

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

**UNITED STATES OF AMERICA**

**V.**

**CRIMINAL NO. 3:18-CR-0088-CWR-LRA**

**ARTHUR LAMAR ADAMS**

**UNOPPOSED MOTION TO APPOINT SPECIAL MASTER**

The United States of America, by and through D. Michael Hurst, Jr., United States Attorney for the Southern District of Mississippi, and David H. Fulcher, Assistant United States Attorney, moves this Court pursuant to 18 U.S.C. § 3664(d)(6) to appoint a Special Master with the powers of a federal Receiver in connection with the instant criminal matter, and in support thereof, states:

1. On April 19, 2018, Defendant Arthur Lamar Adams gave a voluntary statement to the FBI and the United States Attorney's Office in which he confessed his role in the underlying Ponzi scheme operating through Madison Timber Properties. With Adams' agreement, the Securities and Exchange Commission filed a civil action – *Securities and Exchange Commission v. Arthur Lamar Adams and Madison Timber Properties, LLC*, Case No. 3:18-CV-252-DPJ-FKB (“the SEC Action”) – in the Southern District of Mississippi the next day, on April 20, 2018. Through an agreed order, the SEC Action froze the defendants' assets, sought to disgorge the defendants' ill-gotten gains, with pre-judgment interest, and sought to have the defendants pay a civil monetary penalty.

2. On May 1, 2018, the United States filed a Criminal Information against Lamar Adams concerning the same scheme, alleging three felony violations: two violations of 18 U.S.C. § 1349, Bank Fraud, and one violation of 18 U.S.C. § 1344, Wire Fraud. ECF No. 1. The

Criminal Information describes Lamar Adams' creation of a scheme and artifice to fraudulently obtain funds in furtherance of a Ponzi scheme beginning as early as 2011 and continuing through April of 2018. *Id.*

3. On the same day of the Criminal Complaint's filing, Lamar Adams signed a plea agreement with the United States indicating a desire to plead guilty to Count 1 of the Criminal information charging Adams with a scheme and artifice to defraud using interstate wire communications, in violation of 18 U.S.C. § 1343. ECF No. 11. In addition, Adams admitted all of the conduct represented in the Criminal Information. *Id.*

4. On May 25, 2018, this Court granted in part and denied in part, the SEC's Expedited Motion to Appoint a Temporary Receiver in the SEC Action. (3:18-CV-252, ECF No. 25). After thorough consideration of potential receivers, this Court selected Allyson L. Mills as its Temporary Receiver in the SEC Action. *Id.* at ECF No. 33. Within its Order appointing Ms. Mills, the Court defined the Receiver's broad powers and duties within the SEC Action and their extent beyond the SEC Action. *Id.* at 5-9.

5. On August 22, 2018, this Court made permanent the appointment of Allyson L. Mills as Receiver in the SEC Action. (3:18-CV-252, ECF No. 38).

6. On October 30, 2018, this Court sentenced Lamar Adams to a 235 month term of imprisonment followed by a three year term of supervised release. ECF No. 22. Upon ore tenus motion of the Government, this Court left open the determination of restitution in this case.

7. Allyson L Mills, as Receiver in the SEC case is tasked with many of the duties that a Special Master could undertake pursuant to 18 U.S.C. § 3664(d)(6). For example, since her appointment, the Receiver has amassed a receivership Estate of over two million dollars, instituted actions to recover millions from beneficiaries of Lamar Adams' Ponzi scheme, taken

possession of assets of Lamar Adams' valued in the millions, retained the services of a forensic accounting firm, and has made considerable effort to minimize expenses of the Estate. (3:18-CV-252, ECF No. 50).

8. Resources of this Court, United States Probation, and the U.S. Attorney's Office would be conserved if the Receiver in the SEC Action is appointed as Special Master to resolve victim and restitution issues in this case. Through a parallel responsibility, the Receiver has already begun conducting the statutory requirements of a Special Master with respect to notifying victims pursuant to 18 U.S.C. §§ 3771(b)(1) and 3771(c)(1). Early in her appointment, the Receiver established a mechanism to communicate to Adams' victims through her website: <https://madisontimberreceiver.com/>. Likewise, because the Receiver is obligated to properly identify and resolve the claims of the victims of the fraud, it would conserve the resources of this Court, United States Probation, and the United States, for the Receiver, under the supervision and guidance of the Court, to receive and distribute all restitution monies in this matter alongside or in accordance with the receipt and distribution of funds in the SEC Action.

9. Other courts have approved of appointing Receivers as Special Masters to handle complex restitution matters in Ponzi scheme cases and other parallel matters where complex issues arise. *E.g. United States v. Davis*, 2017 U.S. Dist. LEXIS 84528 (SEC Receiver appointed as Special Master in Ponzi scheme case to recover and distribute restitution); *United States v. Anderson*, 993 F.2d 1435, 1437 (9th Cir. 1993) (defendant ordered to pay restitution to state-appointed receiver on behalf of investors); *United States v. Moreland*, 509 F.3d 1201, 1207 (9th Cir. 2007) (receiver ordered to identify victims and amounts of losses for restitution); *F.D.I.C. v. Dover*, 453 F.3d 710, 711 (6th Cir. 2006) (restitution ordered to be paid to the Clerk for disbursement to the receiver for the victim).

10. Arthur Lamar Adams, by and through counsel, does not oppose the motion.

11. Allyson Mills, the Receiver in the SEC case has been consulted regarding this matter and is willing to serve as Special Master as outlined herein and in a manner consistent with the duties assigned to the Receiver in the SEC Action.

#### CONCLUSION

For the aforementioned reasons, the Government respectfully requests that the court appoint the Receiver as a Special Master in the instant action to, continue to, (1) identify victims; (2) and provide notification to such victims pursuant to 18 U.S.C. §§ 3771(b)(1) and 3771(c)(1); as well as, (3) file a report determining restitution owed and fashion a proposed restitution order, and (4) appropriately distribute restitution payments to victims in accordance with the Court's restitution order.

Date: November 19, 2018

Respectfully submitted,

D. MICHAEL HURST, JR.  
United States Attorney

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**CERTIFICATE OF SERVICE**

I, DAVID H. FULCHER, Assistant U.S. Attorney, hereby certify that I have this date electronically filed the foregoing motion with the Clerk of the Court using the ECF system which sent notification to all counsel of record.

Dated: November 19, 2018

/s/ Dave Fulcher  
David H. Fulcher  
Assistant United States Attorney