. This means I can make a distribution as soon as I receive all settling defendants' agreed funds, which I now expect (with interest) no later than January 22, 2024.

The motion describes the distribution in detail; it is available at madisontimberreceiver.com. The distribution should pay 27% of Madison Timber's victim's net losses, for a total repayment of approximately 60% of net losses to date.

Remaining lawsuits:

Of the Receivership Estate's four biggest cases, or what I have also called its aiding-and-abetting cases, two remain: one against Baker Donelson, Jon Seawright, and Brent Alexander; the other against UPS, The UPS Store Madison, and individual notaries.

I will continue to litigate both cases, presumably to a jury trial. The cases previously were consolidated with the Receivership Estate's cases against BankPlus and Trustmark. Now de-consolidated, the Court has indicated that it intends to set each case for trial promptly. Magistrate Judge Bradley W. Rath has already held a series of status conferences in anticipation of entering scheduling orders.

Meanwhile, Baker Donelson and UPS have re-filed motions to subpoena all 218 victims of Madison Timber (184 investors in Madison Timber, plus the additional 34 who invested through the Alexander Seawright Timber Fund). Nothing has changed since the parties first briefed the issue years ago; there is still no precedent for the broad, invasive discovery that Baker Donelson and UPS seek. I will continue to oppose it.

On December 21, 2023, I amended the complaint in the UPS case to name The UPS Store Madison's insurer, CNA, an additional defendant, after its repeated denials of coverage.

Jon Seawright and Brent Alexander:

In separate criminal proceedings filed by the U.S. Attorney's Office, Baker Donelson lawyer Jon Seawright and lobbyist Brent Alexander pleaded guilty to conspiracy to defraud

investors on July 13, 2022, and April 26, 2023, respectively, and were sentenced on October 31, 2023. The Court sentenced Seawright to a twelve month and one-day term of imprisonment followed by a two-year term of supervised release. The Court sentenced Alexander to a sixty-month term of probation with the first two years being on home confinement.

The Court ordered them to together pay \$977,044 in restitution. As of this filing, the U.S. Attorney's Office has received \$473,000 from Seawright. It has obtained writs of garnishment for Alexander's known accounts. These moneys ultimately will be tendered to the Receivership Estate, for the benefit of Madison Timber's victims.

On December 20, 2023, the S.E.C. entered orders barring Seawright and Alexander "from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization."

Miscellaneous:

Finally, since my last report:

Mike Billings tendered to the Receivership Estate \$163,928.97 in proceeds from refunds from restated tax returns, as required by his settlement agreement with the Receivership Estate.

Stu Anderson paid the Receivership Estate \$150,098. He owed \$130,520 pursuant to the promissory note that accompanied his settlement agreement with the Receivership Estate. We accepted a late payment with interest.

The clerk of court tendered to the Receivership Estate \$31,450 that Bill McHenry paid to cure his contempt of court and obtain his release from the Madison County jail.

The Receivership Estate resolved its lawsuit against Gary Property Management, which long-ago objected to the Receivership Estate's sale of property formerly owned by Oxford Springs, LLC. After the Court entered judgment that Gary Property Management is not entitled to proceeds from that sale, I agreed to dismiss remaining claims in exchange for Gary Property Management's waiver of any rights of appeal and payment of \$15,000.

Criminal cases' statuses

Related criminal cases' statuses, in the order of their filings, are as follows:

***United States v. Adams*, No. 3:18-cr-88**

Lamar Adams is serving a 19.5-year sentence in federal prison.

***United States v. McHenry*, No. 3:19-cr-20**

Bill McHenry was acquitted on December 5, 2019.

***United States v. Alexander, et al.*, No. 3:20-cr-31**

Jon Seawright and Brent Alexander pleaded guilty to conspiracy to defraud investors on July 13, 2022, and April 26, 2023, respectively. Transcripts of their plea hearings are available at madisontimberreceiver.com.

On October 31, 2023, the Court sentenced Seawright to a twelve month and one-day term of imprisonment followed by a two-year term of supervised release and sentenced Alexander to a sixty-month term of probation with the first two years being on home confinement.

The Court ordered Seawright and Alexander to together pay \$977,044 in restitution. As of this filing, the U.S. Attorney's Office has received \$473,000 from Seawright. It has obtained writs of garnishment for Alexander's known accounts.

Civil cases' status

Related civil cases' statuses, in the order of their filings, are as follows:

Securities & Exchange Commission v. Adams, et al., No. 3:18-cv-252

The S.E.C.'s case against Adams and Madison Timber, filed April 20, 2018, remains open for the purpose of administering the Receivership Estate's affairs.

Settlements: On October 9, 2023, I moved the Court to approve proposed settlements totaling \$19.2 million with BankPlus, Trustmark, RiverHills Bank, Southern Bancorp, and Tammy Vinson and Jeannie Chisholm (in full and complete settlement and release of them and their former employer, the law firm Rawlings & MacInnis). The Court invited public comment and held a hearing on November 6, 2023, at which only a handful of investors, all represented by attorney John Hawkins, objected to the settlements, and only in part. On November 14, 2023, the Court overruled the objection and, separately, entered five orders approving settlements with each of the five settling defendants.¹ The settlements became final on December 15, 2023, after no party appealed any of the five orders.

Second distribution: On November 15, 2023, I moved the Court to pre-approve a proposed second distribution that will pay 27% of Madison Timber's victim's net losses, for a total repayment of approximately 60% of net losses to date. The Court granted that motion on December 1, 2023.²

¹ Docs. 391, 392, 393, 394, 395, *Securities & Exchange Commission v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

² Doc. 398, *Securities & Exchange Commission v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

Alysson Mills v. Michael D. Billings, et al., No. 3:18-cv-679

Related: In re William B. McHenry, Jr., No. 20-bk-268; No. 20-ap-22

The complaint against Mike Billings, Wayne Kelly, and Bill McHenry, filed October 1, 2018, alleges they received millions of dollars in “commissions” in exchange for their recruitment of new investors to Madison Timber.

Wayne Kelly and Mike Billings settled with the Receivership Estate. Among other things, their settlement agreements required them to restate their income tax returns for the years in question, with proceeds of any refund to go to the Receivership Estate. Kelly already tendered to the Receivership Estate \$524,679.64 in resulting proceeds. In December, Billings tendered \$163,928.97 in resulting proceeds.

I obtained a final judgment against Bill McHenry in the amount of \$3,473,320.³ McHenry has not paid the judgment. An auction of items that I seized from McHenry resulted in total proceeds of \$16,728.55 only. In October, the clerk of court tendered to the Receivership Estate \$31,450 that McHenry paid to obtain his release from the Madison County jail following the Court’s order holding him in contempt.

Alysson Mills v. Butler Snow, et al., No. 3:18-cv-866

Related: In re Jon Darrell Seawright, No. 19-bk-3921; No. 20-ap-11; No. 20-cv-232

The complaint against Butler Snow LLP; Butler Snow Advisory Services, LLC; Matt Thornton; Baker, Donelson, Bearman, Caldwell & Berkowitz, PC; Alexander Seawright, LLC; Brent Alexander; and Jon Seawright, filed December 19, 2018 and amended November 22, 2019, alleges the law firms and their agents lent their influence, their professional expertise, and even their clients to Adams and Madison Timber.

Butler Snow settled with the Receivership Estate in 2021.⁴

³ Docs. 62, 63, *Alysson Mills v. Michael D. Billings, et al.*, No. 3:18-cv-679 (S.D. Miss.).

⁴ Doc. 250, *Securities & Exchange Commission v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

The Court denied Baker Donelson's and Seawright and Alexander's motions to dismiss on May 5, 2021.⁵ On February 8, 2022, the Court granted Baker Donelson's motion to reconsider in part but still did not dismiss any of the Receivership Estate's claims.⁶

The case was consolidated with the Receivership Estate's cases against BankPlus, UPS, and Trustmark for discovery purposes and partially stayed pending the resolution of Seawright and Alexander's criminal proceedings.

Now de-consolidated, the Court has indicated that it intends to set the case for trial promptly. Magistrate Judge Rath has already held a series of status conferences in anticipation of entering a scheduling order.

Meanwhile, on November 21, 2023, Baker Donelson re-filed a motion to subpoena all 218 victims of Madison Timber (184 investors in Madison Timber, plus the additional 34 who invested through the Alexander Seawright Timber Fund). There is still no precedent for the broad, invasive discovery that Baker Donelson seeks, and I have opposed it.

Alysson Mills v. BankPlus, et al., No. 3:19-cv-196

The complaint against BankPlus; BankPlus Wealth Management, LLC; Gee Gee Patridge, Vice President and Chief Operations Officer of BankPlus; Stewart Patridge; Jason Cowgill; Martin Murphree; Mutual of Omaha Insurance Company; and Mutual of Omaha Investor Services, Inc., filed March 20, 2019 and amended January 4, 2021, alleges the financial institutions and their agents lent their influence, their professional services, and even their customers to Madison Timber, establishing for it a de facto DeSoto County headquarters within BankPlus's Southaven, Mississippi branch office.

Martin Murphree settled with the Receivership Estate in 2021.⁷

⁵ Doc. 70, *Alysson Mills v. Butler Snow, et al.*, No. 3:18-cv-866 (S.D. Miss.).

⁶ Doc. 112, *Alysson Mills v. Butler Snow, et al.*, No. 3:18-cv-866 (S.D. Miss.).

⁷ Doc. 174, *Alysson Mills v. BankPlus, et al.*, No. 3:19-cv-196 (S.D. Miss.).

On November 14, 2023, the Court approved settlement with all remaining defendants.⁸ That settlement became final on December 15, 2023, after no party appealed.

***Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364**

The complaint against The UPS Store, Inc.; Herring Ventures, LLC d/b/a The UPS Store; Austin Elsen; Tammie Elsen; Courtney Herring; Diane Lofton; Chandler Westover; Rawlings & MacInnis, PA; Tammy Vinson; and Jeannie Chisholm, filed May 23, 2019 and amended June 13, 2019, alleges the defendants are the notaries and their employers on whom Lamar Adams principally relied to notarize fake timber deeds.

On November 14, 2023, the Court approved settlement with Tammy Vinson and Jeannie Chisholm (in full and complete settlement and release of them and their former employer, the law firm Rawlings & MacInnis).⁹ That settlement became final on December 15, 2023, after no party appealed.

UPS moved to dismiss the complaint not once but twice, and on both occasions the Court denied its motions, most recently on March 1, 2021. The Court denied its motion to certify the Court's order for interlocutory appeal on November 10, 2021.¹⁰

The case previously was consolidated with the Receivership Estate's cases against BankPlus, UPS, and Trustmark for discovery purposes. Now de-consolidated, the Court has indicated that it intends to set the case for trial promptly. Magistrate Judge Bradley W. Rath has already held a status conference in anticipation of entering a scheduling order.

Meanwhile, on December 21, 2023, I amended the complaint again to name The UPS Store Madison's insurer, CNA, a defendant, after its repeated denials of coverage.

On December 29, 2023, UPS re-filed a motion to subpoena all 218 victims of Madison Timber (184 investors in Madison Timber, plus the additional 34 who invested through the

⁸ Doc. 391, *Securities & Exchange Commission v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

⁹ Doc. 395, *Securities & Exchange Commission v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

¹⁰ Doc. 310, *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.).

Alexander Seawright Timber Fund). There is still no precedent for the broad, invasive discovery that UPS seeks, and I will continue to oppose it.

Securities & Exchange Commission v. Kelly, et al., No. 3:19-cv-585

On August 27, 2019, the S.E.C. obtained a judgment against Wayne Kelly permanently enjoining him from further violations of federal securities laws; disgorging his ill-gotten gains, in an amount to be determined; and ordering that he pay civil penalties, in an amount to be determined.¹¹

Alysson Mills v. Trustmark, et al., No. 3:19-cv-941

The complaint against Trustmark National Bank, Bennie Butts, Jud Watkins, Southern Bancorp Bank, and RiverHills Bank, filed December 30, 2019, alleges the financial institutions and their agents provided the banking services that enabled and sustained the Madison Timber Ponzi scheme.

On November 14, 2023, the Court approved settlements with all defendants.¹² Those settlements became final on December 15, 2023, after no party appealed.

Securities & Exchange Commission v. Billings, et al., No. 3:20-cv-50

On March 3, 2020, the S.E.C. obtained a judgment against Mike Billings permanently enjoining him from further violations of federal securities laws; disgorging his ill-gotten gains, in an amount to be determined; and ordering that he pay civil penalties, in an amount to be determined.¹³

¹¹ Docs. 5, 6, *Securities & Exchange Commission v. Terry Wayne Kelly and Kelly Management, LLC*, No. 3:19-cv-585 (S.D. Miss.).

¹² Docs. 392, 393, 394, *Securities & Exchange Commission v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

¹³ Doc. 1, *Securities & Exchange Commission v. Michael Douglas Billings and MDB Group, LLC*, No. 3:20-cv-50 (S.D. Miss.).

Alysson Mills v. Stuart Anderson, et al., No. 3:20-cv-427

The complaint against Stuart Anderson, Randy Shell, and Shell Investments, LLC, filed June 25, 2020, alleges they received \$635,000 in “commissions” in exchange for their recruitment of new investors to Madison Timber.

The defendants settled with the Receivership Estate.¹⁴

Securities & Exchange Commission v. McHenry, et al., No. 3:21-cv-554

On August 17, 2022, the S.E.C. obtained final judgment against Bill McHenry permanently enjoining him from further violations of federal securities laws.¹⁵

Alysson Mills v. Gary Property Management, LLC, No. 3:22-cv-296

The complaint against Gary Property Management, LLC, filed June 2, 2022, seeks a judgment that Gary Property Management is not entitled to proceeds from the Receivership Estate’s sale of property formerly owned by Oxford Springs, LLC.

On August 3, 2023, the Court entered judgment that Gary Property Management is not entitled to proceeds from the Receivership Estate’s sale of property formerly owned by Oxford Springs, LLC. I agreed to dismiss remaining claims in exchange for Gary Property Management’s waiver of any rights of appeal and payment of \$15,000.

In the Matters of Ted Brent Alexander and Jon Darrell Seawright, Securities & Exchange Commission File Nos. 3-21813 and 3-21814

On December 20, 2023, the S.E.C. entered “Orders Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions,” barring Brent Alexander and Jon Seawright “from association

¹⁴ Docs. 18, 32, *Alysson Mills vs. Stuart Anderson, et al.*, No. 3:20-cv-427 (S.D. Miss.).

¹⁵ Doc. 20, *Securities & Exchange Commission v. William B. McHenry Jr. and First South Investments, LLC*, No. 3:21-cv-554 (S.D. Miss.).

with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.”

Next 90 days

I will administer a second distribution to Madison Timber’s victims.

My counsel and I will continue to push the Receivership Estate’s remaining lawsuits against Baker Donelson, Jon Seawright, and Brent Alexander and against UPS, The UPS Store Madison, and individual notaries. We will respond to motions, file motions as circumstances require, and conduct discovery. We will continue to identify issues that the parties need not await trial to resolve, and we will ask the Court to decide those issues now.

My counsel and I will continue to object to invasive discovery into victims’ personal lives and finances.

My counsel and I will continue to monitor settling defendants’ compliance with their settlement agreements and attempt to execute on the judgment against Bill McHenry.

I will continue to confer with federal and state authorities as circumstances require.

I will continue to communicate with Madison Timber’s victims. They may continue to call, email, or write me anytime.

Summary of status of assets

The current status of the Receivership Estate's assets is as follows:

Receivership Estate's account at Hancock Bank

Previous account balance as of September 28, 2023	\$1,928,875.81
Bill McHenry— <i>proceeds from contempt order tender</i>	+\$31,450.00
Mike Billings— <i>proceeds from federal tax refund proceeds</i>	+\$163,928.97
Stu Anderson— <i>promissory note payment</i>	+\$150,098.00
Interest	+\$22,918.02
Receiver's and receiver's counsel's fees and expenses, twelve months, see below**	-\$72,928.66
Matthews Cutrer and Lindsay, PA, for preparation of Madison Timber Company's 2022 taxes	-\$880.00
Bank fee	-\$20.00
	\$2,223,442.14

Alysson Mills v. Butler Snow, et al., No. 3:18-cv-866

Lawsuit to hold law firms liable for debts of the
Receivership Estate

*litigation ongoing
against Baker Donelson,
Jon Seawright, and Brent Alexander*

~~Settlement—Butler Snow defendants~~

~~*received \$9,500,000*~~

Alysson Mills v. BankPlus, et al., No. 3:19-cv-196

Lawsuit to hold bank and financial services company liable
for debts of the Receivership Estate

~~Settlement—Martin Murphree~~

~~*received \$14,400
plus \$98,081.25 in satisfaction of
promissory note*~~

Settlement—BankPlus defendants

\$6,500,000 due

Alysson Mills v. The UPS Store, et al., No. 3:19-cv-364

Lawsuit to hold notaries liable for debts of the Receivership Estate

Settlement—Tammy Vinson and Jeannie Chisholm

*litigation ongoing
against UPS, The UPS Store Madison,
and individual notaries
\$2,200,000 due*

Alysson Mills v. Trustmark, et al., No. 3:19-cv-941

Lawsuit to hold banks liable for debts of the Receivership Estate

Settlement—Trustmark defendants

\$6,500,000 due

Settlement—RiverHills defendants

\$3,500,000 due

Settlement—Southern Bancorp

\$500,000 due

Alysson Mills v. Michael Billings, et al., No. 3:18-cv-679

Lawsuit to recover commissions from recruiters

Judgment—Bill McHenry

\$3,473,320 judgment outstanding

*~~received \$16,728.55 in proceeds
from seized assets~~*

*received \$31,450 in proceeds
from contempt order tender*

Settlement—Mike Billings

*~~received \$325,000
plus 5% interest in Oxford Springs,
LLC~~*

*~~received \$187,500 in satisfaction
of promissory note~~*

*received additional \$163,928.97 in
proceeds from federal tax refund*

Settlement—Wayne Kelly

*received \$1,384,435.17
plus interests in 707, 315 Iona,
and KAPA Breeze, LLCs*

*received \$100,000 in satisfaction of
promissory note*

*received additional \$524,679.64 in
proceeds from federal tax refunds*

Alysson Mills v. Stuart Anderson, et al., No. 3:20-cv-427

Lawsuit to recover commissions from recruiters

Settlement—Stuart Anderson

*received \$150,098 in satisfaction
of promissory note*

Settlement—Randy Shell

*promissory note in the amount of
\$505,114 outstanding*

Settlement—Brad Pugh

*promissory note in the amount of
\$183,002.66 outstanding*

Settlement—Pinnacle Trust

received \$500,000

~~1/4 interest in Mash Farms, LLC~~

~~808+ acres with hunting camp in Sunflower County~~

~~Purchased in 2014 for \$1,600,000~~

~~Encumbered by Trustmark Bank mortgage~~

~~Owe approximately \$900,000~~

*received \$258,500 in proceeds
from sale of the Receivership Estate's
interest*

~~100% interest in Oxford Springs, LLC~~

~~Undeveloped land in Lafayette County~~

~~Sold 2,278 acres; 100 acres remain~~

~~Unencumbered~~

*received \$4,668,530.48 in proceeds
from sale of 2,278 acres*

*received \$539,193.90 in proceeds
from sale of 100 acres*

*received \$17,5000 in proceeds
from 2020 lease*

-

~~1/6 interest in 707, LLC~~

~~263+ acres recreational land in Holmes County
Purchased in 2009
Encumbered by First Commercial Bank mortgage
Owe approximately \$368,000~~

*LLC sold principal asset and dissolved;
tendered \$6,994.09 representing
Adams's, Kelly's, and McHenry's
interests to the Receivership Estate*

~~1/3 interest in Delta Farm Land Investments, LLC~~

~~1170+ acres farmland in Oktibbeha County
Purchased in 2014 for \$2,796,100
Encumbered by Trustmark Bank mortgage
Owe approximately \$2,200,000~~

*LLC sold principal asset and dissolved;
tendered \$323,440.88 representing
Adams's interest to the Receivership
Estate*

~~1/2 interest in KAPA Breeze LLC~~

~~1.5+/- acres mixed-use land on Highway 30A in Florida
Purchased in 2017 for approximately \$1,900,000
Encumbered by Jefferson Bank mortgage
Owe approximately \$1,365,000~~

*sold the Receivership Estate's
interest for \$700,000*

~~1/4 interest in Mallard Park, LLC~~

~~1,723 acres with hunting lodge in Humphreys County
Purchased in 2016 for \$2,593,500
Encumbered by Southern AgCredit mortgage
Owe approximately \$2,000,000~~

*sold the Receivership Estate's
interest for \$175,000*

~~Hartford Life and Annuity Insurance Co. policy~~

surrendered for \$167,206.60

~~Lincoln National Life Insurance Co. policy~~

surrendered for \$3,678.45

~~Settlement—Frank Zito~~

*received \$100,000,
first installment*

*received \$100,000,
second and final installment,
June 12, 2019*

~~Settlement—Ole Miss Athletics Foundation~~

*received \$155,084.50,
first installment*

*received \$155,084.50,
second and final installment,
April 17, 2019*

Marital Property Settlement—Vickie Lynn Adams Lump sum payment includes proceeds from sale of Lexus LX 570 and liquidation of Hartford Life and Annuity Insurance Co. life insurance policy	received \$58,247
Settlement—Adams children	received \$170,000
Alexander Seawright—UPS's funds*	holding \$100,000
2018 King Ranch Ford F150 truck	sold for \$42,750
Condo in Calton Hill subdivision in Oxford, Mississippi Unencumbered	received \$139,919.09 in proceeds from sale
Settlement—Philippi Freedom Ministries	received \$16,125
Settlement—Rick Hughes Evangelistic Ministries	received \$43,657.95
Jewelry	for sale
House at 134 Saint Andrews Drive, Jackson, Mississippi Unencumbered	received \$350,777.38 in proceeds from sale
	received \$3,277.45 from sale of household goods on consignment
Settlement—Century Club Charities	received \$56,944
Settlement—Berachah Church	received \$175,904
Settlement—R.B. Thieme, Jr.	received \$104,626.50
Settlement—Operation Grace World Missions	received \$39,325
Returned proceeds—Techwood, LLC	received \$309,000

Strikethrough indicates asset has been liquidated or proceeds are already accounted for in the Hancock Bank account balance.

*I am holding these funds solely as an offset to the defendant's liability for the Receivership Estate's claims.

**Please see the Court's order dated November 8, 2023, and previously filed fee applications detailing the twelve months' work performed between September 1, 2022 and August 31, 2023, all available at madisontimberreceiver.com.

Fishman Haygood LLP
201 St. Charles Avenue, 46th Floor
New Orleans, LA 70170
fishmanhaygood.com

Brent B. Barriere
Partner
Direct: (504) 556-5525
bbarriere@fishmanhaygood.com

December 29, 2023

3503-04
3503-05
3503-06

VIA E-MAIL ONLY

Walter D. Willson
wwillson@wellsmar.com
Kelly D. Simpkins
ksimpkins@wellsmar.com
William Ray
wray@watkinseager.com

Paul Stephenson III
pstephenson@watkinseager.com
Todd Burwell
tburwell@be-pllc.com
Scott Jones
scott.jones@arlaw.com

Rob Bieck
rbieck@joneswalker.com
Kaytie Pickett
kpickett@joneswalker.com

Re: *SEC v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.)
Alysson Mills v. BankPlus, et al., No. 3:19-cv-196 (S.D. Miss.)
Alysson Mills v. The UPS Store, Inc., et al., No. 3:19-cv-364 (S.D. Miss.)
Alysson Mills v. Trustmark, et al., No. 3:19-cv-941 (S.D. Miss.)
Response to Settling Defendants' Proposed Payment Schedule

Dear Counsel:

I write to respond on behalf of the Receiver to correspondence recently received from counsel for the RiverHills Parties, the Trustmark Parties, the Vinson/Chisholm Parties, the BankPlus Parties, and Southern Bancorp (collectively referred to as the "Settling Defendants"), questioning the finality of the Partial Final Judgments and Bar Orders entered by the Court in the above-captioned matters (the "Settled Matters") on November 14, 2023 (herein the "Bar Orders"), based on the Motion to Alter or Amend Judgment (the "Motion") originally filed by Birdie Cooperwood, et al. (the "Objectors") on December 12, 2023, and subsequently withdrawn on December 18, 2023, as well as the Court's December 20, 2023 text-only order finding as moot the Objectors' Motion.

The Receiver strongly disagrees with the Settling Defendants' characterization of the impact of (1) the Motion; (2) its withdrawal; and (3) the Court's December 20, 2023 text-only order. The Bar Orders became final on December 15, 2023 at 12:01 a.m., 30 days after entry. The Objectors' Motion did not address the Bar Orders, which by their own terms clearly direct the Settling Defendants and the Receiver "to implement and consummate the Settlement in accordance with the terms and provisions of the [Settlement Agreement] and [the] Final Bar Order." *See, e.g., SEC v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.), Doc. 391 at 11, ¶ 5. The terms of the respective Settlement Agreements speak for themselves.

Settling Defendants
December 29, 2023
Page 2

FishmanHaygood

The Receiver reserves all rights and remedies stemming from the respective Settlement Agreements and Bar Orders, including, but not limited to, moving for contempt of the Court's now-final orders. Nonetheless, the Receiver has determined that it is in the best interest of the Parties, and in particular, the victims, to resolve this issue without further litigation or delay.

The Receiver understands the Settling Defendants' position to be that they are willing to pay interest on their respective Settlement Amounts (as set forth in each respective Bar Order and Settlement Agreement) from the date of their respective Settlement Payment Dates¹ until payment on or before **January 22, 2024**.

Consistent with this understanding, the Receiver agrees to forego enforcement of any available remedies and rights she may have under the Bar Orders and Settlement Agreements, if, and only if, she receives, by wire transfer (pursuant to the wire instructions previously circulated to all Settling Defendants), the following payments on or before **January 22, 2024**:

Settling Defendant	Settlement Amount	Original Settlement Payment Date	Interest (calculated at 4.85%)	Total Payment by Jan 22, 2024
Trustmark	\$6.5 million	December 29, 2023	24 days = \$20,672.13	\$6,520,672.13
Southern Bancorp	\$500,000	December 29, 2023	24 days = \$1,590.16	\$501,590.16
RiverHills	\$3.5 million	January 4, 2024	18 days = \$8,348.36	\$3,508,348.36
BankPlus	\$6.5 million	January 9, 2024	13 days = \$11,197.40	\$6,511,197.40
Vinson/Chisholm Parties	\$2.2 million	January 9, 2024	13 days = \$3,789.89	\$2,203,789.89

The Receiver's agreement is conditioned on her receipt of each Settling Defendant's written acceptance of this letter's terms on or before December 30, 2023, at 12:01 a.m. As noted above, the Receiver reserves all rights and will vigorously pursue such remedies as to any Defendant who does not provide timely written acceptance.

The Receiver is highly sensitive to the fact that based upon the Settling Defendants' unambiguous obligations set forth in the respective Settlement Agreements and Bar Orders—which were publicly filed, published on the Receiver's website, and provided to victims—the Ponzi scheme's victims have been expecting timely payment in accordance with the terms set forth therein. The Receiver therefore will publish this letter on her website so the victims can understand why they will not be receiving settlement fund distributions as expected. For the same reason, and in the interest of certainty, it is crucial that the Settling Defendants be willing to tender the total payment by wire on or before **January 22, 2024**.

¹ The "Settlement Payment Dates" referred to herein are calculated based on each respective Settlement Agreement and the Settlement Effective Date and payment terms therein, and reflect the latest possible date the party could pay timely.

Settling Defendants
December 29, 2023
Page 3

FishmanHaygood

I look forward to hearing from you.

Sincerely,

/s/ Brent B. Barriere

Brent B. Barriere