UNITED STATES DISTRICT COURT
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-252 Hon. Carlton W. Reeves, District Judge Hon. Bradley W. Rath, Magistrate Judge Related case: *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.)

MOTION TO APPROVE PROPOSED SETTLEMENTS AND BAR ORDERS

Alysson Mills, in her capacity as the court-appointed receiver (the "Receiver") for Arthur Lamar Adams and Madison Timber Properties, LLC, respectfully moves the Court to approve multiple proposed settlements and bar orders, and represents as follows:

The Receiver is plaintiff in that certain civil action styled *Alysson Mills v. The UPS Store, Inc., et al*, Civil Action Number 3:19-cv-364 (S.D. Miss.) (the "UPS Store Litigation"). Named as defendants are The UPS Store, Inc. ("TUPSS, Inc."), Herring Ventures, Inc. (Herring Ventures"), and current or former employees of Herring Ventures – Austin Elsen, Courtney Herring, Chandler Westover, Tammie Elsen, and Diane Lofton (Herring Ventures and the individual defendants hereafter referred to as the "Notary Defendants").

The Receiver has filed a request for declaratory relief against American Casualty Company of Reading, Pennsylvania ("American Casualty") in the UPS Store Litigation.

Under the proposed settlements, TUPSS, Inc. will pay to the Receiver the sum of $5,000,000; the Notary Defendants will provide total consideration of $1,500,000 (with a credit to the amounts paid by American Casualty) and American Casualty will pay $50,000 to the Receiver in addition to $100,000 previously paid by it, for a total of $6,500,000 The specific terms of each settlement are detailed in the memorandum submitted in support of the motion and the draft settlement agreements attached to that memorandum.

Each of the settling defendants has and continues to deny liability to the Receiver and the Receivership Estate but has agreed to a settlement to avoid incurring additional fees and expenses and to avoid the uncertainties common to all litigation.

The Receiver believes the proposed settlements are in the Receivership Estate's best interest.

The settlements with TUPSS, Inc. and the Notary Defendants are contingent and conditioned on this Court's entry of the bar orders described in the accompanying memorandum. Entry of bar orders that foreclose further litigation or claims against TUPSS, Inc. and the Notary Defendants relating to the Madison Timber Ponzi scheme is an integral, essential part of each settlement. The settlements would not have occurred without that condition, and will not be consummated unless an acceptable bar order is entered with respect to each of the settling defendants.

The Receiver asks that, after providing notice and an opportunity to be heard to Madison Timber's victims, the Court approve the proposed settlements and bar orders.

In addition to the accompanying memorandum, the Receiver submits in support:

Exhibit 1: proposed Settlement Agreements[1]

Exhibit 2: proposed Partial Final Judgment and Final Bar Order with respect to the settlements with TUPSS and the Notary Defendants

Exhibit 3: proposed Order Setting Hearing

The Receiver respectfully requests that the Court enter the proposed Order Setting Hearing so that the proposed settlements may be presented and, if the Court agrees after notice and hearing, approved.

Respectfully submitted,

/s/ Lilli Evans Bass

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[1] Exhibit 1, proposed Settlement Agreements with:

1.1 TUPSS

1.2 The Notary Defendants

1.3 American Casualty

CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing with the Clerk of Court using the ECF system which sent notification of filing to all counsel of record.

August 20, 2026 */s/ Kaja S. Elmer*

SETTLEMENT AGREEMENT

The Parties to this Settlement Agreement are on one part, Plaintiff Alysson Mills, in her capacity as the court-appointed Receiver for the estates of Arthur Lamar Adams ("Adams") and Madison Timber Properties, LLC (the "Receiver"); and on the other part, Defendant The UPS Store, Inc. ("TUPSS, Inc."). The Receiver and TUPSS, Inc. will be referred to individually as a "Party" and together as the "Parties."

RECITALS

The Recitals to this Settlement Agreement are:

A. On April 20, 2018, the United States Securities and Exchange Commission (the "SEC") initiated *SEC v. Adams*, Case No. 3:18-cv-252-CWR-FKB (now Case No. 3:18-cv-00252-CWR-BWR) (the "SEC Action"), alleging that Adams and Madison Timber Properties, LLC and others affiliated with them ("MTP" as defined below) committed securities fraud by operating a Ponzi scheme (SEC Action ECF No. 3).

B. In an April 20, 2018 order in the SEC Action (ECF No. 5), the United States District Court for the Southern District of Mississippi (i) froze and enjoined Adams and Madison Timber Properties, LLC from disposing of the assets, and other tangible and intangible monies and property, as further set forth in that order, of Adams and Madison Timber Properties, LLC and all entities they owned or controlled as of April 20, 2018; and (ii) enjoined Adams and Madison Timber Properties, LLC from destroying or otherwise disposing of the books and records, accounts, statements, and other documents that reflect Adams and Madison Timber Properties, LLC's business activities or the transactions described in the SEC Action complaint.

C. In a June 22, 2018 order (SEC Action ECF No. 33), the Court appointed Alysson Mills Receiver for the Receivership Assets and the Receivership Records (collectively, the

"Receivership Estate") with all powers of a Receiver at equity under common law as well as those powers enumerated in that order, as amended by orders in that same matter of August 8, 2018 (SEC Action ECF No. 38), September 20, 2018 (SEC Action ECF No. 44), and May 17, 2019 (SEC Action ECF No. 154) (collectively, the "Receivership Orders").

D. The Receivership Orders vested the Receiver with the general power and duty, among other things, "to take custody, control, and possession of all Receivership Property, Receivership Records, and any assets traceable to assets owned by the Receivership Estate" and to investigate and ". . . to bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging her duties as Receiver . . ." and ". . . to take such other action as may be approved by this Court." SEC Action ECF No. 33 at 9.

E. Alysson Mills has served as Receiver continuously since her appointment.

F. On May 23, 2019, the Receiver filed her original complaint against TUPSS, Inc. and other defendants styled *Mills v. The UPS Store, Inc., et al.*, Case No. 3:19-cv-364-CWR-BWR, United States District Court for the Southern District of Mississippi (the "UPS Store Litigation"). ECF No. 1.

G. TUPSS, Inc. expressly denies any and all allegations of wrongdoing, fault, liability, or damages and enters into this Settlement Agreement solely to avoid the burdens, substantial expenses, and risks of litigation, including not only the pending UPS Store Litigation, but also any and all other claims or litigation or proceedings that might have arisen, or that might arise, in connection with Adams and MTP. The entry of a Final Judgment and Final Bar Order acceptable to TUPSS, Inc., substantially identical to the final judgment and final bar orders entered in related cases, attached as Exhibit A hereto, (i) prohibiting any and all other Persons (including, but not

limited to, MTP Investors and Claimants) from pursuing claims against TUPSS, Inc. or any of them related to MTP, and (ii) channeling all claims of Interested Parties (including, but not limited to, MTP Investors and Claimants) related to MTP through the Receivership Estate, is an integral and essential part of this Settlement and an essential condition to any obligation for TUPSS, Inc. to perform under this Settlement Agreement. The Settlement would not have occurred, and will not be consummated, absent entry of a Bar Order that becomes Final.

H. The Receiver acknowledges that continued litigation could risk an adverse ruling that TUPSS, Inc. did not exercise "control" over its franchisee. The Receiver agrees to acknowledge that risk in any motion to approve the Settlement that she files with the Court. Nothing in this Settlement Agreement, however, shall be construed as otherwise limiting the Receiver's communication with the Court or interested parties. The Parties desire any approved Settlement to compromise fully, finally, and forever and to affect a global settlement and discharge of all claims against TUPSS, Inc. arising from or in any way related to MTP.

I. The Parties have engaged in extensive, good-faith, and arm's-length negotiations leading to this Settlement Agreement, including participation in a multiday mediation proceeding conducted by United States Magistrate Judge Bradley W. Rath.

J. Absent approval of this Settlement, the UPS Store Litigation will likely take many more years and cost millions of dollars to litigate to final judgment and through appeals, and the outcome of the litigation would be uncertain.

K. In *Zacarias v. Stanford Int'l Bank, Ltd.*, 945 F.3d 883 (5th Cir. 2019), the United States Court of Appeals for the Fifth Circuit affirmed approval of a settlement conditioned on the entry of bar orders enjoining suits filed against the settling defendants in that litigation,

demonstrating the propriety of the Proposed Partial Final Judgment and Final Bar Order attached as Exhibit A.

L. The Receiver has reviewed, approved, and entered into this Settlement Agreement and the terms of the Settlement, as evidenced by her signature to this Settlement Agreement.

AGREEMENT

I. Settlement Agreement Date

1. This Settlement Agreement shall take effect once all Parties have signed the Settlement Agreement as of the date of the last signature to the Settlement Agreement (the "Settlement Agreement Date").

II. Terms Used in This Settlement Agreement

The terms used in this Settlement Agreement and the Partial Final Judgment and Final Bar Order and defined below, have the following meanings:

2. "Settlement Agreement" means this agreement.

3. "Bar Order" means an order entered in the SEC Action including findings under Federal Rule of Civil Procedure 54(b), substantially identical to the Proposed Partial Final Judgment and Final Bar Order attached hereto as Exhibit A. The provisions of this Settlement Agreement concerning entry of a Bar Order were separately bargained for. Entry and finality of a Bar Order (i) acceptable to TUPSS, Inc., (ii) prohibiting any and all other Persons (including, but not limited to, Claimants) from pursuing claims against TUPSS, Inc. related to MTP and from pursuing claims against TUPSS, Inc. related to TUPSS, Inc.'s policies, and (iii) channeling all claims of Interested Parties related to MTP through the Receivership Estate is an essential, integral element and a condition precedent of TUPSS, Inc.'s obligations under this Settlement Agreement and the Settlement.

4. "Claim" means a Person's alleged, potential, or asserted right to receive funds from the Receivership Estate, or the funds and assets subject to the authority of the Receiver, or TUPSS, Inc., arising from alleged harm, injury, losses, or damages sustained by any Person as a result of the MTP Ponzi scheme and MTP's related conduct and actions. "Claim" includes, but is not limited to, potential or asserted rights arising from or related to MTP Investments. "Claim" includes any and all claims that MTP Investors may have against TUPSS, Inc. related in any way to MTP.

5. "Claim Assigned to Receiver" means any Claim that has been assigned in writing to the Receiver by any Interested Person.

6. "Claimant" means any Person who has submitted a Claim to the Receiver, including Persons whose claims are derivative or beneficial via Claims submitted by or through other Persons. Where a Claim has been transferred or assigned to a third party and such transfer has been acknowledged by the Receiver, the transferee is a Claimant.

7. "Distribution Plan" means the plan approved by the Court for the distribution of the Settlement Amount (net of any attorneys' fees or costs that are awarded by the Court) to Claimants whose Claims the Receiver has allowed.

8. "Final" means unmodified after the conclusion of, or expiration of any right of any Person to pursue, any and all possible forms and levels of appeal, reconsideration, rehearing, certiorari, or review, judicial or otherwise, including by a court or Forum of last resort, wherever located, whether automatic or discretionary or as a matter of right, whether by appeal or otherwise. The Bar Order shall include findings under Federal Rule of Civil Procedure 54(b) and will become Final as set forth in this paragraph as though such order was entered as a judgment at the end of a

case, and the continuing pendency of the SEC Action, UPS Store Litigation, or any other litigation or other dispute shall not be construed as preventing such Bar Order from becoming Final.

9. "Forum" means any court, adjudicative body, tribunal, or jurisdiction, whether its nature is federal, foreign, state, administrative, regulatory, arbitral, local, or otherwise.

10. "Hearing" means a formal proceeding in open court, on the record, before the Court.

11. "Interested Parties" means the Receiver; the Receivership Estate; the Claimants; Adams and MTP; MTP Investors; every Person who owns a Claim or a beneficial interest in a Claim; and any Person or Persons alleged by the Receiver or other Person or entity on behalf of the Receivership Estate to be liable to the Receivership Estate, whether or not a formal proceeding has been initiated.

12. "MTP" means Arthur Lamar Adams; Madison Timber Properties, LLC; Madison Timber Company; Wayne Kelly; known and unknown agents of the foregoing; and any entity of any type owned, controlled by, or affiliated with Arthur Lamar Adams on or before April 20, 2018.

13. "MTP Investor" means any Person who directly or indirectly invested money in the MTP Ponzi scheme, whether by purchasing promissory notes or securities or otherwise, whether individually or through a collective group or legal entity such as a partnership, limited liability company, corporation, trust, or joint venture.

14. "MTP Investment" means any investment of money in the MTP Ponzi scheme, including purchase of securities or promissory notes or otherwise, through which any Person claims or has claimed to be entitled to receive payments of money from MTP.

15. "Person" means any natural person or legal entity capable under the law of possessing or enforcing rights, including, but not limited to, any individual, juridical person, legal

entity, company, corporation, partnership, joint venture, trust, governmental authority, estate, guardian, agency, or quasi-governmental person, regardless of location, residence, or nationality.

16. "Receiver" includes the Receiver and all of her counsel.

17. "Releasor" means any Person granting a release of a Settled Claim, including any Person whose Settled Claim is released by another Person acting with authority to do so.

18. "Settled Claim" means any claim, whether or not currently asserted, known or unknown, suspected, existing, or discoverable, and whether based on federal law, state law, foreign law, common law, equity, or otherwise, and whether based on contract or tort, or otherwise, that a Releasor ever had, now has, or hereafter can, shall, or may have, directly, representatively, derivatively, or in any other capacity against TUPSS, Inc. that, in full or in part, concerns, relates to, arises out of, or is in any manner connected with (i) the UPS Store Litigation and the claims that were or could have been asserted against TUPSS, Inc. therein; (ii) Adams and MTP or any of their affiliates; (iii) any promissory note or investment of any type issued by or associated with MTP or any of its affiliates; (iv) the relationships with Adams, MTP, or their affiliates; and (v) the provision of services by TUPSS, Inc. or by any other defendant with the UPS Store Litigation to or for the benefit of or on behalf of Adams, MTP, or any of their affiliates. "Settled Claim" includes every Claim against TUPSS, Inc. that the Receiver has the power, authority, or capacity to settle, resolve, and release. "Settled Claims" includes, but is not limited to, all Claims Assigned to Receiver. "Settled Claims" includes all claims held by any Person, including, but not limited to, all MTP Investors, based on, or arising from, or related to, MTP Investments or non-payment by MTP of principal and interest owed under promissory notes or securities issued by or on behalf of MTP. "Settled Claims" specifically includes, without limitation, all claims each Releasor, Claimant, or Person does not know or suspect to exist in his favor at the time of release, which, if

known by that Person, might have affected his decisions with respect to this Settlement Agreement and the Settlement ("Unknown Claims"). Each Releasor expressly waives, releases, and relinquishes any and all provisions, rights, and benefits conferred by any law or principle, in the United States or elsewhere, that governs or limits the release of unknown claims, including, without limitation, California Civil Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Each Releasor acknowledges that he may hereafter discover facts different from, or in addition to, those that Releasor now knows or believes to be true with respect to the Settled Claims, but nonetheless agrees that this Settlement Agreement, including the releases granted in it, will remain binding and effective in all respects notwithstanding that discovery. Unknown Claims include contingent and non-contingent claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of different or additional facts. These provisions concerning Unknown Claims and the inclusion of Unknown Claims in the definition of Settled Claims were separately bargained for and are an essential element of this Settlement Agreement and the Settlement.

19. "Settlement" means the agreed resolution of the Settled Claims in the manner set forth in this Settlement Agreement.

20. "Settlement Amount" means five million United States dollars ($5,000,000.00).

21. "Settlement Effective Date" means the date on which the last of the following occurs: (i) the Bar Order becomes Final, and (ii) the Partial Final Judgment becomes Final.

22. "TUPSS, Inc." includes The UPS Store, Inc. and its counsel and also includes each of its respective past, present, and future directors, officers, legal and equitable owners, shareholders, members, managers, principals, employees, associates, representatives, distributees, agents, attorneys, trustees, general and limited partners, lenders, direct and indirect parents, subsidiaries, affiliates, related entities, divisions, partnerships, corporations, joint ventures and joint venturers, executors, administrators, heirs, beneficiaries, assigns, predecessors, predecessors in interest, successors, and successors in interest.

23. "Taxes" means any and all taxes, whether federal, state, local, or other taxes related to the Settlement or the Settlement Amount, and costs incurred in connection with such taxation, including, without limitation, the fees and expenses of tax attorneys and accountants.

III. Stay of Litigation; Delivery of Settlement Amount; Dismissal with Prejudice of Litigation

24. Stay of the UPS Store Litigation: Within five (5) business days of the Settlement Agreement Date, the Receiver and TUPSS, Inc. shall file a joint motion in the UPS Store Litigation to stay the UPS Store Litigation as to all Parties, including a request to vacate all scheduling orders as to TUPSS, Inc., pending a final determination concerning approval of the Settlement and the Bar Order.

25. Delivery of Settlement Amount: Within five (5) business days after the Settlement Effective Date, the Receiver shall provide to TUPSS, Inc.'s counsel wiring instructions for payment of the Settlement Amount to the Receiver. Thereafter, if and to the extent TUPSS, Inc. needs additional information to allow TUPSS, Inc. to execute the wire transfer of the Settlement Amount to the Receiver, then the Receiver agrees to make reasonable efforts to provide that

information. Within forty-five (45) business days after the calendar Settlement Effective, TUPSS, Inc. shall deliver or cause to be delivered the Settlement Amount to the Receiver.

26. Dismissal of the UPS Store Litigation: Within ten (10) business days after receipt of the Settlement Amount, the Receiver shall file with the Court an agreed motion to dismiss fully and finally with prejudice without costs or attorneys' fees all claims against TUPSS, Inc. in the UPS Store Litigation, and shall submit to the Court a proposed Final Judgment of Dismissal of the UPS Store Litigation with respect to TUPSS, Inc., in forms approved by TUPSS, Inc.'s counsel.

IV. Use and Management of Settlement Amount

27. Management and Distribution of Settlement Amount: If and when the Settlement Amount is delivered to the Receiver, the Receiver shall receive and take custody of the Settlement Amount and shall be solely responsible for preparing, seeking approval of, and implementing the Distribution Plan, including, without limitation, receiving, managing, and disbursing the Settlement Amount, in accordance with the Court's orders. The Receiver shall be responsible for all Taxes, fees, and expenses that may be due with respect to the Settlement Amount or the management, use, administration, or distribution of the Settlement Amount. In connection with any distribution of the Settlement Amount, the Receiver shall remind, in writing, any recipient of any distribution of the Settlement Amount of the scope and effect of the Bar Order including notice that the Settlement and Final Bar Order preclude any further claims or litigation against, or collection from, TUPSS, Inc. in connection with the Settled Claims; otherwise, the Receiver owes no duties to TUPSS, Inc. in connection with the distribution of the Settlement Amount or the Distribution Plan, other than compliance with Court orders, and if the Receiver complies with this Settlement Agreement and all orders issued by the Court, TUPSS, Inc. may not assert any claim or cause of action against the Receiver in connection with the distribution of the Settlement

Amount or the Distribution Plan. In no event will the Receiver or the Receivership Estate be liable to TUPSS, Inc. for damages or the payment or re-payment of funds of any kind as a result of any deficiency associated with the distribution of the Settlement Amount or the Distribution Plan.

28. No Liability: TUPSS, Inc. shall have no responsibility, obligation, or liability whatsoever with respect to the administration of the Settlement; the management, investment, or distribution of the Settlement Amount or any other funds paid or received in connection with the Settlement; the payment or withholding or reporting of Taxes that may be due or owing by the Receiver or any recipient of funds from the Settlement Amount; the terms, interpretation, or implementation of the Distribution Plan; the determination, administration, calculation, review, or challenge of claims to the Settlement Amount, any portion of the Settlement Amount, or any other funds paid or received in connection with the Settlement or this Settlement Agreement; or any losses, attorneys' fees, expenses, vendor payments, expert payments, or other costs incurred in connection with any of the foregoing matters. Nothing in this paragraph shall alter TUPSS, Inc.'s obligations to deliver the Settlement Amount to the Receiver pursuant to the terms of this Settlement Agreement.

V. Motion for Approval of Settlement, and Form and Procedure for Notice

29. Motion and Notice: No later than seven (7) days after this Settlement Agreement's execution by all Parties, the Receiver shall file a motion (the "Motion") that requests that, after notice and hearing, the Court enter an order approving this Settlement Agreement and the Bar Order identified in Paragraph 3 of this Settlement Agreement. The Motion shall include: (a) a copy of this Settlement Agreement, with Exhibits; and (b) a proposed Order Setting Hearing that instructs the Receiver to provide notice of this Settlement Agreement and the Bar Order to all Interested Parties as defined in this Settlement Agreement, (i) by sending them a detailed

description of the Claims, the Settlement, the Bar Order, and their rights to appear and participate at the Hearing on the Motion (the "Notice"), by United States Mail, First Class postage prepaid, to each Interested Party at its last known mailing address, according to the Receiver's records; (ii) in addition, by sending a copy of the Notice to all Interested Parties via email, to the extent the Receiver is aware of their email addresses; and (iii) by prominently posting the Notice, the Settlement Agreement, the Proposed Partial Final Judgment and Final Bar Order, and all Court filings related to the Settlement on the Receiver's website, www.madisontimberreceiver.com. In addition, the Receiver shall provide the same Notice, by United States Mail, First Class postage prepaid, and by email, to any attorneys who have notified the Receiver that they represent any Claimants or MTP Investors.

30. The Receiver Shall Be Solely Responsible for Notice: The Receiver shall be solely responsible for the preparation and dissemination of notice as directed by the Court. In the absence of intentional refusal by the Receiver to prepare and disseminate notice pursuant to this Settlement Agreement or a court order, no Interested Party or any other Person shall have any recourse against the Receiver with respect to any claims that may arise from or relate to the notice process. In the case of intentional refusal by the Receiver to prepare and disseminate notice pursuant to this Settlement Agreement or a court order, TUPSS, Inc. shall not have any claim against the Receiver other than the ability to seek specific performance. The Parties do not intend to give any other Person any right or recourse against the Receiver in connection with the notice process.

31. No Recourse Against TUPSS, Inc.: No Interested Party or any other Person shall have any recourse against TUPSS, Inc. with respect to any claims that may arise from or relate to the notice process.

32. No Challenge: No Party shall challenge the approval of the Settlement, and no Party will encourage or assist any Interested Party in challenging the Settlement.

VI. Rescission if the Settlement Is Not Finally Approved, or the Bar Order Is Not Entered

33. Right to Withdraw: The Parties represent and acknowledge that each of the following terms was necessary and essential to the Parties' agreement to this Settlement and this Settlement Agreement, and that the Settlement would not have been reached in the absence of these terms: (a) Court approval of the Settlement and the terms of this Settlement Agreement without material modification or limitation; (b) entry by the Court of the Final Judgment and Final Bar Order in the UPS Store Litigation; (c) all these approvals and orders becoming Final, as defined in Paragraph 8 and as required by this Settlement Agreement; and (d) the subsequent final judgment of dismissal with prejudice of all claims against TUPSS, Inc. in the UPS Store Litigation. If the Court refuses to provide the approvals described in (a), or if the Court refuses to enter the Bar Order described in (b) without material modification, or if the final result of any appeal from the approvals and order described in (a) or (b) is that any of the approvals or order are not affirmed in their entirety and without material modification or limitation, or if the claims against TUPSS, Inc. in the UPS Store Litigation are not dismissed fully and finally with prejudice, then the Receiver or TUPSS, Inc. has the right to withdraw agreement to the Settlement and to this Settlement Agreement by providing to all other Parties written notice of that withdrawal within fourteen (14) days of the order or judicial determination giving rise to the right to withdraw. The effective date of the withdrawal will be twenty-one (21) days after the notice of same, during which time the Parties agree to work together in good faith to attempt to negotiate an alternative settlement.

34. Effectiveness of Bar Order: If, before the Settlement Effective Date, the United States Supreme Court or the United States Court of Appeals for the Fifth Circuit issues any opinion

or order in any case that renders the Bar Order ineffective as to claims of third parties, including, but not limited to, claims of MTP Investors, then TUPSS, Inc. shall have the right to withdraw from this Settlement Agreement and the Settlement.

35. In the event that any Party withdraws its agreement to the Settlement or this Settlement Agreement pursuant to Paragraph 34, this Settlement Agreement and any prior negotiations or agreements in principle related to the Settlement will be null and void and of no further effect whatsoever, shall not be admissible in any ongoing or future proceedings for any purpose whatsoever (except for the provisions of Paragraph 34 and this paragraph, which shall survive), and shall not be the subject or basis for any claims or defenses by any Party against any other Party other than to enforce the surviving terms of this Settlement Agreement.

36. The Parties do not have the right to withdraw from, or otherwise terminate, the Settlement Agreement for any reason other than the reasons identified in Paragraph 34.

VII. Releases and Covenant Not to Sue

37. Release of TUPSS, Inc.: Upon date of the receipt of the Settlement Amount, the Receiver on behalf of the Receivership Estate (including Adams and MTP), fully, finally, and forever releases, relinquishes, and discharges, with prejudice, all Settled Claims, including all claims against TUPSS, Inc. arising from or related in any way to MTP.

38. Release of the Receiver: As of the Settlement Effective Date, TUPSS, Inc. fully, finally, and forever releases, relinquishes, and discharges with prejudice all Settled Claims against the Receiver.

39. No Release of Obligations Under Settlement Agreement: Notwithstanding anything to the contrary in this Settlement Agreement, the releases and covenants contained in this Settlement Agreement do not release the Parties' rights and obligations under this Settlement

Agreement or the Settlement, nor do they bar the Parties from enforcing or effectuating this Settlement Agreement or the Settlement.

40. Covenant Not to Sue: As of the date of receipt of the Settlement Amount, the Receiver on behalf of the Receivership Estate (including MTP), covenants not to institute, reinstitute, maintain, continue, encourage, solicit, support, participate in, collaborate in, or otherwise prosecute, directly or indirectly, or through a third party, against TUPSS, Inc. any lawsuit, investigation, demand, or other proceeding, whether individually, derivatively, on behalf of, as a member of a class, or in any other capacity, concerning or relating to the Settled Claims, whether in a court or any other Forum. Effective as of the Settlement Agreement Date, TUPSS, Inc. covenants not to institute, reinstitute, maintain, continue, encourage, solicit, support, participate in, collaborate in, or otherwise prosecute against the Receiver, any lawsuit, investigation, demand, or other proceeding, directly or indirectly, or through a third party, whether individually, derivatively, on behalf or, as a member of a class, or in any other capacity, concerning or relating to the Settled Claims, whether in a court or any other Forum. Notwithstanding the foregoing, however, the Parties retain the right to sue for alleged breaches of this Settlement Agreement.

VIII. Representations and Warranties

41. No Assignment, Encumbrance, or Transfer: The Receiver represents and warrants that she is the owner of the Settled Claims that she is releasing under this Settlement Agreement and she has not, in whole or in part, assigned, encumbered, sold, pledged as security, or in any manner transferred or compromised any of the Settled Claims that she is releasing under this Settlement Agreement. TUPSS, Inc. represents that it is the owner of the Settled Claims that it is releasing under this Settlement Agreement and that it has not, in whole or in part, assigned,

encumbered, sold, pledged as security, or in any manner transferred or compromised any of the Settled Claims that they are releasing under this Settlement Agreement.

42. Authority: Each person executing this Settlement Agreement or any related documents represents and warrants that he or she has the full authority to execute the documents on behalf of the Person each represents and that each has the authority to take appropriate action required or permitted to be taken pursuant to this Settlement Agreement to effectuate its terms.

IX. No Admission of Fault or Wrongdoing

43. The Settlement, this Settlement Agreement, and the negotiation and mediation thereof shall in no way constitute, be construed as, or be evidence of an admission or concession of any violation of any statute, liability, or wrongdoing; or of any infirmity in the claims or defenses of the Parties with regard to any of the Complaints, claims, allegations, or defenses asserted or that could have been asserted in the SEC Action, the UPS Store Litigation, or any other proceeding relating to any Settled Claim, or any other proceeding in any Forum. The Settlement and this Settlement Agreement are a resolution of disputed claims to avoid the risk and substantial expense of protracted litigation. The Settlement, this Settlement Agreement, and evidence thereof shall not be used, directly or indirectly, in any way, in the SEC Action, the UPS Store Litigation, or in any other proceeding, other than to enforce the terms or intent of the Settlement and this Settlement Agreement or to defend against or facilitate a dismissal of any other proceeding against TUPSS, Inc..

X. Non-Disparagement

44. In connection with the Settlement and this Agreement, the Receiver and her counsel shall not make, disseminate, or publish any statement outside of court, including a statement in the press, or on the Receiver's website or social media, that would denigrate or embarrass TUPSS,

Inc., or that is otherwise negative or derogatory toward TUPSS, Inc. Nothing in this paragraph shall prevent the Receiver or her counsel from reporting the Receiver's activities to the Court or the SEC; from responding as necessary to inquiries from the Court or other governmental authorities; or from carrying out any of the Receiver's duties under any order addressing the scope of the Receiver's duties. Any violation of the terms of this paragraph shall not be a basis to withdraw from the Agreement. The relief available for any violation of the terms of this paragraph shall be limited to money damages.

XI. Miscellaneous

45. Final and Complete Resolution: The Parties intend this Settlement Agreement and the Settlement to be and constitute, to the greatest extent possible, a final and complete resolution of all matters and disputes between (1) the Receiver and the Interested Parties on the one hand, and (2) TUPSS, Inc. on the other hand.

46. Binding Agreement: As of the Settlement Agreement Date, this Settlement Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns. No Party may assign any of its rights or obligations under this Settlement Agreement without the express written consent of the other Parties.

47. Incorporation of Recitals: The Recitals contained in this Settlement Agreement are essential terms of this Settlement Agreement and are incorporated herein for all purposes.

48. Disclaimer of Reliance: In executing this Settlement Agreement, the Parties unequivocally represent, acknowledge, and state that they were represented by counsel in the negotiation and formation of this Settlement Agreement, which negotiation was conducted by the Parties at arm's length, and the Parties are relying solely upon each Party's own independent

knowledge, understanding, and investigation of the matters pertinent to this Settlement Agreement and have not seen, heard, or relied upon any promises, statements, representations, covenants, or warranties, whether written or oral, express or implied, made by one another or by any representative or other Person or entity and that no Party had any duty to make any disclosures, except to the extent expressly stated in this Settlement Agreement. The Parties hereby waive, release, and disclaim any right or ability to seek to revoke, rescind, vacate, or otherwise avoid the operation and effect of this Settlement Agreement on the basis of any alleged fraudulent inducement, misrepresentation, or material omission by any of the undersigned or their representatives, or on the basis of mutual or unilateral mistake of fact or law, or newly discovered information, and acknowledge that they are completely satisfied with this settlement, as reflected in this Settlement Agreement. The Parties waive any rights or remedies related to discovery and production of information, whether through formal discovery in the UPS Store Litigation or otherwise.

49. Third-Party Beneficiaries: This Settlement Agreement is not intended to and does not create rights enforceable by any Person other than the Parties as defined in this Settlement Agreement (or their respective heirs, executors, administrators, successors, and assigns, as provided in Paragraph 47 of this Settlement Agreement).

50. Negotiation, Drafting, and Construction: The Parties agree and acknowledge that they each have reviewed and cooperated in the preparation of this Settlement Agreement, that no Party should or shall be deemed the drafter of this Settlement Agreement or any provision hereof, and that any rule, presumption, or burden of proof that would construe this Settlement Agreement, any ambiguity, or any other matter, against the drafter shall not apply and is waived. The Parties enter into this Settlement Agreement freely, after good-faith, arm's-length negotiation, with the

advice of counsel, and in the absence of coercion, duress, and undue influence. The titles and headings in this Settlement Agreement are for convenience only, are not part of this Settlement Agreement, and shall not bear on the meaning of this Settlement Agreement. The words "include," "includes," or "including" shall be deemed to be followed by the words "without limitation." The words "and" and "or" shall be interpreted broadly to have the most inclusive meaning, both conjunctive and disjunctive. Words in the masculine, feminine, or neuter gender shall include any gender. The singular shall include the plural and vice versa. "Any" shall be understood to include and encompass "all," and "all" shall be understood to include and encompass "any."

51. Notice: Any notices, documents, or correspondence of any nature required to be sent pursuant to this Settlement Agreement shall be transmitted by both email and overnight delivery to the following recipients and will be deemed transmitted upon receipt by the overnight delivery service.

To The UPS Store, Inc.:
Adam J. Hunt (NY Bar No. 4896213)
(Pro Hac Vice)
MORRISON & FOERSTER LLP
250 West 55th Street
New York, NY 10019
Telephone: (212) 468-8000
Facsimile: (212) 468-7900
Email: AdamHunt@mofo.com

LaToya C. Merritt, MSB #100054
Mallory K. Bland, MSB #105665
PHELPS DUNBAR, LLP
4270 I-55 North
Jackson, MS 39211
Post Office Box 16114
Jackson, MS 39236
Telephone: (601) 352-2300
Telecopier: (601) 360-9777
Email: LaToya.Merritt@phelps.com
Mallory.Bland@phelps.com

Attorneys for Defendant, THE UPS STORE, INC.

To the Receiver:
Alysson Leigh Mills
650 Poydras Street, Suite 1525
New Orleans, LA 70130
alysson@alyssonmills.com

Brent B. Barriere
Kaja S. Elmer
FISHMAN HAYGOOD, LLP
201 St. Charles Avenue, Suite 4600
New Orleans, LA 70170
Bbarriere@fishmanhaygood.com
kelmer@fishmanhaygood.com

Each Party shall provide notice of any change to the service information set forth above to all other Parties by the means set forth in this paragraph.

52. Choice of Law: This Settlement Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Mississippi, without regard to the choice-of-law principles of Mississippi or any other jurisdiction.

53. Mandatory, Exclusive Forum Selection Clause: Any dispute, controversy, or claim arising out of or related to the Settlement or this Settlement Agreement, including breach, interpretation, effect, or validity of this Settlement Agreement, whether arising in contract, tort, or otherwise, shall be brought exclusively in the United States District Court for the Southern District of Mississippi, Northern Division. Solely with respect to any such action, the Parties irrevocably stipulate and consent to personal and subject matter jurisdiction and venue in such court, and waive any argument that such court is inconvenient, improper, or otherwise an inappropriate forum.

54. Costs and Fees Incurred in Enforcing Settlement Agreement: If any action is brought to enforce the Settlement or this Settlement Agreement, each Party shall bear its own expenses, costs, and reasonable attorneys' fees incurred in that action.

55. United States Currency: All dollar amounts in this Settlement Agreement are expressed in United States dollars.

56. Timing: If any deadline imposed by this Settlement Agreement falls on a non-business day, then the deadline is extended until the next business day.

57. Waiver: The waiver by a Party of any right or breach of this Settlement Agreement by another Party shall not be deemed a waiver of any other right or prior or subsequent breach of this Settlement Agreement. Any waiver by a Party of any right or breach of this Settlement Agreement by another Party must be in writing and signed by all Parties.

58. Exhibits: The exhibits annexed to this Settlement Agreement are incorporated by reference as though fully set forth in this Settlement Agreement.

59. Integration and Modification: This Settlement Agreement sets forth the entire understanding and agreement of the Parties with respect to the subject matter of this Settlement Agreement and supersedes all prior agreements, understandings, negotiations, and communications, whether oral or written, with respect to such subject matter. Neither this Settlement Agreement nor any provision or term of this Settlement Agreement may be amended, modified, revoked, supplemented, waived, or otherwise changed except by a writing signed by all of the Parties.

60. Counterparts and Signatures: This Settlement Agreement may be executed in one or more counterparts, each of which for all purposes shall be deemed an original, but all of which taken together shall constitute one and the same instrument. A signature delivered by fax or other

electronic means shall be deemed to be, and shall have the same binding effect as, a handwritten, original signature.

Receiver:

_____
Alysson Mills

The UPS Store, Inc.

By: _____
Name: _____
Title: _____

SETTLEMENT AGREEMENT

The Parties to this Settlement Agreement are on one part, Plaintiff, Alysson Mills, in her capacity as the court-appointed Receiver for the estates of Arthur Lamar Adams ("Adams") and Madison Timber Properties, LLC (the "Receiver"); and on the other part, Defendants Herring Ventures, LLC; Austin Elsen; Courtney Herring; Tammie Elsen; Diane Lofton; and Chandler Westover (collectively, the "Notary Defendants"). The Receiver and each of the Notary Defendants will be referred to individually as a "Party" and together as the "Parties."

RECITALS

The Recitals to this Settlement Agreement are:

A. On April 20, 2018, the United States Securities and Exchange Commission (the "SEC") initiated *SEC v. Adams*, Case No. 3:18-cv-252-CWR-FKB (now Case No. 3:18-cv-00252-CWR-BWR) (the "SEC Action"), alleging that Adams and Madison Timber Properties, LLC and others affiliated with them ("MTP" as defined below) committed securities fraud by operating a Ponzi scheme (SEC Action ECF No. 3).

B. In an April 20, 2018 order in the SEC Action (ECF No. 5), the United States District Court for the Southern District of Mississippi (i) froze and enjoined Adams and Madison Timber Properties, LLC from disposing of the assets, and other tangible and intangible monies and property, as further set forth in that order, of Adams and Madison Timber Properties, LLC and all entities they owned or controlled as of April 20, 2018, and (ii) enjoined Adams and Madison Timber Properties, LLC from destroying or otherwise disposing of the books and records, accounts, statements, and other documents which reflect Adams and Madison Timber Properties, LLC's business activities or the transactions described in the SEC Action complaint.

C. In a June 22, 2018 order (SEC Action ECF No. 33), the Court appointed Alysson Mills Receiver for the Receivership Assets and the Receivership Records (collectively, the "Receivership Estate") with all powers of a Receiver at equity under common law as well as those powers enumerated in that order, as amended by orders in that same matter of August 8, 2018 (SEC Action ECF No. 38), September 20, 2018 (SEC Action ECF No. 44) and May 17, 2019 (SEC Action ECF No. 154) (collectively, the "Receivership Orders").

D. The Receivership Orders vested the Receiver with the general power and duty, among other things, "to take custody, control, and possession of all Receivership Property, Receivership Records, and any assets traceable to assets owned by the Receivership Estate" and to investigate and ". . . to bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging her duties as Receiver . . ." and ". . . to take such other action as may be approved by this Court." SEC Action ECF No. 33 at 9.

E. Alysson Mills has served as Receiver continuously since her appointment.

F. On May 23, 2019, the Receiver filed her original complaint against the Notary Defendants and other defendants styled *Mills v. The UPS Store, Inc., et al.*, Case No. 3:19-cv-364-CWR-BWR, United States District Court for the Southern District of Mississippi (the "UPS Store Litigation"). ECF No. 1.

G. The Notary Defendants expressly deny any and all allegations of wrongdoing, fault, liability, or damages and enters into this Settlement Agreement solely to avoid the burdens, substantial expenses, and risks of litigation, including not only the pending UPS Store Litigation, but also any and all other claims or litigation or proceedings that might have arisen, or that might arise, in connection with Adams and MTP. The entry of a Final Judgment and Final Bar Order

acceptable to the Notary Defendants, substantially identical to the final judgment and final bar orders entered in related cases, attached as Exhibit A hereto, (i) prohibiting any and all other Persons (including but not limited to MTP Investors and Claimants) from pursuing claims against the Notary Defendants or any of them related to MTP, and (ii) channeling all claims of Interested Parties (including but not limited to MTP Investors and Claimants) related to MTP through the Receivership Estate, is an integral and essential part of this Settlement, and an essential condition to any obligation for the Notary Defendants to perform under this Settlement Agreement. The Settlement would not have occurred, and will not be consummated, absent entry of a Bar Order that becomes Final.

H. The Parties have engaged in extensive, good-faith, and arm's-length negotiations leading to this Settlement Agreement, including participation in a multi-day mediation proceeding conducted by United States Magistrate Judge Bradley W. Rath.

I. Absent approval of this Settlement, the UPS Store Litigation will likely take many more years and cost millions of dollars to litigate to final judgment and through appeals, and the outcome of the litigation would be uncertain.

J. In *Zacarias v. Stanford Int'l Bank, Ltd.*, 945 F.3d 883 (5th Cir. 2019), the United States Court of Appeals for the Fifth Circuit affirmed approval of a settlement conditioned on the entry of bar orders enjoining suits filed against the settling defendants in that litigation, demonstrating the propriety of the Proposed Partial Final Judgment and Final Bar Order attached as Exhibit A.

K. The Receiver has reviewed, approved, and entered into this Settlement Agreement and the terms of the Settlement, as evidenced by her signature to this Settlement Agreement.

AGREEMENT

I. Settlement Agreement Date

1. This Settlement Agreement shall take effect once all Parties have signed the Settlement Agreement as of the date of the last signature to the Settlement Agreement (the "Settlement Agreement Date").

II. Terms Used in this Settlement Agreement

The terms used in this Settlement Agreement and the Partial Final Judgment and Final Bar Order and defined below, have the following meanings:

2. "Settlement Agreement" means this agreement.

3. "Bar Order" means an order entered in the SEC Action including findings under Federal Rule of Civil Procedure 54(b), substantially identical to the Proposed Partial Final Judgment and Final Bar Order attached hereto as Exhibit A. The provisions of this Settlement Agreement concerning entry of a Bar Order were separately bargained for. Entry and finality of a Bar Order acceptable to the Notary Defendants (i) prohibiting any and all other Persons (including, but not limited to, Claimants) from pursuing claims against the Notary Defendants, related to MTP and from pursuing claims against TUPSS, Inc. related to the Notary Defendants's policies, and (ii) channeling all claims of Interested Parties related to MTP through the Receivership Estate is essential, integral elements and a condition precedent of the Notary Defendants' obligations under this Settlement Agreement and the Settlement.

4. "Claim" means a Person's alleged, potential or asserted right to receive funds from the Receivership Estate, or the funds and assets subject to the authority of the Receiver, or the Notary Defendants, arising from alleged harm, injury, losses or damages sustained by any Person as a result of the MTP Ponzi scheme and MTP's related conduct and actions. "Claim" includes, but is not limited to, potential or asserted rights arising from or related to MTP Investments.

"Claim" includes any and all claims that MTP Investors may have against the Notary Defendants related in any way to MTP.

5. "Claim Assigned to Receiver" means any Claim that has been assigned in writing to the Receiver by any Interested Person.

6. "Claimant" means any Person who has submitted a Claim to the Receiver, including Persons whose claims are derivative or beneficial of Claims submitted by or through other Persons. Where a Claim has been transferred or assigned to a third party and such transfer has been acknowledged by the Receiver, the transferee is a Claimant.

7. "Distribution Plan" means the plan approved by the Court for the distribution of the Settlement Amount (net of any attorneys' fees or costs that are awarded by the Court) to Claimants whose Claims the Receiver has allowed.

8. "Final" means unmodified after the conclusion of, or expiration of any right of any Person to pursue, any and all possible forms and levels of appeal, reconsideration, rehearing, certiorari, or review, judicial or otherwise, including by a court or Forum of last resort, wherever located, whether automatic or discretionary or as a matter of right, whether by appeal or otherwise. The Bar Order shall include findings under Federal Rule of Civil Procedure 54(b) and will become Final as set forth in this paragraph as though such order was entered as a judgment at the end of a case, and the continuing pendency of the SEC Action, UPS Store Litigation, or any other litigation or other dispute shall not be construed as preventing such Bar Order from becoming Final.

9. "Forum" means any court, adjudicative body, tribunal, or jurisdiction, whether its nature is federal, foreign, state, administrative, regulatory, arbitral, local, or otherwise.

10. "Hearing" means a formal proceeding in open court, on the record, before the Court.

11. "Interested Parties" means the Receiver; the Receivership Estate; the Claimants; Adams and MTP; MTP Investors; every Person who owns a Claim or a beneficial interest in a Claim; and any Person or Persons alleged by the Receiver or other Person or entity on behalf of the Receivership Estate to be liable to the Receivership Estate, whether or not a formal proceeding has been initiated.

12. "MTP" means Arthur Lamar Adams; Madison Timber Properties, LLC; Madison Timber Company; Wayne Kelly; known and unknown agents of the foregoing; and any entity of any type owned, controlled by, or affiliated with Arthur Lamar Adams on or before April 20, 2018.

13. "MTP Investor" means any Person who directly or indirectly invested money in the MTP Ponzi scheme, whether by purchasing promissory notes or securities or otherwise, whether individually or through a collective group or legal entity such as a partnership, limited liability company, corporation, trust or joint venture.

14. "MTP Investment" means any investment of money in the MTP Ponzi scheme, including purchase of securities or promissory notes or otherwise, through which any Person claims or has claimed to be entitled to receive payments of money from MTP.

15. "Person" means any natural person or legal entity capable under the law of possessing or enforcing rights, including but not limited to any individual, juridical person, legal entity, company, corporation, partnership, joint venture, trust, governmental authority, estate, guardian, agency or quasi-governmental person, regardless of location, residence, or nationality.

16. "Receiver" includes the Receiver and all of her counsel.

17. "Releasor" means any Person granting a release of a Settled Claim, including any Person whose Settled Claim is released by another Person acting with authority to do so.

18. "Settled Claim" means any claim, whether or not currently asserted, known or unknown, suspected, existing, or discoverable, and whether based on federal law, state law, foreign law, common law, equity, or otherwise, and whether based on contract or tort, or otherwise, that a Releasor ever had, now has, or hereafter can, shall, or may have, directly, representatively, derivatively, or in any other capacity against the Notary Defendants that, in full or in part, concerns, relates to, arises out of, or is in any manner connected with (i) the Notary Defendants Litigation and the claims that were or could have been asserted against the UPS Store therein; (ii) Adams and MTP or any of their affiliates; (iii) any promissory note or investment of any type issued by or associated with MTP or any of its affiliates; (iv) the relationships with Adams, MTP or their affiliates; and (v) the provision of services by the Notary Defendants or by any other defendant in the UPS Store Litigation to or for the benefit of or on behalf of Adams, MTP or any of their affiliates. "Settled Claim" includes every Claim against the Notary Defendants that the Receiver has the power, authority, or capacity to settle, resolve and release. "Settled Claims" includes, but is not limited to, all Claims Assigned to Receiver. "Settled Claims" includes all claims held by any Person, including but not limited to all MTP Investors, based on, or arising from, or related to, MTP Investments or non-payment by MTP of principal and interest owed under promissory notes or securities issued by or on behalf of MTP. "Settled Claims" specifically includes, without limitation, all claims each Releasor, Claimant or Person does not know or suspect to exist in his favor at the time of release, which, if known by that Person, might have affected his decisions with respect to this Settlement Agreement and the Settlement ("Unknown Claims"). Each Releasor expressly waives, releases, and relinquishes any and all provisions, rights, and benefits conferred by any law or principle, in the United States or elsewhere, that governs or limits the release of unknown claims, including, without limitation, California Civil Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Each Releasor acknowledges that he may hereafter discover facts different from, or in addition to, those that Releasor now knows or believes to be true with respect to the Settled Claims, but nonetheless agrees that this Settlement Agreement, including the releases granted in it, will remain binding and effective in all respects notwithstanding that discovery. Unknown Claims include contingent and non-contingent claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of different or additional facts. These provisions concerning Unknown Claims and the inclusion of Unknown Claims in the definition of Settled Claims were separately bargained for and are an essential element of this Settlement Agreement and the Settlement.

19. "Settlement" means the agreed resolution of the Settled Claims in the manner set forth in this Settlement Agreement.

20. "Settlement Amount" has the meaning defined in paragraph 24.

21. "Settlement Effective Date" means the date on which occurs the Bar Order becomes Final.

22. "Herring Ventures, LLC" includes its counsel and also includes each of its respective past, present, and future directors, officers, legal and equitable owners, shareholders, members, managers, principals, employees, associates, representatives, distributees, agents, attorneys, trustees, general and limited partners, lenders, direct and indirect parents, subsidiaries, affiliates, related entities, divisions, partnerships, corporations, joint ventures and joint venturers,

executors, administrators, heirs, beneficiaries, assigns, predecessors, predecessors in interest, successors, and successors in interest.

23. "Taxes" means any and all taxes, whether federal, state, local, or other taxes related to the Settlement or the Settlement Amount, and costs incurred in connection with such taxation including, without limitation, the fees and expenses of tax attorneys and accountants.

III. Delivery of Settlement Amount; Dismissal with Prejudice of Litigation

24. In consideration of the release granted by the Receiver to the Notary Defendants and the dismissal of the UPS Litigation as to the Notary Defendants, with prejudice, the Notary Defendants shall provide, directly or indirectly, consideration amounting to One Million Five Hundred Thousand Dollars (the "Settlement Amount") and payable as follows:

a. A cash payment of $150,000, which shall be paid to the Receiver within forty-five (45) days of the Bar Order becoming final (the "First Settlement Payment").

b. A credit of $150,000 for amounts paid to the Receiver by American Casualty Company. The Notary Defendants agree and acknowledge that they have waived and released any claim to any said funds.

c. A promissory note (the "Note") in the form attached as Exhibit "B" and executed on a day which occurs within fourteen business days of the Bar Order becoming final, in the original principal amount of $1,200,000 and bearing interest at the rate of 5% per annum and due and payable on or before the third anniversary of the date of execution of the Note.

d. The Note may be pre-paid in full and complete satisfaction of the Note by either (i) a payment in the amount of $400,000 tendered on or before the first anniversary of the date of execution of the Note (the "First Anniversary") or (ii) a payment in the

amount of $600,000 tendered on a date which occurs after the First Anniversary and on or before the date of the second anniversary of the execution of the Note.

25. Dismissal of the UPS Store Litigation: Within three (3) business days after receipt of the First Settlement Payment, the Receiver shall file with the Court an agreed motion to dismiss fully and finally with prejudice without costs or attorneys' fees all claims against all Notary Defendants in the UPS Store Litigation, and shall submit to the Court a proposed Final Judgment of Dismissal of the UPS Store Litigation with respect to the Notary Defendants, in forms approved by the Notary Defendants' counsel.

IV. Use and Management of Settlement Amount

26. Management and Distribution of Settlement Amount: If and when the Settlement Amount is delivered to the Receiver, the Receiver shall receive and take custody of the Settlement Amount and shall be solely responsible for preparing, seeking approval of, and implementing the Distribution Plan including, without limitation, receiving, managing, and disbursing the Settlement Amount, in accordance with the Court's orders. The Receiver shall be responsible for all Taxes, fees, and expenses that may be due with respect to the Settlement Amount or the management, use, administration, or distribution of the Settlement Amount. In connection with any distribution of the Settlement Amount, the Receiver shall remind, in writing, any recipient of any distribution of the Settlement Amount of the scope and effect of the Bar Order including notice that the Settlement and Final Bar Order preclude any further claims or litigation against, or collection from, the Notary Defendants in connection with the Settled Claims; otherwise, the Receiver owes no duties to the Notary Defendants in connection with the distribution of the Settlement Amount or the Distribution Plan, other than compliance with Court orders, and if the Receiver complies with this Settlement Agreement and all orders issued by the Court, the Notary Defendants may not assert any claim or

cause of action against the Receiver in connection with the distribution of the Settlement Amount or the Distribution Plan. In no event will the Receiver or the Receivership Estate be liable to the Notary Defendants for damages or the payment or re-payment of funds of any kind as a result of any deficiency associated with the distribution of the Settlement Amount or the Distribution Plan.

27. No Liability: The Notary Defendants shall have no responsibility, obligation, or liability whatsoever with respect to the administration of the Settlement; the management, investment, or distribution of the Settlement Amount or any other funds paid or received in connection with the Settlement; the payment or withholding or reporting of Taxes that may be due or owing by the Receiver or any recipient of funds from the Settlement Amount; the terms, interpretation, or implementation of the Distribution Plan; the determination, administration, calculation, review, or challenge of claims to the Settlement Amount, any portion of the Settlement Amount, or any other funds paid or received in connection with the Settlement or this Settlement Agreement; or any losses, attorneys' fees, expenses, vendor payments, expert payments, or other costs incurred in connection with any of the foregoing matters. Nothing in this paragraph shall alter the Notary Defendants' obligations to deliver the Settlement Amount to the Receiver pursuant to the terms of this Settlement Agreement and the Note.

V. Motion for Approval of Settlement, and Form and Procedure for Notice

28. Motion and Notice: No later than seven days after this Settlement Agreement's execution by all Parties, the Receiver shall file a motion (the "Motion") that requests that, after notice and hearing, the Court enter an order approving this Settlement Agreement and the Bar Order identified in Paragraph 3 of this Settlement Agreement. The Motion shall include: (a) a copy of this Settlement Agreement, with Exhibits; (b) a proposed Order Setting Hearing that instructs the Receiver to provide notice of this Settlement Agreement and the Bar Order to all Interested Parties

as defined in this Settlement Agreement, (i) by sending them a detailed description of the Claims, the Settlement, the Bar Order, and their rights to appear and participate at the Hearing on the Motion (the "Notice"), by United States Mail, First Class postage prepaid, to each Interested Party at its last known mailing address, according to the Receiver's records; (ii) in addition, by sending a copy of the Notice to all Interested Parties via email, to the extent the Receiver is aware of their email addresses; and (iii) by prominently posting the Notice, the Settlement Agreement, the Proposed Partial Final Judgment and Final Bar Order, and all Court filings related to the Settlement on the Receiver's website, www.madisontimberreceiver.com. In addition, the Receiver shall provide the same Notice, by United States Mail, First Class postage prepaid, and by email, to any attorneys who have notified the Receiver that they represent any Claimants or MTP Investors.

29. The Receiver Shall Be Solely Responsible for Notice: The Receiver shall be solely responsible for the preparation and dissemination of notice as directed by the Court. In the absence of intentional refusal by the Receiver to prepare and disseminate notice pursuant to this Settlement Agreement or a court order, no Interested Party or any other Person shall have any recourse against the Receiver with respect to any claims that may arise from or relate to the notice process. In the case of intentional refusal by the Receiver to prepare and disseminate notice pursuant to this Settlement Agreement or a court order, the Notary Defendants shall not have any claim against the Receiver other than the ability to seek specific performance. The Parties do not intend to give any other Person any right or recourse against the Receiver in connection with the notice process.

30. No Recourse Against the Notary Defendants: No Interested Party or any other Person shall have any recourse against the Notary Defendants with respect to any claims that may arise from or relate to the notice process.

31. No Challenge: No Party shall challenge the approval of the Settlement, and no Party will encourage or assist any Interested Party in challenging the Settlement.

VI. Rescission if the Settlement is Not Finally Approved, or the Bar Order is Not Entered

32. Right to Withdraw: The Parties represent and acknowledge each of the following terms was necessary and essential to the Parties' agreement to this Settlement and this Settlement Agreement, and that the Settlement would not have been reached in the absence of these terms: (a) Court approval of the Settlement and the terms of this Settlement Agreement without material modification or limitation; (b) entry by the Court of the Final Judgment and Final Bar Order in the UPS Store Litigation; (c) all these approvals and orders becoming Final, as defined in Paragraph 8 and as required by this Settlement Agreement; and (d) the subsequent final judgment of dismissal with prejudice of all claims against the UPS Store in the UPS Store Litigation. If the Court refuses to provide the approvals described in (a), or if the Court refuses to enter the Bar Order described in (b) without material modification, or if the final result of any appeal from the approvals and order described in (a) or (b) is that any of the approvals or order are not affirmed in their entirety and without material modification or limitation, or if the claims against the Notary Defendants in the UPS Store Litigation are not dismissed fully and finally with prejudice, then the Receiver or the Notary Defendants, individually and collectively, have the right to withdraw agreement to the Settlement and to this Settlement Agreement by providing to all other Parties written notice of that withdrawal within fourteen (14) days of the order or judicial determination giving rise to the right to withdraw. The effective date of the withdrawal will be twenty-one (21) days after the notice of same, during which time the Parties agree to work together in good faith to attempt to negotiate an alternative settlement.

33. Effectiveness of Bar Order: If, before the Settlement Effective Date, the United States Supreme Court or the United States Court of Appeals for the Fifth Circuit issues any opinion or order in any case that renders the Bar Order ineffective as to claims of third parties, including, but not limited to, claims of MTP Investors, then the Notary Defendants shall have the right to withdraw from this Settlement Agreement and the Settlement.

34. In the event that any Party withdraws its agreement to the Settlement or this Settlement Agreement pursuant to the preceding paragraph, this Settlement Agreement and any prior negotiations or agreements in principle related to the Settlement will be null and void and of no further effect whatsoever, shall not be admissible in any ongoing or future proceedings for any purpose whatsoever, and shall not be the subject or basis for any claims or defenses by any Party against any other Party other than to enforce the surviving terms of this Settlement Agreement.

35. The Parties do not have the right to withdraw from, or otherwise terminate, the Settlement Agreement for any reason other than the reasons identified in the foregoing paragraph.

VII. Releases and Covenant Not to Sue

36. Release of the Notary Defendants: Effective upon the date of the receipt of the Settlement Amount, the Receiver on behalf of the Receivership Estate (including Adams and MTP), fully, finally, and forever releases, relinquishes, and discharges, with prejudice, all Settled Claims, including all claims against the Notary Defendants arising from or related in any way to MTP.

37. Release of the Receiver: As of the Settlement Effective Date, the Notary Defendants fully, finally and forever release, relinquish, and discharge with prejudice all Settled Claims against the Receiver.

38. No Release of Obligations Under Settlement Agreement: Notwithstanding anything to the contrary in this Settlement Agreement, the releases and covenants contained in this

Settlement Agreement do not release the Parties' rights and obligations under this Settlement Agreement, Note, or the Settlement, nor do they bar the Parties from enforcing or effectuating this Settlement Agreement, Note, or the Settlement.

39. Covenant Not to Sue: As of the date of receipt of the Settlement Amount, the Receiver on behalf of the Receivership Estate (including MTP), covenants not to institute, reinstitute, maintain, continue, encourage, solicit, support, participate in, collaborate in, or otherwise prosecute, directly or indirectly, or through a third party, against the Notary Defendants any lawsuit, investigation, demand, or other proceeding, whether individually, derivatively, on behalf of, as a member of a class, or in any other capacity, concerning or relating to the Settled Claims, whether in a court or any other Forum. Effective as of the Settlement Effective Date, the Notary Defendants covenant not to institute, reinstitute, maintain, continue, encourage, solicit, support, participate in, collaborate in, or otherwise prosecute against the Receiver, any lawsuit, investigation, demand, or other proceeding, directly or indirectly, or through a third party, whether individually, derivatively, on behalf or, as a member of a class, or in any other capacity, concerning or relating to the Settled Claims, whether in a court or any other Forum. Notwithstanding the foregoing, however, the Parties retain the right to sue for alleged breaches of this Settlement Agreement.

VIII. Representations and Warranties

40. No Assignment, Encumbrance, or Transfer: The Receiver represents and warrants that she is the owner of the Settled Claims that she is releasing under this Settlement Agreement and she has not, in whole or in part, assigned, encumbered, sold, pledged as security, or in any manner transferred or compromised any of the Settled Claims that she is releasing under this Settlement Agreement. The Notary Defendants represent that they are the owners of the Settled

Claims that they hare releasing under this Settlement Agreement and that they have not, in whole or in part, assigned, encumbered, sold, pledged as security, or in any manner transferred or compromised any of the Settled Claims that they are releasing under this Settlement Agreement.

41. Authority: Each person executing this Settlement Agreement or any related documents represents and warrants that he or she has the full authority to execute the documents on behalf of the Person each represents and that each has the authority to take appropriate action required or permitted to be taken pursuant to this Settlement Agreement to effectuate its terms.

IX. No Admission of Fault or Wrongdoing

42. The Settlement, this Settlement Agreement, and the negotiation and mediation thereof shall in no way constitute, be construed as, or be evidence of an admission or concession of any violation of any statute, liability, or wrongdoing; or of any infirmity in the claims or defenses of the Parties with regard to any of the Complaints, claims, allegations, or defenses asserted or that could have been asserted in the SEC Action, the UPS Store Litigation, or any other proceeding relating to any Settled Claim, or any other proceeding in any Forum. The Settlement and this Settlement Agreement are a resolution of disputed claims to avoid the risk and substantial expense of protracted litigation. The Settlement, this Settlement Agreement, and evidence thereof shall not be used, directly or indirectly, in any way, in the SEC Action, the UPS Store Litigation, or in any other proceeding, other than to enforce the terms or intent of the Settlement and this Settlement Agreement or to defend against or facilitate a dismissal of any other proceeding against the UPS Store.

XI. Miscellaneous

43. Final and Complete Resolution: The Parties intend this Settlement Agreement and the Settlement to be and constitute, to the greatest extent possible, a final and complete resolution

of all matters and disputes between (1) the Receiver and the Interested Parties, on the one hand, and (2) the Notary Defendants on the other hand.

44. Binding Agreement: As of the Settlement Agreement Date, this Settlement Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns. No Party may assign any of its rights or obligations under this Settlement Agreement without the express written consent of the other Parties.

45. Incorporation of Recitals: The Recitals contained in this Settlement Agreement are essential terms of this Settlement Agreement and are incorporated herein for all purposes.

46. Disclaimer of Reliance: In executing this Settlement Agreement, the Parties unequivocally represent, acknowledge, and state that they were represented by counsel in the negotiation and formation of this Settlement Agreement, which negotiation was conducted by the Parties at arm's length, and the Parties are relying solely upon each Party's own independent knowledge, understanding, and investigation of the matters pertinent to this Settlement Agreement and have not seen, heard, or relied upon any promises, statements, representations, covenants, or warranties, whether written or oral, express or implied, made by one another or by any representative or other Person or entity and that no Party had any duty to make any disclosures, except to the extent expressly stated in this Settlement Agreement. The Parties hereby waive, release, and disclaim any right or ability to seek to revoke, rescind, vacate, or otherwise avoid the operation and effect of this Settlement Agreement on the basis of any alleged fraudulent inducement, misrepresentation, or material omission by any of the undersigned or their representatives, or on the basis of mutual or unilateral mistake of fact or law, or newly discovered information, and acknowledge that they are completely satisfied with this settlement, as reflected

in this Settlement Agreement. The Parties waive any rights or remedies related to discovery and production of information, whether through formal discovery in the UPS Store Litigation or otherwise.

47. Third-Party Beneficiaries: This Settlement Agreement is not intended to and does not create rights enforceable by any Person other than the Parties as defined in this Settlement Agreement (or their respective heirs, executors, administrators, successors, and assigns, as provided in Paragraph 47 of this Settlement Agreement).

48. Negotiation, Drafting, and Construction: The Parties agree and acknowledge that they each have reviewed and cooperated in the preparation of this Settlement Agreement, that no Party should or shall be deemed the drafter of this Settlement Agreement or any provision hereof, and that any rule, presumption, or burden of proof that would construe this Settlement Agreement, any ambiguity, or any other matter, against the drafter shall not apply and is waived. The Parties enter into this Settlement Agreement freely, after good-faith, arm's-length negotiation, with the advice of counsel, and in the absence of coercion, duress, and undue influence. The titles and headings in this Settlement Agreement are for convenience only, are not part of this Settlement Agreement, and shall not bear on the meaning of this Settlement Agreement. The words "include," "includes," or "including" shall be deemed to be followed by the words "without limitation." The words "and" and "or" shall be interpreted broadly to have the most inclusive meaning, both conjunctive and disjunctive. Words in the masculine, feminine, or neuter gender shall include any gender. The singular shall include the plural and vice versa. "Any" shall be understood to include and encompass "all," and "all" shall be understood to include and encompass "any."

49. Notice: Any notices, documents, or correspondence of any nature required to be sent pursuant to this Settlement Agreement shall be transmitted by both e-mail and overnight

delivery to the following recipients, and will be deemed transmitted upon receipt by the overnight delivery service.

To the Notary Defendants:
William L. Guice III
R. Scott Wells
Rushing & Guice, PLLC
1000 Government Street, Suite E
Ocean Springs, MS 39564
bguice@rushingguice.com
swells@rushingguice.com
Attorneys for Notary Defendants

To Receiver:
Alysson Leigh Mills
650 Poydras Street, Suite 1525
New Orleans, LA 70130
alysson@alyssonmills.com

Brent B. Barriere
Kaja S. Elmer
FISHMAN HAYGOOD, LLP
201 St. Charles Avenue, Suite 4600
New Orleans, LA 70170-4600
Bbarriere@fishmanhaygood.com
kelmer@fishmanhaygood.com

Each Party shall provide notice of any change to the service information set forth above to all other Parties by the means set forth in this paragraph.

50. Choice of Law: This Settlement Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Mississippi, without regard to the choice-of-law principles of Mississippi or any other jurisdiction.

51. Mandatory, Exclusive Forum Selection Clause: Any dispute, controversy, or claim arising out of or related to the Settlement or this Settlement Agreement, including breach, interpretation, effect, or validity of this Settlement Agreement, whether arising in contract, tort, or otherwise, shall be brought exclusively in the United States District Court for the Southern District

of Mississippi, Northern Division. Solely with respect to any such action, the Parties irrevocably stipulate and consent to personal and subject matter jurisdiction and venue in such court, and waive any argument that such court is inconvenient, improper, or otherwise an inappropriate forum.

52. Costs and Fees Incurred in Enforcing Settlement Agreement: If any action is brought to enforce the Settlement or this Settlement Agreement, each Party shall bear its own expenses, costs and reasonable attorneys' fees incurred in that action.

53. United States Currency: All dollar amounts in this Settlement Agreement are expressed in United States dollars.

54. Timing: If any deadline imposed by this Settlement Agreement falls on a non-business day, then the deadline is extended until the next business day.

55. Waiver: The waiver by a Party of any right or breach of this Settlement Agreement by another Party shall not be deemed a waiver of any other right or prior or subsequent breach of this Settlement Agreement. Any waiver by a Party of any right or breach of this Settlement Agreement by another Party must be in writing and signed by all Parties.

56. Exhibits: The exhibits annexed to this Settlement Agreement are incorporated by reference as though fully set forth in this Settlement Agreement.

57. Integration and Modification: This Settlement Agreement sets forth the entire understanding and agreement of the Parties with respect to the subject matter of this Settlement Agreement and supersedes all prior agreements, understandings, negotiations, and communications, whether oral or written, with respect to such subject matter. Neither this Settlement Agreement, nor any provision or term of this Settlement Agreement, may be amended, modified, revoked, supplemented, waived, or otherwise changed except by a writing signed by all of the Parties.

58. Counterparts and Signatures: This Settlement Agreement may be executed in one or more counterparts, each of which for all purposes shall be deemed an original but all of which taken together shall constitute one and the same instrument. A signature delivered by fax or other electronic means shall be deemed to be, and shall have the same binding effect as, a handwritten, original signature.

Receiver:

_____
Alysson Mills

Herring Ventures, Inc.

By: _____
Name: _____
Title: _____

_____
Tammie Elsen

_____
Diane Lofton

_____
Austin Elsen

_____
Chandler Westover

_____
Courtney Herring

STATE OF LOUISIANA

PARISH OF ORLEANS

ABSOLUTE RELEASE WITH COVENANTS

KNOW ALL MEN BY THESE PRESENTS: that I, **ALYSSON MILLS**, in my capacity as Receiver for Arthur Lamar Adams and Madison Timber Properties, LLC, for and in consideration of the total sum of **FIFTY THOUSAND DOLLARS AND NO/100 ($50,000.00)**, cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, do hereby remise, release, acquit, forever discharge and covenant to hold harmless **AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**, their representatives, officers, agents, servants, successors, heirs, assigns, insurer or insurers, and any and all other persons, firms, organizations and/or corporations whatsoever having any liability in the premises, either directly or indirectly, or by contract, including but not limited to American Casualty Company of Reading, Pennsylvania, vicariously or by way of indemnification, they being the Releasees of and from any and all actions, causes of action, claims, demands, damages, contracts, controversies, and compensation of every kind, type and character whatsoever as a result of claims asserted for insurance coverage issued to Herring Ventures, LLC pursuant to American Casualty Company of Reading, Pennsylvania's policy number CNP 2076038325, for negligent notarial acts of the employees of Herring Ventures, LLC, as alleged in the Amended and Second Amended Complaint as filed in Cause No. 3:19-CV-00364-CWR-BWR.

It is further understood, covenanted, agreed, and warranted as a part of this settlement that the litigation pending **IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI, NORTHERN DIVISION** being styled, "**ALYSSON MILLS, IN HER CAPACITY AS RECEIVER FOR ARTHUR LAMAR ADAMS AND MADISON TIMBER PROPERTIES, LLC, Plaintiff, v. THE UPS STORE, INC., HERRING VENTURES, LLC, d/b/a THE UPS STORE; AUSTIN ELSEN; TAMMIE ELSEN; COURTNEY HERRING; DIANE LOFTON; CHANDER WESTOVER; RAWLINGS & MACINNIS, PA; TAMMY VINSON; AND JEANNIE CHISHOLM, Defendants, Civil Action Number. 3:19-CV-00364-CWR-BWR**" on the docket of said Court will be dismissed with prejudice as to any rights or causes of action set forth in the amended complaint on file as well as any other causes of action accrued or accruing to the undersigned and arising out of the insurance contract aforesaid, and an appropriate Judgment of Dismissal with prejudice will be entered as to any such claims heretofore filed in such proceedings by the undersigned whatsoever against the Releasees.

The undersigned party further agrees, covenants and warrants that there have been no assignments of any rights or claims arising out of the event described herein to any person or persons not joining in this release instrument that have not been paid or will be paid by the proceeds received, and the undersigned party agrees that hereinafter the released parties shall be forever free of liability as to any claims asserted or that could have been asserted by the undersigned.

The undersigned party further stipulates and warrants that I am of sound and disposing mind and memory and that I am above the age of majority and that I have full authority to execute this instrument, my signature being binding.

The undersigned party understands that those released hereby deny all liability in the premises and maintain that they have previously paid the available policy limits of $100,000.00, for the claims asserted, and therefore, were not liable to anyone for anything.

It is further understood and agreed that the aforesaid payment shall not, in any manner, be construed as an admission of any liability on the part of any party named herein, but that such payment constitutes solely compromise settlement and an accord and satisfaction of the disputed claims of the undersigned; that this release is without reservation of any kind and character, and includes fully and completely any and all claims of any type which may have arisen or may hereinafter arise in favor of the undersigned in her capacity as Receiver, and that the undersigned will release with prejudice the above mentioned action pending in the United States District Court for the Southern District of Mississippi, Northern Division, against **AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA.**

WITNESS MY SIGNATURE, this the 29th day of July, 2026.

Alysson Mills

ALYSSON MILLS, IN HER CAPACITY AS RECEIVER FOR ARTHUR LAMAR ADAMS AND MADISON TIMBER PROPERTIES, LLC

STATE OF LOUISIANA

PARISH OF ORLEANS

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the aforesaid jurisdiction, the within named **ALYSSON MILLS, IN HER CAPACITY AS RECEIVER FOR ARTHUR LAMAR ADAMS AND MADISON TIMBER PROPERTIES, LLC,** who after being sworn on oath states that she did sign and deliver the above and foregoing Absolute Release with Covenants on the day and year therein mentioned and for the intent and purposes therein set forth.

Alysson Mills

ALYSSON MILLS, IN HER CAPACITY AS RECEIVER FOR ARTHUR LAMAR ADAMS AND MADISON TIMBER PROPERTIES, LLC

SWORN TO AND SUBSCRIBED BEFORE ME, this the 9th day of July, 2026.

NOTARY PUBLIC

MY COMMISSION EXPIRES:

AT DEATH

KAJA S. ELMER
BAR NO. 35568
STATE OF LOUISIANA
PARISH OF ORLEANS
MY COMMISSION IS FOR LIFE

UNITED STATES DISTRICT COURT
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-252 Hon. Carlton W. Reeves, District Judge Hon. Bradley W. Rath, Magistrate Judge Related case: *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.)

PROPOSED PARTIAL FINAL JUDGMENT AND FINAL BAR ORDER

Before the Court is the Motion to Approve Proposed Settlements and Bar Orders filed by Alysson Mills, in her capacity as the court-appointed receiver (the "Receiver") for Arthur Lamar Adams ("Adams") and Madison Timber Properties, LLC. [1]

The Motion asks the Court to approve proposed settlements between The UPS Store, Inc. ("TUPSS, Inc."), the Notary Defendants (identified as Herring Ventures, Inc. ("Herring Ventures"), and current or former employees of Herring Ventures – Austin Elsen, Courtney Herring, Chandler Westover, Tammie Elsen, and Diane Lofton), and American Casualty.

The settlement with TUPSS, Inc. and the Notary Defendants (but not American Casualty) is contingent on the Court's entry of a bar order for their benefit. A bar order bars any person or non-regulatory entity from asserting claims against the settling defendant arising out of, in connection with, or relating to the Madison Timber Ponzi scheme.

[1] Terms used in this Final Bar Order that are defined in the Settlement Agreement attached as Exhibit 1.1 and 1.2 of the Appendix to the Motion (ECF No. ___).

Following notice to all Interested Parties,[2] and a hearing in open court, and having provided an opportunity for all Interested Parties to present objections, arguments and evidence, and having considered the submissions by all Interested Parties and heard the arguments of counsel, the Court **GRANTS** the Motion.

BACKGROUND

The Madison Timber Ponzi scheme

Adams, through Madison Timber, operated a Ponzi scheme (the "MTP Ponzi Scheme") that defrauded hundreds of investors. Investors in Madison Timber believed that Madison Timber used investors' money to purchase timber from Mississippi landowners; that Madison Timber sold the timber to mills at a higher price; and that Madison Timber repaid investors their principal and promised interest with the proceeds of those sales. Investors received timber deeds that purported to secure their investments—but the documents were fake.[3] There was no timber, and there were no proceeds from sales of timber. The money used to repay existing investors came solely from new investors.[4]

On May 9, 2018, Adams pleaded guilty to the federal crime of wire fraud and admitted "all of the conduct of the entire scheme and artifice to defraud as set forth" in a bill of information.[5]

The Receiver

[2] "Interested Parties" means the Receiver; the Receivership Estate; the Claimants; Adams and MTP; MTP Investors; every Person who owns a Claim or a beneficial interest in a Claim; and any Person or Persons alleged by the Receiver or other Person or entity on behalf of the Receivership Estate to be liable to the Receivership Estate, whether or not a formal proceeding has been initiated.

[3] Doc. 1, *United States v. Adams*, No. 3:18-cr-88 (S.D. Miss.), at ¶ 9.

[4] Doc. 1, *United States v. Adams*, No. 3:18-cr-88 (S.D. Miss.), at ¶ 10.

[5] Doc. 11, *United States v. Adams*, No. 3:18-cr-88 (S.D. Miss.).

On June 22, 2018, the Court appointed Alysson Mills the Receiver of the estates of Adams and Madison Timber.[6] The Receiver has a duty "to take custody, control, and possession of all Receivership Property, Receivership Records, and any assets traceable to assets owned by the Receivership Estate" and to investigate and "bring such legal actions based on law or equity in any state, federal or foreign court as the Receiver deems necessary or appropriate in discharging her duties as Receiver."[7]

The Receiver's lawsuits

Beginning in December 2018, the Receiver filed four lawsuits against people and companies who she alleged aided and abetted the Madison Timber Ponzi scheme. Relevant here, the Receiver filed a complaint against TUPSS, Inc., the Notary Defendants, and certain other defendants in the separate but related case styled *Mills v. The UPS Store, Inc., et al*, Case No. 3:19-cv-00364-CWR-BWR (S.D. Miss.) (the "UPS Store Litigation").

In the UPS Store Litigation, the Receiver alleges claims against the Notary Defendants for negligence and for aiding and abetting Adams' fraud and sought to hold TUPSS, Inc. vicariously liable.[8] The Receiver further asserts claims against American Casualty for a declaratory judgment that the policies it issued to defendant Herring Ventures provide insurance coverage for the allegations against the defendants. TUPSS, Inc., The Notary Defendants, and American Casualty strongly deny liability for all those claims and assert numerous defenses to them.

For more than five years, the parties have vigorously litigated the Receiver's claims. The parties' vigorous litigation—which has been documented in the Receiver's regular reports, on her

[6] Doc. 33, *Securities & Exchange Commission vs. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

[7] Doc. 33, *Securities & Exchange Commission vs. Adams, et al*., No. 3:18-cv-252 (S.D. Miss.).

[8] The other defendants in the UPS Store Litigation previously settled and have been dismissed with prejudice.

website, and in the Court's separate records for each of the four lawsuits and for the consolidated civil action styled *In re Consolidated Discovery in Cases Filed By Alysson Mills*, No. 3:22-cv-00036 (S.D. Miss.)—has been costly in both time and resources.

The proposed settlements

In October 2025, the Receiver, TUPSS, Inc., the Notary Defendants, and American Casualty undertook detailed and lengthy settlement negotiations under the direction of Magistrate Judge Bradley Rath. In these negotiations, all parties were well-represented. With Judge Rath's generous assistance, those negotiations have resulted in the proposed settlements. TUPSS, Inc. and the Notary Defendants are to obtain total peace with respect to all claims that have been, or could have been, asserted against them, arising in any respect out of the events leading to these proceedings. The Receiver represents that her negotiations with TUPSS, Inc., the Notary Defendants, and American Casualty were long and thoughtful and benefited from the meaningful input of Judge Rath. She is satisfied that the proposed settlement is in the Receivership Estate's best interest.

The proposed settlement avoids indefinite litigation with TUPSS, Inc., The Notary Defendants, and American Casualty, and the accompanying risk of rulings adverse to the Receivership Estate. A lawsuit's result is never guaranteed. A lawsuit can take a long time to litigate to final judgment, and often a final judgment is appealed. Continued litigation with TUPSS, Inc., The Notary Defendants, and American Casualty very likely could continue at the same pace for years and deplete resources otherwise available to pay a settlement or judgment.

The proposed settlements guarantee immediate and substantial benefit to Madison Timber's victims, and will finally conclude the UPS Store Litigation.

The proposed bar order

Settlement with TUPSS, Inc. and the Notary Defendants is conditioned on the Court's entry of a bar order for their benefit. A bar order bars any person or non-regulatory entity from asserting claims against the settling defendant arising out of, in connection with, or relating to the Madison Timber Ponzi scheme.

Courts utilize bar orders if they are both necessary to effectuate a settlement and 'fair, equitable, reasonable, and in the best interest of the Receivership Estate. The Fifth Circuit has expressly approved bar orders in the *Stanford* receivership that channeled investors' claims against third-party defendants into the "receivership distribution process." *Zacarias v. Stanford Int'l Bank, Ltd*., 945 F.3d 883, 900 (5th Cir. 2019) ("By entering the bar orders, the district court recognized the reality that, given the finite resources at issue in this litigation, Stanford's investors must recover Ponzi-scheme losses through the receivership distribution process."); *see also id.* at 902 ("Again, the receivership solves a collective-action problem among the Stanford entities' defrauded investors, all suffering losses in the same Ponzi scheme. It maximizes assets available to them and facilitates an orderly and equitable distribution of those assets. . . . It was no abuse of discretion for the district court to enter the bar orders to effectuate and preserve the coordinating function of the receivership."); *see also S.E.C. v. Stanford Int'l Bank, Ltd.*, 927 F.3d 830, 840 (5th Cir. 2019) ("Courts have accordingly exercised their discretion to issue bar orders to prevent parties from initiating or continuing lawsuits that would dissipate receivership assets or otherwise interfere with the collection and distribution of the assets.").

The Court previously entered a bar order as a condition of the Receiver's settlement with multiple other settling defendants. The Receiver represents the proposed bar order here is

necessary to obtain settlement with TUPSS, Inc. and the Notary Defendants, which proceeds can be distributed equitably to Madison Timber's victims through the Receivership Estate.

The public's interest

The Court, mindful that Madison Timber's victims, as the beneficiaries of the Receivership Estate, have a substantial interest in the Receiver's claims against the BP Defendants, Federal, and Continental, allowed Interested Parties an opportunity to be heard on the proposed settlement.

On _____, 2026, the Receiver filed the Motion, which included as exhibits a Proposed Partial Final Judgment and Final Bar Order, and a Proposed Order setting a hearing. (ECF No. ____). On _____, 2026, the Court entered an Order Setting Hearing, filed in the Court's public records in the cases styled *Securities & Exchange Commission vs. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.), and *Mills v. BankPlus*, Case No. 3:19-cv-00196-CWR-BWR (S.D. Miss.). The Order Setting Hearing instructed the Receiver to provide a notice and explanation of the Order Setting Hearing, the proposed Settlement Agreement, the proposed Order Approving Settlement and Bar Orders and instructions for submitting comments or objections via her website and via U.S. Mail to all Interested Parties at their last known address.

Interested Parties who wished to submit comments or objections were advised to do so at least _____ days prior to the Court's hearing, either by submitting the comments or objections to the Court or to the Receiver, who submitted them to the Court. Interested parties who wished to address the proposed settlement at the hearing were given an opportunity to be heard. On _____, 2026, the Court held the scheduled hearing.

The Court is satisfied and finds that the notice and hearing provided interested parties a full and fair opportunity to be heard and gave the Court the benefit of their opinions as the Court assessed the proposed settlement's merits. The notice and hearing provided was efficient,

adequate, and desirable under the circumstances, given the particular interests at stake, and satisfies the requirements of due process.

FINAL BAR ORDER

After notice and hearing, and after having considered the filings and arguments of counsel, the Court finds that the terms of the Settlement Agreements (i) between TUPSS, Inc. and the Receiver (the "TUPSS Settlement Agreement") and (ii) between the Notary Defendants and the Receiver (the "Notary Defendants Settlement Agreement) are adequate, fair, reasonable, and equitable; and that a bar order (hereafter, "Final Bar Order") is appropriate and necessary, and an essential, integral and required part of the Settlement, without which the Settlement would not have occurred and would not be consummated. Terms used in this Final Bar Order that are defined in the TUPSS Settlement Agreement and the Notary Defendants Settlement Agreement shall have the same meaning as in the TUPSS Settlement Agreement and the Notary Defendants Settlement Agreement (which this Final Bar Order incorporates by reference). The Settlement Agreement and Bar Order ("Final Bar Order") should be and is hereby APPROVED.

It is hereby ORDERED, ADJUDGED, AND DECREED as follows:

1. The Court has broad powers and wide discretion to determine the appropriate relief in this equity receivership, including the authority to enter the Final Bar Order. *See Zacarias v. Stanford Int'l Bank, Ltd.*, 945 F.3d 883, 897 (5th Cir. 2019) (receivership court authority includes entering "bar orders foreclosing suit against third-party defendants with whom the receiver is also engaged in litigation"). Moreover, the Court has jurisdiction over the subject matter of this action, and the Receiver is the proper party to seek entry of this Final Bar Order.

2. The Receiver provided the Court with detailed evidence of the notice that was provided to all Interested Parties, including notice to all Persons with potential or asserted rights

to receive funds from the Receivership Estate, or the funds and assets subject to the authority of the Receiver, or TUPSS, Inc. or the Notary Defendants, arising from alleged harm, injury, losses, or damages sustained as a result of the MTP Ponzi Scheme and MTP's wrongful actions. The Receiver provided notice of the Settlement by email and mail, as well as by posting the information on her website. The Receiver attested to the effectiveness of those forms of notices based on her longstanding means of communicating with Claimants throughout the course of this matter. The Court finds that the notice to Interested Parties (i) constituted the best practicable notice; (ii) were reasonably calculated, under the circumstances, to apprise all Interested Parties of the Settlement, the releases and dismissal of Settled Claims, and the injunctions provided for in this Partial Final Judgment and Final Bar Order; (iii) was reasonably calculated, under the circumstances, to apprise all Interested Parties of the right to object and be heard regarding the Settlement and this Partial Final Judgment and Final Bar Order, and to appear at and participate in the final approval Hearing; (iv) was reasonable and constituted due, adequate, and sufficient notice; (v) met all applicable requirements of law, including, without limitation, the Federal Rules of Civil Procedure, the United States Constitution (including Due Process), and the Rules of the Court; and (vi) provided to all Interested Parties a full and fair opportunity to be heard on these matters, including the right to appear before the Court at the final Hearing and to be represented by counsel, and to present evidence and argument and to examine witnesses if they chose to do so.

3. The Court finds that the Settlement, including the Settlement Amount, was reached following an extensive investigation of the facts and resulted from vigorous, good-faith, arm's-length negotiations involving experienced and competent counsel. The Court further finds that (i) significant issues and risks exist as to the merits and value of the claims asserted against both TUPSS, Inc. and the Notary Defendants by the Receiver and others whose potential claims are

foreclosed by this Final Bar Order; (ii) a significant risk exists that future litigation costs could dissipate Receivership Assets and that the Receiver and the Claimants may not ultimately prevail on their claims; and (iii) this Final Bar Order is an essential, integral party of the Settlement, and is a condition to TUPSS, Inc.'s and the Notary Defendants' agreement to settle, and that TUPSS, Inc. and the Notary Defendants would not have agreed to the terms of the Settlement in the absence of this Final Bar Order and assurance of "total peace" with respect to all claims that have been, or could be, asserted by any Persons arising from any aspect of TUPSS, Inc.'s and the Notary Defendants' alleged relationship with MTP and other Receivership Defendants. Therefore, the Court finds that the Claimants, including the MTP Investors, "can participate in the receivership process, their claims are derivative of and dependent on the receiver's claims, and their suits directly affect the receiver's assets." *Zacarias*, 945 F.3d at 897 (explaining approval of bar order, as part of settlement of Ponzi scheme-related claims, permanently prohibiting investors from pursuing separate claims against settling defendants). The injunction against those claims as set forth here is therefore a necessary and appropriate order ancillary to the relief obtained for victims of the MTP Ponzi Scheme pursuant to the Settlement. After careful consideration of the record and applicable law, the Court concludes that the Settlement is the best option for maximizing the net amount recoverable from TUPSS, Inc. and the Notary Defendants for the Receivership Estate and the Claimants.

4. The Court further finds that the Parties and their counsel have at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

5. Accordingly, the Court finds that the Settlement is, in all respects, fair, reasonable, and adequate, and in the best interests of all Persons claiming an interest in, having authority over, or asserting a claim against TUPSS, Inc. and/or the Notary Defendants and their affiliates, or the

Receivership Estate in connection with the Settled Claims. The Court also finds that this Final Bar Order is a necessary, integral, essential, and required component to achieve the Settlement, without which TUPSS, Inc. and the Notary Defendants would not have agreed to the Settlement, and without which the Settlement will not be consummated. The Settlement, the terms of which are set forth in the TUPSS, Inc. Settlement Agreement and the Notary Defendants Settlement Agreement, is hereby fully and finally approved. The Parties are directed to implement and consummate the Settlement in accordance with the terms and provisions of the TUPSS Settlement Agreement, the Notary Defendants Settlement Agreement, and this Final Bar Order.

6. As of the Settlement Effective Date, TUPSS, Inc. and the Notary Defendants shall be completely released, acquitted, and forever discharged from any action, cause of action, suit, liability, claim, right of action, right of levy or attachment, or demand whatsoever, whether or not currently asserted, and whether based on federal law, state law, foreign law, common law, or otherwise, and whether based on contract, tort, statute, law, equity or otherwise, that the Receiver, the MTP Investors, the Claimants, the Interested Parties, and the Persons, entities and interests represented by those parties ever had, now have, or hereafter can, shall, or may have, directly, representatively, derivatively, or in any other capacity, that concerns, relates to, arises out of, or is in any manner connected with (i) Adams and MTP; (ii) the MTP Investors and MTP Investments, and any promissory note or investment of any type with any one or more of MTP; (iii) TUPSS, Inc. and the Notary Defendants' relationships with MTP and/or any of their personnel or any Person acting by, through, or in concert with MTP; (iv) TUPSS, Inc. and the Notary Defendants' provision of services to or for the benefit of or on behalf of any one or more of MTP; or (v) any matter that was asserted in, could have been asserted in, or relates in any respect to the subject matter of this action, or any other proceeding concerning any of MTP and/or any of their personnel

or any Person acting by, through, or in concert with MTP; pending or commenced in any Forum, whether now known or unknown and whether or not asserted in the UPS Store Litigation or any other proceeding

7. The Absolute Release with Covenant to be given by the Receiver to American Casualty is approved in all respects and the Receiver is authorized to execute and perform said Absolute Release with covenants.

8. As of the Settlement Effective Date, the Receiver shall be completely released, acquitted, and forever discharged from all Settled Claims by TUPSS, Inc. and the Notary Defendants.

9. Notwithstanding anything to the contrary in this Final Bar Order, the foregoing releases do not release the Parties' rights and obligations under the Settlement or the TUPSS Settlement Agreement and the Notary Defendants Settlement Agreement or bar the Parties from enforcing or effectuating the terms of the Settlement or the TUPSS Settlement Agreement and the Notary Defendants Settlement Agreement, and this Court shall retain jurisdiction over the Parties' compliance with and to enforce the terms of the Settlement and TUPSS Settlement Agreement and the Notary Defendants Settlement Agreement.

10. The Court hereby permanently bars, restrains, and enjoins the Receiver, the MTP Investors, the Claimants, the Interested Parties, and all other Persons or entities anywhere in the world, whether acting in concert with the foregoing or claiming by, through, or under the foregoing, or otherwise, all and individually, from directly, indirectly, or through a third party, instituting, reinstituting, intervening in, initiating, commencing, maintaining, continuing, filing, encouraging, soliciting, supporting, participating in, collaborating in, or otherwise prosecuting, against TUPSS, Inc. and the Notary Defendants, or any action, lawsuit, cause of action, claim,

investigation, demand, levy, complaint, or proceeding of any nature in any Forum, including, without limitation, any court of first instance or any appellate court or arbitration forum, whether individually, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever, against the TUPSS, Inc. and the Notary Defendants that in any way relates to, is based upon, arises from, or is connected with (i) MTP or the MTP Ponzi Scheme; (ii) the MTP Investments and any promissory note or investment of any type with MTP; (iii) TUPSS, Inc. and the Notary Defendants' relationships with relationships with MTP and/or any of its personnel or any Person acting by, through, or in concert with any of them; (iv) TUPSS, Inc. and the Notary Defendants' provision of services to or for the benefit of or on behalf of MTP; or (v) any matter that was asserted in, could have been asserted in, or relates in any respect to the subject matter of this action, or any other proceeding concerning MTP or the MTP Investors or the MTP Investments pending or commenced in any Forum, whether now known or unknown and whether or not asserted in the UPS Store Litigation or any other proceeding. These claims and causes of action are instead channeled into the "receivership distribution process." *Zacarias*, *supra*, 945 F.3d at 900. The foregoing specifically includes any claim, however denominated and whether brought in the UPS Store Litigation, or any other Forum, seeking contribution, indemnity, damages, or other remedy from TUPSS, Inc. and the Notary Defendants where the alleged injury to that Person, entity, or Interested Party, or the claim asserted by that Person, entity, or Interested Party, is based upon that Person's, entity's, or Interested Party's liability to the Receiver, the MTP Investors, Claimants, or Interested Party arising out of, relating to, or based in whole or in part upon money owed, demanded, requested, offered, paid, agreed to be paid, or required to be paid to the Receiver, MTP Investor or Claimant, Interested Party, or other Person or entity, whether pursuant to a demand, judgment, claim, agreement, settlement or otherwise.

Nothing in this Final Bar Order shall impair, affect, or be construed to impair or affect in any way whatsoever, any right of any Person, entity, or Interested Party to (i) claim a credit or offset, however determined or quantified, if and to the extent provided by any applicable statute, code, or rule of law, against any judgment amount, based upon the Settlement or payment of the Settlement Amount; or (ii) take discovery under applicable rules in litigation; provided for the avoidance of doubt that nothing in this paragraph shall be interpreted to permit or authorize any action or claim seeking to impose any liability of any kind (including but not limited to liability for contribution, indemnification or otherwise) upon TUPSS, Inc. and the Notary Defendants.

11. TUPSS, Inc. and the Notary Defendants have no responsibility, obligation, or liability whatsoever with respect to the content of the notice; the notice process; the administration of the Settlement; the management, investment, distribution, allocation, or other administration or oversight of the Settlement Amounts, any other funds paid or received in connection with the Settlement, or any portion thereof; the payment or withholding of Taxes; the determination, administration, calculation, review, or challenge of claims to the Settlement Amounts, any portion of the Settlement Amounts, or any other funds paid or received in connection with the Settlement or the TUPSS Settlement Agreement or the Notary Defendants Settlement Agreement; or any losses, attorneys' fees, expenses, vendor payments, expert payments, or other costs incurred in connection with any of the foregoing matters. No appeal, challenge, decision, or other matter concerning any subject set forth in this paragraph shall operate to terminate or cancel the Settlement, the TUPSS Settlement Agreement, the Notary Defendants Settlement Agreement, or this Final Bar Order.

12. Nothing in this Final Bar Order, the TUPSS Settlement Agreement, the Notary Defendants Settlement Agreement and no aspect of the Settlement or negotiation or mediation

thereof is or shall be construed to be an admission or concession of any violation of any statute or law; of any fault, liability, or wrongdoing; or of any infirmity in the claims or defenses of the Parties with regard to any of the complaints, claims, allegations, or defenses in the UPS Store Litigation, or any other proceeding.

13. The Receiver is hereby ordered to file the agreed motion to dismiss as specified in the TUPSS Settlement Agreement, the Notary Defendants Settlement Agreement, and the Absolute Release by the deadline set forth in that paragraph. TUPSS, Inc. is hereby ordered to deliver or cause to be delivered the Settlement Amount of $5,000,000 pursuant to the terms and subject to the conditions in the TUPSS Settlement Agreement. The Notary Defendants are hereby ordered to execute and deliver to the Receiver the Promissory Note referenced in the Notary Defendants Settlement Agreement and to deliver timely the other consideration specified in the Notary Settlement Agreement.

14. Without in any way affecting the finality of this Final Bar Order, the Court retains continuing and exclusive jurisdiction over the Receivership and the Parties for purposes of, among other things, the administration, interpretation, consummation, and enforcement of the Settlement, the TUPSS Settlement Agreement, the Notary Defendants Settlement Agreement, the Absolute Release with Covenants, the Order Setting Hearing, and this Partial Final Judgment and Final Bar Order, including, without limitation, the injunctions, bar orders, channeling orders, and releases herein, and to enter orders concerning implementation of the Settlement, the TUPSS Settlement Agreement, the Notary Defendants Settlement Agreement, the Distribution Plan, and any payment of Attorneys' Fees and expenses to Plaintiffs' counsel.

15. The Court expressly finds and determines, pursuant to Federal Rule of Civil Procedure 54(b), that there is no just reason for any delay in the entry of this Partial Final Judgment

and Bar Order, which is both final and appealable, and immediate entry by the Clerk of the Court is expressly directed.

16. This Partial Final Judgment and Final Bar Order shall be served by counsel for the Receiver, via email, first class mail, or international delivery service, on any person or entity that filed an objection to approval of the Settlement, the TUPSS Settlement Agreement, the Notary Defendants Settlement Agreement, or this Final Bar Order.

Signed on _____

_____
CARLTON W. REEVES
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
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-252 Hon. Carlton W. Reeves, District Judge Hon. Bradley W. Rath, Magistrate Judge Related cases: *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.)

ORDER SETTING HEARING ON MOTION TO APPROVE PROPOSED SETTLEMENTS AND BAR ORDERS

Before the Court is the Motion to Approve Proposed Settlements and Bar Orders filed by Alysson Mills, in her capacity as the court-appointed receiver (the "Receiver") for Arthur Lamar Adams ("Adams") and Madison Timber Properties, LLC ("Madison Timber").

The motion asks the Court to approve the following proposed settlements with the following defendants as follows:

TUPSS	$5,000,000
The Notary Defendants	$1,500,000[1]
American Casualty	$50,000
	$6,500,000

[1] This amount to be paid by the Notary Defendants includes a credit for (1) the $50,000 American Casualty Company paid directly to the Receiver as reflected herein and (2) $100,000 previously tendered by American Casualty Company, for a total of $6,500,000 to be paid in settlement.

The proposed settlements with TUPSS and The Notary Defendants are contingent on the Court's entry of a bar order for each settling defendant's benefit. A bar order bars any person or non-regulatory entity from asserting claims against the settling defendant arising out of, in connection with, or relating to the Madison Timber Ponzi scheme. The Court previously entered a bar order as a condition of the Receiver's settlement with multiple defendants. Entry of bar orders that provide TUPSS and each Notary Defendant with assurance that they will not face additional claims is an essential, integral condition to the settlements without which the settlements would not have been reached, and without which the settlements cannot be consummated.

The Court, mindful that Madison Timber's victims, as the beneficiaries of the Receivership Estate, have a substantial interest in the Receiver's claims against the settling defendants and the proposed resolution of them, agrees with the Receiver that interested parties should have an opportunity to be heard before the proposed settlement is approved. The Court therefore **ORDERS** as follows:

1. The Court shall hold a hearing on the Motion to Approve Proposed Settlements and Bar Orders on **_____, 2026 at ____ _.m.** in **Courtroom 5B, Thad Cochran United States Courthouse, 501 E. Court Street, Jackson, Mississippi, 39201**. The Receiver shall publicize any changes to the hearing's date, time, or place on her website. Interested parties shall check the Receiver's website for any changes.
2. Interested Parties[2] who wish to submit comments or objections shall do so at least five (5) days prior to the Court's hearing, either by submitting the comments or objections to the Court or to the Receiver or her counsel. Whether received by the Court, the

[2] For purposes of this Order, "Interested Parties" is defined in the Settlement Agreements attached to the Receiver's Motion to Approve Proposed Settlements. Among others, "Interested Parties" includes Madison Timber investors and anyone holding a claim arising from alleged harm, injury, losses, or damages sustained as a result of the Ponzi scheme.

Receiver, or her counsel, the comments or objections shall be filed into the record. Interested Parties who wish to address any proposed settlement at the hearing shall be given an opportunity to speak, to be represented by counsel, to present evidence and arguments, and to participate in the hearing if they so choose.

3. The Receiver shall provide notice and a detailed description of this Order Setting Hearing, the proposed Settlement Agreements, and the proposed Partial Final Judgments and Bar Orders and (1) instructions for obtaining those documents and (2) instructions for submitting comments or objections to all Interested Parties via U.S. Mail or email as follows:

   A) by U.S. Mail, First Class postage prepaid, to each Interested Party at its last known mailing address, according to the Receiver's records;

   B) by posting the documents and a prominent notice of the proposed settlements on the Receiver's website, www.madisontimberreceiver.com; and

   C) by U.S. Mail and by email to any attorneys who have notified the Receiver that they represent any Claimants or MTP Investors.[3]

The notice and hearing contemplated by this order shall give interested parties a full and fair opportunity to be heard and shall give the Court the benefit of their opinions as the Court assesses the proposed settlements' merits. The notice and hearing contemplated by this order are efficient and desirable under the circumstances, given the particular interests at stake.[4]

DATED: _____

_____
Honorable Carlton W. Reeves

[3] "Claimants" and "MTP Investors" as used here is defined in the Settlement Agreements.
[4] The Court takes no position at this time on whether notice or hearing is appropriate prior to the Court's approval of possible future settlement with other parties.

United States District Judge

UNITED STATES DISTRICT COURT
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-252 Hon. Carlton W. Reeves, District Judge Hon. Bradley W. Rath, Magistrate Judge Related cases: *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.)

MEMORANDUM IN SUPPORT OF MOTION TO APPROVE PROPOSED SETTLEMENTS AND BAR ORDERS

Alysson Mills, in her capacity as the court-appointed receiver (the "Receiver") for Arthur Lamar Adams and Madison Timber Properties, LLC, respectfully submits this memorandum in support of the Receiver's Motion to Approve Proposed Settlements and Bar Orders.

INTRODUCTION

The Receiver has negotiated and seeks approval of settlements which will resolve any and all claims asserted in that certain civil action styled: "Alysson Mills, in her capacity as Receiver for Arthur Lamar Adams and Madison Timber Properties, LLC v. The UPS Store, Inc., et al," No. 3:19-cv-364 (S.D. Miss.). The settlements may be summarized as follows:

(i) The UPS Store, Inc. ("TUPSS, Inc.") will pay to the Receiver $5,000,000;

(ii) Herring Ventures, Inc., Dextor Herring, Austin Elsen, Courtney Herring, Chandler Westover, Tammie Elsen, and Diane Lofton (the "Notary Defendants") will jointly provide to the Receiver total consideration of $1,500,000; and

(iii) American Casualty Company of Reading, Pennsylvania ("American Casualty") will pay to the Receiver an additional $50,000, having previously paid $100,000.

The settlements with TUPSS, Inc. and the Notary Defendants are contingent on this Court's entry of the bar orders described in this Memorandum.

The Receiver believes the proposed settlements are in the Receivership Estate's best interest.

The Receiver asks that, after providing notice and an opportunity to be heard to Madison Timber's victims, the Court approve the proposed settlements and bar orders.

BACKGROUND

The Madison Timber Ponzi scheme

Adams, through Madison Timber, operated a Ponzi scheme that defrauded hundreds of investors. Investors in Madison Timber believed that Madison Timber used investors' money to purchase timber from Mississippi landowners; that Madison Timber sold the timber to mills at a higher price; and that Madison Timber repaid investors their principal and promised interest with the proceeds of those sales. Investors received timber deeds that purported to secure their investments—but the documents were fake.[1] There was no timber and no proceeds from sales of timber. The money used to repay existing investors came solely from new investors.[2]

[1] Doc. 1, United States v. Adams, No. 3:18-cr-88 (S.D. Miss.), at ¶ 9.
[2] Doc. 1, United States v. Adams, No. 3:18-cr-88 (S.D. Miss.), at ¶ 10.

On May 9, 2018, Adams pleaded guilty to the federal crime of wire fraud and admitted "all of the conduct of the entire scheme and artifice to defraud as set forth" in a bill of information.[3]

The Receiver

On June 22, 2018, the Court appointed Alysson Mills the Receiver of the estates of Adams and Madison Timber.[4] The Receiver has a duty "to take custody, control, and possession of all Receivership Property, Receivership Records, and any assets traceable to assets owned by the Receivership Estate" and to investigate and "bring such legal actions based on law or equity in any state, federal or foreign court as the Receiver deems necessary or appropriate in discharging her duties as Receiver."[5]

The Receiver's lawsuits

Beginning in December 2018, the Receiver filed four lawsuits against third parties who she alleged aided and abetted the Madison Timber Ponzi scheme. The four lawsuits and their respective defendants are:

Alysson Mills v. Butler Snow, et al., No. 3:18-cv-866 (S.D. Miss.)	Butler Snow LLP; Butler Snow Advisory Services, LLC; and Matt Thornton ("Butler Snow") – Butler Snow has been dismissed with prejudice. Baker, Donelson, Bearman, Caldwell & Berkowitz, PC; Alexander Seawright, LLC; Brent Alexander; and Jon Seawright ("Baker Donelson")
Alysson Mills v. BankPlus, et al., No. 3:19-cv-196 (S.D. Miss.)	BankPlus; BankPlus Wealth Management, LLC; Gee Gee Patridge, Vice President and Chief Operations Officer of BankPlus;

[3] Doc. 11, United States v. Adams, No. 3:18-cr-88 (S.D. Miss.).

[4] Doc. 33, Securities & Exchange Commission vs. Adams, et al., No. 3:18-cv-252 (S.D. Miss.).

[5] Doc. 33, *Securities & Exchange Commission vs. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.).

	Stewart Patridge; Jason Cowgill; Federal Insurance Company; Continental Casualty Company ("the BankPlus Parties") – This case has been resolved and all BankPlus Parties have been dismissed. Martin Murphree
Alysson Mills v. The UPS Store, Inc., et al., No. 3:19-cv-364 (S.D. Miss.)	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 – These defendants have been dismissed.
Alysson Mills v. Trustmark, et al., No. 3:19-cv-941 (S.D. Miss.)	Trustmark National Bank, Bennie Butts, and Jud Watkins ("the Trustmark Parties) RiverHills Bank (with Jud Watkins, "the RiverHills Parties") Southern Bancorp Bank ("Southern Bancorp") The Receiver has settled with all defendants in this case and the case has been dismissed with prejudice.

Relevant here, the Receiver's complaints generally allege causes of action for aiding and abetting, civil conspiracy, and negligence against the Notary Defendants and for vicarious liability against TUPSS, Inc. All defendants strongly deny the Receiver's allegations against them.

For more than six years, the parties have vigorously litigated the Receiver's claims. All parties have now settled with the exception of TUPSS, Inc., the Notary Defendants, American Casualty, and Baker Donelson. Other people and entities have also settled without formal litigation. All of the prior settlements have been approved by the Court and are matters of public record.

The parties' vigorous litigation—which has been documented in the Receiver's regular reports, on her website, and in the Court's separate records for each of the four lawsuits and for the consolidated civil action styled *In re Consolidated Discovery in Cases Filed By Alysson Mills*, No. 3:22-cv-00036 (S.D. Miss.)—has been costly in both time and resources. Meanwhile, Madison Timber's victims continue to wait to be made whole.

PROPOSED SETTLEMENTS

The Receiver, TUPSS, Inc., and the Notary Defendants undertook meaningful settlement negotiations under the direction of Magistrate Judge Bradley W. Rath. With Judge Rath's generous assistance, those negotiations have resulted in the following proposed settlements totaling $6,500,000:

TUPSS, Inc.	$5,000,000
The Notary Defendants	$1,500,000[6]
American Casualty	$50,000
	$6,500,000

Baker Donelson is not settling. The Receiver will continue to litigate her claims against that firm.

The Receiver's negotiations with each of the settling defendants were long and thoughtful and benefited from the meaningful input of Judge Rath. The Receiver is satisfied that the proposed settlements are in the Receivership Estate's best interest.

[6] This amount to be paid by the Notary Defendants includes a credit for (1) the $50,000 American Casualty Company paid directly to the Receiver as reflected herein and (2) $100,000 previously tendered by American Casualty Company, for a total of $6,500,000 to be paid in settlement.

The Receiver takes seriously her obligation to maximize the value of the Receivership Estate's claims against any defendant. The proposed settlements avoid indefinite litigation with the settling defendants and the accompanying risk of rulings adverse to the Receivership Estate, including the risk of an adverse ruling that TUPSS, Inc. did not exercise "control" over its franchisee, Herring Ventures. A lawsuit's result is never guaranteed. A lawsuit can take a long time to litigate to final judgment, and often a final judgment is appealed.

As reported elsewhere, in six years, the parties have exchanged substantial written discovery and document productions, conducted nearly 100 depositions of fact witnesses, exchanged expert reports, and deposed numerous experts. Continued litigation with the settling defendants very likely could continue for years and deplete resources otherwise available to pay a settlement or judgment.

The proposed settlements with the settling defendants guarantee immediate and substantial benefit to Madison Timber's victims.

PROPOSED BAR ORDERS

Settlement with TUPSS, Inc. and the Notary Defendants is contingent on the Court's entry of a satisfactory bar order for the benefit of each.[7] A bar order bars any person or non-regulatory entity from asserting claims against the settling defendant arising out of, in connection with, or relating to the Madison Timber Ponzi scheme. Entry of bar orders that provide each defendant with assurance that it will not face additional claims is an essential, integral condition to the settlements without which the settlements would not have been reached, and without which the settlements cannot be consummated.

[7] The settlement with American Casualty does not involve a bar order.

This Court has broad powers and wide discretion to determine the appropriate relief in an equity receivership. The Court's power includes equitable authority to issue a variety of ancillary relief. These ancillary relief measures include "bar orders to secure settlements in receivership proceedings and to 'preserve the property placed in receivership pursuant to SEC actions.'" *S.E.C. v. Stanford Int'l Bank, Ltd.*, No. 3:09-cv-00298-N, 2017 WL 9989250, at *2 (N.D. Tex. Aug. 23, 2017).

"Courts utilize bar orders if they are both necessary to effectuate a settlement and 'fair, equitable, reasonable, and in the best interest of the Receivership Estate.'" *Stanford*, 2017 WL 9989250, at *3. The Fifth Circuit has expressly approved bar orders in the *Stanford* receivership that channeled investors' claims against third-party defendants into the "receivership distribution process." *Zacarias v. Stanford Int'l Bank, Ltd.*, 945 F.3d 883, 900 (5th Cir. 2019) ("By entering the bar orders, the district court recognized the reality that, given the finite resources at issue in this litigation, Stanford's investors must recover Ponzi-scheme losses through the receivership distribution process."); *see also id.* at 902 ("Again, the receivership solves a collective-action problem among the Stanford entities' defrauded investors, all suffering losses in the same Ponzi scheme. It maximizes assets available to them and facilitates an orderly and equitable distribution of those assets. . . . It was no abuse of discretion for the district court to enter the bar orders to effectuate and preserve the coordinating function of the receivership."); *see also S.E.C. v. Stanford Int'l Bank, Ltd.*, 927 F.3d 830, 840 (5th Cir. 2019) ("Courts have accordingly exercised their discretion to issue bar orders to prevent parties from initiating or continuing lawsuits that would dissipate receivership assets or otherwise interfere with the collection and distribution of the assets.").

The Court previously entered a bar order as a condition of the Receiver's settlement with other defendants. The Receiver believes the proposed bar orders are necessary to obtain settlements with the settling defendants, which proceeds can be distributed equitably to Madison Timber's victims through the Receivership Estate.

The Receiver recommends and requests that, after appropriate notice and hearing, the Court approve her settlement agreements with each settling defendant in the forms attached hereto **[Exhibit 1],**[8] and enter bar orders in the attached forms **[Exhibit 2],**[9] to enable the Receiver to accomplish the settlements.

PROPOSED NOTICE AND HEARING

The Receiver is mindful that Madison Timber's victims, as the beneficiaries of the Receivership Estate, have a substantial interest in the Receiver's claims against the settling defendants. The Receiver believes it appropriate to allow interested parties an opportunity to be heard before any proposed settlement is approved. The Receiver thus proposes the following:

1. The Court shall hold a hearing on the proposed settlement no less than 21 days after notice is distributed, as soon as possible as the Court's calendar allows.

2. The Court shall enter an Order Setting Hearing **[Exhibit 3]** that shall be filed in the Court's public record, in the case styled *Securities & Exchange Commission vs. Adams, et al.*, No. 3:18-cv-252 (S.D. Miss.), in addition *Alysson Mills v. The UPS Store, Inc., et al.*, No. 3:19-cv-364 (S.D. Miss.).

[8] Exhibit 1, proposed Settlement Agreements with:

1.1 TUPSS

1.2 The Notary Defendants

1.3 American Casualty

[9] Exhibit 2, proposed Partial Final Judgments and Bar Orders.

3. Interested Parties[10] who wish to submit comments or objections shall do so at least five days prior to the Court's hearing, either by submitting the comments or objections to the Court or to the Receiver or her counsel, who shall submit them to the Court. Whether received by the Receiver, her counsel, or the Court, the objections shall be filed into the record.

4. Interested Parties who wish to address the proposed settlement at the hearing shall be given an opportunity to speak, to be represented by counsel, to present evidence and arguments, and to participate in the hearing if they so choose.

5. The Receiver shall provide notice and a detailed description of the Order Setting Hearing, the proposed Settlement Agreements, and the proposed Partial Final Judgments and Bar Orders and (1) instructions for obtaining those documents and (2) instructions for submitting comments or objections to all Interested Parties via U.S. Mail or email as follows:

   A) by U.S. Mail, First Class postage prepaid, to each Interested Party at its last known mailing address, according to the Receiver's records;

   B) by posting the documents and a prominent notice of the proposed settlements on the Receiver's website, www.madisontimberreceiver.com; and

   C) by U.S. Mail and by email to any attorneys who have notified the Receiver that they represent any Claimants or MTP Investors.[11]

The Court afforded interested parties similar notice and hearing prior to approving the Receiver's settlement with multiple other defendants including Butler Snow, the Bank Plus Parties, the Trustmark Parties, Riverhill Parties, and Southern Bancorp. The proposed notice and hearing will give victims and interested parties a full and fair opportunity to be heard and will give the Court the benefit of their opinions as the Court assesses the proposed settlements' merits. The

[10] For purposes of this Notice, "Interested Parties" is defined in the Settlement Agreements attached to the Receiver's Motion to Approve Proposed Settlements. Among others, "Interested Parties" includes Madison Timber investors and anyone holding a claim arising from alleged harm, injury, losses or damages sustained as a result of the Ponzi scheme.

[11] "Claimants" and "MTP Investors" as used here is defined in the Settlement Agreements.

Receiver believes the proposed notice and hearing is efficient and desirable under the circumstances, given the particular interests at stake.

RECEIVER'S REPRESENTATIONS

In support of the proposed settlements, the Receiver represents:

1. The Receiver and the settling defendants' negotiations were long, thoughtful, and at arm's length, and Judge Rath provided meaningful neutral input.

2. The Receiver and the settling defendants were independently represented by highly competent counsel having experience with litigation of this type.

3. The Receiver and the settling defendants had more than adequate information to make an informed decision whether to settle.

4. The Receiver and her counsel researched the law applicable to the Receiver's claims against the settling defendants and made informed assessments of the strengths and weaknesses of her case.

5. The Receiver believes the proposed settlements are in the Receivership Estate's best interest. In recommending each proposed settlement, the Receiver has weighed the following:

    a. It is the Receiver's duty to recover assets for the Receivership Estate efficiently. The Receiver believes that the proposed settlements are preferable to potential protracted litigation. Settlement now avoids the likelihood of drawn-out litigation and the risk of adverse rulings.

    b. The proposed settlements provide substantial value to the Receivership Estate and will allow the Receiver to make a meaningful distribution to Madison Timber's victims.

    c. The proposed bar orders incentivize the settling defendants to settle and therefore make the proposed settlement possible.

6. The proposed settlements would not have been reached, and will not be consummated, unless the Court enters bar orders in substantially the form set forth in the proposed Partial Final Judgments and Final Bar Orders attached as exhibits to the Motion to Approve Proposed Settlements. The bar orders must be in a form satisfactory to the settling defendants in order for the settlements to proceed. The bar orders are essential, integral parts of the settlement.

CONCLUSION

The Receiver respectfully requests that the Court enter the proposed Order Setting Hearing so that the proposed settlements may be presented and, if the Court agrees after notice and hearing, approved.

Respectfully submitted,

/s/ Lilli Evans Bass

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CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing with the Clerk of Court using the ECF system which sent notification of filing to all counsel of record.

August 20, 2026 */s/ Kaja S. Elmer*