

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

December 31, 2025

/s/ Alysson Mills

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*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 30, 2025, and this report picks up where that report left off. It contains the following parts:

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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 two remaining lawsuits: one against Baker Donelson, Jon Seawright, and Brent Alexander; the other against UPS, The UPS Store Madison, and individual notaries. I offer the following highlights here:

Two remaining lawsuits:

As I previously reported, fact discovery, which included the depositions of investors and fact witnesses, ended May 23, 2025. Expert discovery, which included the depositions of persons designated as experts, ended October 9, 2025.

Judge Rath ordered the parties in both cases to attend settlement conferences. The settlement conferences were October 29-31, 2025 for the UPS case and December 11-12, 2025 for the Baker Donelson case.

The settlement conference for the UPS case resulted in an agreement in principle. The agreement has not been finalized. I will provide more information when it becomes available.

The settlement conference for the Baker Donelson case was not successful.

On November 3, 2025, the parties in the Baker Donelson case filed dispositive pretrial motions, and those motions are now fully briefed and available at madisontimberreceiver.com. The Court will hold a pretrial conference on March 6, 2026. A jury trial is set to begin April 6, 2026 before Judge Reeves.

Bill McHenry:

A federal grand jury indicted Bill McHenry on March 19, 2025 for providing false testimony under oath regarding the status and value of his firearm collection. The questioning was part of the Receivership Estate's efforts to collect a \$3,473,320 judgment against McHenry.

The jury trial previously set for December 1, 2025 has been reset for February 17, 2026. The U.S. Attorney's Office for the Southern District of Mississippi is handling the case.

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 served a twelve month and one-day sentence in federal prison. Brent Alexander is serving 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, which the U.S. Attorney's Office already collected and tendered to the Receivership Estate.

United States v. McHenry, No. 3:25-cr-49

On March 19, 2025, a federal grand jury indicted Bill McHenry for providing false testimony under oath regarding the status and value of his firearm collection. The jury trial previously set for December 1, 2025 has been reset for February 17, 2026. The U.S. Attorney's Office for the Southern District of Mississippi is handling the case.

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.

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.

I obtained a final judgment against Bill McHenry in the amount of \$3,473,320.¹ McHenry has not paid the judgment. An auction of items that I seized from him resulted in total proceeds of \$16,728.55 only. He paid \$31,450 to obtain his release from the Madison County jail following the Court's order holding him in contempt. I received an additional \$19,731.80 from Guaranty Bank & Trust, representing the Receivership Estate's share of proceeds from the bank's sale of equipment which had served as collateral for a loan to McHenry.

On March 19, 2025, a federal grand jury indicted McHenry for providing false testimony under oath regarding the status and value of his firearm collection. The questioning was part of the Receivership Estate's efforts to collect from him. The jury trial previously set for December 1, 2025 has been reset for February 17, 2026. The U.S. Attorney's Office for the Southern District of Mississippi is handling the case.

¹ Docs. 62, 63, *Alysson Mills v. Michael D. Billings, et al., No. 3:18-cv-679* (S.D. Miss.).

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 2021.²

The Court denied Baker Donelson's and Seawright and Alexander's motions to dismiss on May 5, 2021.³ 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.⁴

On May 14, 2024, Baker Donelson filed a motion for summary judgment that argued I do not have standing to sue Baker Donelson. The Court denied the motion on October 1, 2024.⁵

Fact discovery ended May 23, 2025, and expert discovery ended October 9, 2025.

The parties filed dispositive pretrial motions on November 3, 2025, and those motions are now fully briefed and available at madisontimberreceiver.com.

Judge Rath ordered the parties to attend a settlement conference on December 11-12, 2025, but it was not successful.

The Court will hold a pretrial conference on March 6, 2026. A jury trial is set to begin April 6, 2026 before Judge Reeves.

² Doc. 250, *Securities & Exchange Commission v. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

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

⁴ Doc. 112, *Alysson Mills v. Butler Snow, et al.*, No. 3:18-cv-866 (S.D. Miss.).

⁵ Doc. 136, *Alysson Mills v. Butler Snow, et al.*, No. 3:18-cv-866 (S.D. Miss.).

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

The complaint against BankPlus; BankPlus Wealth Management, LLC; Gee Gee Partridge, Vice President and Chief Operations Officer of BankPlus; Stewart Partridge; 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 2021.⁶ The remaining defendants settled with the Receivership Estate in 2023, and the case was closed on January 30, 2024.⁷

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.

Tammy Vinson and Jeannie Chisholm (in full and complete settlement and release of them and their former employer, the law firm Rawlings & MacInnis) settled with the Receivership Estate in 2023.⁸

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, 2021.⁹

⁶ Doc. 174, *Alysson Mills v. BankPlus, et al.*, No. 3:19-cv-196 (S.D. Miss.).

⁷ Doc. 234, *Alysson Mills v. BankPlus, et al.*, No. 3:19-cv-196 (S.D. Miss.).

⁸ Doc. 370, *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.).

⁹ Doc. 310, *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.).

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. CNA filed a motion to dismiss, contending that it had already exhausted available insurance coverage. The Court denied the motion on September 26, 2024.¹⁰

On April 1, 2024, UPS filed a motion for summary judgment that argued it is not vicariously liable for its franchisee, The UPS Store Madison, and its employees, the individual notaries. On May 20, 2024, UPS filed yet another motion for summary judgment that argued I do not have standing to sue UPS. The Court denied both motions on October 2, 2024.¹¹

Fact discovery ended May 23, 2025, and expert discovery ended October 9, 2025.

Judge Rath ordered the parties to attend a settlement conference on October 29-31, 2025. Those negotiations resulted in an agreement in principle. The agreement has not been finalized. I will provide more information when it becomes available.

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.¹²

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.

¹⁰ Doc. 434, *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.).

¹¹ Doc. 436, *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.).

¹² Docs. 5, 6, *Securities & Exchange Commission v. Terry Wayne Kelly and Kelly Management, LLC*, No. 3:19-cv-585 (S.D. Miss.).

The defendants settled with the Receivership Estate in 2023, and the case was closed on January 29, 2024.¹³

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.¹⁴

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.¹⁵

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.¹⁶

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

The complaint against Gary Property Management, LLC, filed June 2, 2022, sought a judgment that Gary Property Management is not entitled to proceeds from the Receivership

¹³ Doc. 140, *Alysson Mills v. Trustmark National Bank, et al.*, No. 3:19-cv-941 (S.D. Miss.).

¹⁴ Doc. 1, *Securities & Exchange Commission v. Michael Douglas Billings and MDB Group, LLC*, No. 3:20-cv-50 (S.D. Miss.).

¹⁵ Docs. 18, 32, *Alysson Mills vs. Stuart Anderson, et al.*, No. 3:20-cv-427 (S.D. Miss.).

¹⁶ Doc. 20, *Securities & Exchange Commission v. William B. McHenry Jr. and First South Investments, LLC*, No. 3:21-cv-554 (S.D. Miss.).

Estate's sale of property formerly owned by Oxford Springs, LLC. The Court entered that judgment on August 3, 2023.¹⁷

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

Next 90 days

The Receivership Estate's counsel and I will prepare the Baker Donelson case for trial on April 6, 2026.

The Receivership Estate's counsel and I will finalize the agreement in principle to settle the UPS case.

We will continue to monitor settling defendants' compliance with their settlement agreements and judgments.

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.

¹⁷ Doc. 39, *Alysson Mills v. Gary Property Management, LLC.*, No. 3:22-cv-296 (S.D. Miss.).

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 June 30, 2025	\$1,632,516.07
Interest	+\$12,170.44
Receiver's counsel's fees and expenses for approximately 6 months' work, see below**	-\$9,065.25
Matthews Cutrer and Lindsay, PA, for preparation of Madison Timber 2024 taxes	-\$1,875.00
Corcoran & Bernard CPAs, for preparation of Madison Timber Receiver Qualified Settlement Fund 2024 taxes	-\$1,400.00
	\$1,632,346.26

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

~~received \$6,500,000
plus \$11,197.40 in interest~~

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

Lawsuit to hold notaries liable for debts of the Receivership Estate

*litigation ongoing
against UPS, The UPS Store Madison,
and individual notaries*

Settlement—Tammy Vinson and Jeannie Chisholm

*received \$2,200,035***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

*received \$6,500,000
plus \$20,672.13 in interest*

Settlement—RiverHills defendants

*received \$3,500,000
plus \$8,348.36 in interest*

Settlement—Southern Bancorp

*received \$500,000
plus \$1,590.16 in interest***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**received \$19,731.80 in proceeds
from sale of equipment*

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*

*received additional \$34,371.57 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*

**Alysson Mills v. Gary Property Management, et al., No.
3:22-cv-296**

Lawsuit to obtain judgment that Gary Property Management
is not entitled to proceeds from sale of property formerly
owned by Oxford Springs, LLC

Settlement—Gary Property Management

received \$15,000

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

Criminal proceedings filed by the U.S. Attorney's Office
against Jon Seawright and Brent Alexander

*received \$942,308.77
in restitution*

*received additional \$34,735.75
in restitution*

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	<i>received \$100,000, first installment</i>
	<i>received \$100,000, second and final installment, June 12, 2019</i>
Settlement Ole Miss Athletics Foundation	<i>received \$155,084.50, first installment</i>
	<i>received \$155,084.50, second and final installment, April 17, 2019</i>
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	<i>received \$58,247</i>
Settlement Adams children	<i>received \$170,000</i>
Alexander Seawright UPS's funds*	<i>holding \$100,000</i>
2018 King Ranch Ford F150 truck	<i>sold for \$42,750</i>
Condo in Calton Hill subdivision in Oxford, Mississippi Unencumbered	<i>received \$139,919.09 in proceeds from sale</i>
Settlement Philippi Freedom Ministries	<i>received \$16,125</i>
Settlement Rick Hughes Evangelistic Ministries	<i>received \$43,657.95</i>
Jewelry	<i>for sale</i>
House at 134 Saint Andrews Drive, Jackson, Mississippi Unencumbered	<i>received \$350,777.38 in proceeds from sale</i>
	<i>received \$3,277.45 from sale of household goods on consignment</i>

Settlement Century Club Charities	<i>received \$56,944</i>
Settlement Berachah Church	<i>received \$175,904</i>
Settlement R.B. Thieme, Jr.	<i>received \$104,626.50</i>
Settlement Operation Grace World Missions	<i>received \$39,325</i>
Returned proceeds Techwood, LLC	<i>received \$309,000</i>

~~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 October 14, 2005, and previously filed fee applications detailing the approximately six months' work performed between March 1, 2025 and August 31, 2025, all available at madisontimberreceiver.com