

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. F. Keith Ball, Magistrate Judge

ORDER SETTING HEARING

Before the Court is the Motion for Approval of Proposed Settlement with First Valley National Corp. and its wholly owned subsidiary First National Bank of Clarksdale (“FNBC”) 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”). *See* Docket Nos. 174-75.

The motion asks the Court to approve the Receiver’s proposed settlement with FNBC.

The proposed Settlement Agreement [**Docket No. 174-1**] includes a channeling injunction, sometimes called a “bar order,” which would bar any person or non-regulatory entity¹ from separately asserting claims against FNBC arising out of, in connection with, or relating to Adams and/or Madison Timber. Those claims instead would be “channeled” through the Receivership Estate.

¹ To be clear, the U.S. Attorney’s Office, the F.B.I., the S.E.C., and the Mississippi Secretary of State, among other law enforcement bodies, are not affected by the proposed settlement. The Receiver does not purport to recommend any settlement that would interfere with their separate work.

The Court, mindful that victims of the Madison Timber Ponzi scheme have a substantial interest in the Receiver's claim against FNBC and the proposed resolution of it, 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 for Approval of Proposed Settlement on **September 25, 2019 at 1:30 PM** in Courtroom 5B.
2. Victims or other interested parties 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, who shall submit them to the Court.
3. Victims or other interested parties who wish to address the proposed settlement at the hearing shall be given an opportunity to speak.
4. The Receiver shall publicize this Order Setting Hearing, the proposed Settlement Agreement, the proposed Order Approving Settlement, and instructions for submitting comments or objections on her website and in any forthcoming Receiver's Report.

The notice and hearing contemplated by this Order shall give victims and 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 settlement's merits. The notice and hearing contemplated by this Order is efficient and desirable under the circumstances, given the particular interests at stake.²

SO ORDERED, this the 27th day of August, 2019.

s/ Carlton W. Reeves
UNITED STATES DISTRICT JUDGE

² The Court takes no position at this time on whether notice or hearing is appropriate prior to the Court's approval of possible future settlements with other parties.