

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

**AGRIDIME LLC, JOSHUA LINK, and
JED WOOD,**

Defendants.

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Civil Action No. 4:23-cv-1224-P

**COURT-APPOINTED RECEIVER STEVE FAHEY'S
MOTION FOR PONZI DETERMINATION AND BRIEF IN SUPPORT**

WICK PHILLIPS GOULD & MARTIN LLP

Brant C. Martin
State Bar No. 24002529
brant.martin@wickphillips.com
David J. Drez III
State Bar No. 24007127
david.drez@wickphillips.com
Jacob T. Fain
State Bar No. 24053747
jacob.fain@wickphillips.com
Colin P. Benton
State Bar No. 24095523
colin.benton@wickphillips.com

100 Throckmorton Street, Suite 1500
Fort Worth, Texas 76102
Telephone: (817) 332-7788
Fax: (817) 332-7789

**ATTORNEYS FOR STEVE FAHEY, IN HIS
CAPACITY AS COURT-APPOINTED
RECEIVER**

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Steve Fahey, in his capacity as the Court-appointed Receiver (“Receiver”) over the Estates of the Receivership Defendants,¹ by and through his counsel, files this Motion for Ponzi Determination and Brief in Support (“Motion”), and would respectfully show the Court as follows:

I. INTRODUCTION

Receivership Defendants marketed and sold cattle contracts to investors under the guise that Agridime would purchase cattle and then raise and sell them at a higher price. Receivership Defendants marketed this to investors with the promises of artificially high returns with little to no risk. The initial investors were repaid, providing the veneer of legitimacy to Agridime’s operation. However, Agridime was not actually purchasing enough cattle or generating enough revenue to pay back the investors, so Agridime solicited new investors and used those funds to repay older investors. This cycle continued from 2021 through 2023 until Agridime was on the brink of collapse. In other words, Receivership Defendants operated Agridime as a textbook Ponzi scheme.

To assist the Receiver in discharging his duties, including recovering funds improperly transferred by Receivership Defendants, the Receiver seeks a finding from the Court that Agridime operated as a Ponzi scheme from at least October 2021. With this finding, all subsequent transfers were presumptively made with fraudulent intent, and parties seeking to resist the Receiver’s recovery efforts will be required to overcome this “Ponzi presumption.” A Ponzi determination will also inform a proper and equitable distribution plan.

Therefore, the Receiver requests that the Court set a briefing schedule and hearing if necessary for all interested parties, and upon consideration of the relevant evidence and argument, grant this Motion and make a finding that Agridime operated as a Ponzi scheme since October 2021.

¹ “Receivership Defendants” are Agridime LLC (“Agridime”), Joshua Link (“Link”), and Jed Wood (“Wood”). ECF No. 15, ¶¶ 1-2.

II. BACKGROUND

The Securities and Exchange Commission (the “Commission”) filed the underlying complaint to halt the ongoing, fraudulent, and unregistered offering of securities and an active Ponzi scheme perpetrated on investors by the Receivership Defendants. (ECF No. 1.) On December 11, 2023, the Court signed an Order Appointing Stephen P. Fahey as Receiver over the Receivership Defendants (“Order”). (ECF No. 15.) Among other things, the Order instructed the Receiver to “assume control of the operation of the Receivership Defendants” and “take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property.” In the course and scope of his appointment, the Receiver has discovered facts establishing that the Receivership Defendants perpetuated a Ponzi scheme on innocent investors.

A. Agridime is a cattle and meat distributor operated by Link and Wood.

Aggridime is a cattle and meat distribution company headquartered in Fort Worth, Texas that, before the Receiver’s appointment, was operated by Link and Wood. Ex. A, A-1 (SEC App. 1-5)² Link and Wood co-founded Agridime in 2017 and served as Agridime’s highest ranking officers. *Id.* Agridime claimed to be a wholesaler and retailer of “farm fresh beef,” connecting local farmers to consumers across the country. Ex. E-5 (SEC App. 294). With operations across several states, Agridime claimed that its “proprietary beef supply chain” allowed it to offer “guaranteed pricing” and “year-round availability” to its customers. Ex. B, B-1, B-2 (SEC App. 6-12).

² In support of the Motion, Receiver relies upon certain evidence located in the appendix filed in support of the Commission’s Motion for Preliminary Injunction. ECF No. 7. To avoid needless and voluminous filings, the Receiver incorporates by reference for all purposes the evidence contained in said appendix. Citations to this evidence will be identified by “Ex.” and “SEC App” herein.

B. Agridime solicits investors to purchase cattle contracts.

As early as October 2021, Agridime began offering investors, through its publicly available website, unrestricted Facebook page, and team of sales representatives, an opportunity that it described as sounding “too good to be true” to “make money raising cattle without having to do all the work.” Ex. D, D-1 (SEC App. 56-66). Agridime specifically offered investors a contract to purchase calves for \$2,000 a head. *Id.* Agridime promised that, in exchange for \$2,000, Agridime would raise the calf and, after one year and seven days, Agridime would buy back the calf at a higher price to provide a promised return. Ex. F (SEC App. 405). The company offered “guaranteed 15-20% yearly profits” on the contracts. Ex. D-1 (SEC App. 57). It even guaranteed returns as high as 32% for certain contracts. Ex. E-6 (SEC App. 327-28). The rate of return often depended on the number of cattle purchased—the more calves the investor bought, the higher the promised profit. Ex. A-1 (SEC App. 57).

Agridime further claimed that the Cattle Contracts were protected by USDA bonding and insurance. Ex. D-3 (SEC App. 73-75, 78-79, 83). These guarantees were included in contracts and displayed prominently on Agridime’s publicly available website and social-media ads promoting the investment:

BUY LIVE CATTLE

Have you ever wanted to make money raising cattle without having to do all the work?

We know it sounds too good to be true, however, in order to meet increased demand we are partnering with individuals and organizations to contract cattle into our beef supply chain.

We supply retails outlets, meat distributors and restaurant food service companies with farm fresh beef. We are inviting individuals and organizations to purchase cattle with us in order to supply beef to these customers.

All cattle purchased during Q1 of 2023 will be guaranteed 15-20% yearly profits. We also offer 20% yearly profits on contracts of 50 or more.

Ex. D-1 (SEC App. 63).



Ex. D-1 (SEC App. 64).

This Contract entered into on **January 9th, 2023** by and between [REDACTED] hereinafter called Seller, and **Agridime Of Fort Worth, TX** hereinafter called Buyer. The Seller agrees to sell and Agridime (the "Buyer") agrees to purchase from the Seller the below described cattle in accordance with the preceding terms and conditions, which are legally binding on the Seller and Buyer. Agridime is licensed and bonded in accordance with the USDA. All cattle are insured for death loss. In the event of death, Agridime will replace any lost cattle and maintain the guaranteed return set forth below.

Number of Head	Sex	Breed, Sire & Dam Breakdown or Color	Base Wt (lbs)	Price	Delivery Schedule And Dates
50	Steers And/Or Heifers	Home raised calves, Angus Based	1,300-1,500	\$2,600 per head	Freight on Buyer- Hope, KS: January 9 th , 2023 to January 19 th , 2024

CONTRACT TERMS: [REDACTED] agrees to purchase fifty steers and/or heifers for \$2,000 per steer or heifer (\$100,000 total). Agridime agrees to pay 30% per year profit on those cattle. Guaranteed yearly profits of 30%. Contract to be paid 7-10 business days after the final date set forth in the above delivery schedule. Payment to be made by Agridime via wire transfer or check. Contract terms are payable 12 months post the date set forth in this contract, or upon receipt of funds from the aforementioned "seller".

Ex. D-4 (SEC App. 89).

Agridime also advertised the Cattle Contracts on Facebook with an animated video titled "Make 15%-20% Yearly Returns by Purchasing Cattle With Us." Ex. E-8 (SEC App. 390). The video described how investors could purchase cattle for \$2,000 per head, an amount covering the cost to "feed that animal to finish, fully process the beef into retail packaging, and then ultimately sell the beef." *Id.* From January 2021 through December 2023, Agridime raised more than \$240 million from more than 1,900 investors in multiple states through its sales of Cattle Contracts. (Declaration of Madhu Ahuja ("Ahuja Decl."), ¶¶ 25, 34.)

In each Cattle Contract, the investor's role was passive. In testimony before the Arizona Corporation Commission, Link confirmed that cattle purchased through Cattle Contracts are raised and maintained by Agridime. Ex. E-5 (SEC App. 215, 217, 236-38). Agridime's operations manager confirmed in separate testimony that, even though the Contracts describe the transaction as a "purchase," investors never took possession of the cattle and that the cattle at all times

remained in Agridime's supply chain. Ex. E-6 (SEC App. 371-73). Consequently, investors depended entirely on the efforts and expertise of Agridime and its "proprietary beef supply chain" to generate returns on their investments. *Id.*

Investors made their investments "through online checking or checkout shopping cart" on Agridime's website without any income verification or disclosures. Ex. E-5 (SEC App. 225). Agridime sent investors their Cattle Contracts by email only after investors sent funds to Agridime (via wire transfer, check, Shopify, transfers from self-directed IRAs, or a number of other payment options, including installment payments). Ex. F (SEC App. 406). At that point, the investor signed the contract, and Link (or an authorized Agridime sales representative) signed it in Link's name on behalf of Agridime, electronically via DocuSign. Ex. E-6 (SEC App. 321). Link personally solicited investors, trained and directed the activities of Agridime's salespeople, and executed the Cattle Contracts on Agridime's behalf. Ex. E-6 (SEC App. 314-15, 318-23); Ex. D-3 (SEC App. 72-85); Ex. D-4 (SEC App. 86-92).

C. Defendants misappropriate investor funds.

While Agridime represented that it would use investor funds to purchase and maintain cattle, Defendants actually used more than \$240 million of investor funds to facilitate their Ponzi scheme.

1. More than \$11 million in commissions were paid to sales associates, Link, and Wood.

Agridime used employees and outside salespeople to solicit investors to invest in the Cattle Contracts. Ex. F (SEC App. 407-08). Under the terms of Agridime's standard Sales Representative Agreement, each salesperson received a 10% commission for each contract sold. Ex. D-7 (SEC App. 101-05). Agridime paid commissions of at least \$5.6 million to one representative in North Dakota. Ex. F (SEC App. 407-08); Ex. D (SEC App. 54). Link and his wife each received at least

\$650,000 in sales commissions, while Wood received \$1.3 million. Ex. F (SEC App. 407-08). Through May 2023, Agridime paid more than \$11.1 million in commissions to its salesforce, largely for sales of Cattle Contracts. *Id.* Agridime listed specific uses of investor funds in its representations to investors, but did not disclose on its website, in its advertisements, or in the Cattle Contracts themselves that it used investor funds to pay commissions. *Id.*; *see also* Ex. D-1 (SEC App. 56-66), Ex. E-8 (SEC App. 390), Ex. E-9 (SEC App. 391-402).

Financial Summary

Here's how the financials breakdown for the 15-20% return on our cattle contracts:

The customer purchases cattle from us for \$2,000 per head. That \$2,000 is used to purchase one steer or heifer, feed that animal to finish, fully process the beef into retail packaging and then ultimately sell the beef.

Ex. D-1 (SEC App. 58).

2. Receivership Defendants' statements to investors are fraudulent.

Based on the foregoing, Receivership Defendants' statements in their offerings to investors were materially false and misleading. Receivership Defendants represented that investor funds would be used to purchase cattle when, in reality, Agridime's records reveal that the majority of funds generated from Cattle Contract sales (and a significant portion of the funds from all sales over time) were used to pay investors in prior Cattle Contracts that came due. Ex. F (SEC App. 412); (Ahuja Decl., ¶ 33).

3. A deep dive into Agridime's financial records reveals the depths of Defendants' Ponzi scheme.

Ahuja & Clark, PLLC ("A&C"), the Receiver's forensic accountants,³ performed a comprehensive analysis of Agridime's business and financial operations from January 2021 through December 2023. (Ahuja Decl., ¶ 10.) The analysis included a review of Agridime's bank records and QuickBooks accounting data, comprised of 40,325 transactions in total, of which \$446,999,957 is the total value of disbursements and \$446,081,279 is the total value of deposits. (*Id.*)

A&C reviewed Agridime's accounting records to verify its financial condition. (*Id.*, ¶ 18.) The accounting entries purporting to support Agridime's financial statement line items fail to appropriately capture the substance of the transactions. (*Id.*) For example, Agridime engaged in financing activities with Cattle Empire, LLC through various note agreements. (*Id.*) Rather than the payable amount booked as a liability, the full amount of the financed note was booked as revenue when funds were received by Agridime, inaccurately inflating Agridime's revenue line item. (*Id.*) The accounting records were prepared in a way that caused Agridime's financial picture to be materially distorted and/or incomplete. (*Id.*, ¶ 19.) Moreover, Agridime's financial statements were not made in compliance with Generally Accepted Accounting Principles ("GAAP"). (*Id.*) Therefore, A&C placed a greater emphasis on bank records to discover the underlying business activity and illustrate the deterioration of Agridime's financial position. (*Id.*)

Comparing the list of names found within Agridime's "Cattle Contract Sales" with the list of names extracted from bank statements, A&C confirmed the names of investors as distinguished from vendors or other customers. (*Id.*, ¶ 13) At least 1,940 investors were identified from whom Agridime received a total of \$244,137,718 as proceeds from Cattle Contracts. (Ahuja Decl., ¶¶ 26,

³ ECF No. 38.

34.) Investor cash outflows totaled \$141,200,814. (*Id.*) Because net cash outflows from core business operations were cumulatively negative at \$103,648,146, the majority of the \$141,200,814 repaid to investors could not have come from core business operations. (*Id.*, ¶ 26) Other categories of transactions were also net negative and could not be a source of repayments to investors. (*Id.*)

A&C also observed a high correlation between the time in which new investor deposits were received and used to repay old investor obligations. (*Id.*, ¶ 27) Therefore, the source of the repayments to the old investors were derived from new investor deposits. (*Id.*) Of the various categories to which A&C assigned Agridime's inflow and outflow transactions, only investor cash flows generated positive net cash flows consistently, as illustrated below:

TOTAL DEPOSITS AND DISBURSEMENTS BY CATEGORY BY YEAR (SOURCE: BANK STATEMENT AND SHOPIFY REPORT DATA)				
	2021	2022	2023	Grand Total
INVESTOR CASH FLOWS NET IN/OUTFLOW \$	\$26,865,249	\$54,232,936	\$21,838,720	\$102,936,904
DEPOSIT	\$28,535,349	\$89,217,403	\$126,384,966	\$244,137,718
DISBURSEMENT	\$(1,670,100)	\$(34,984,468)	\$(104,546,246)	\$(141,200,814)
CORE BUSINESS OPERATIONS NET IN/OUTFLOW \$	\$ (26,234,243)	\$ (51,771,988)	\$ (25,641,914)	\$ (103,648,146)
DEPOSIT	\$ 40,865,803	\$ 68,198,953	\$ 91,568,470	\$ 200,633,226
DISBURSEMENT	\$(67,100,046)	\$ (119,970,942)	\$ (117,210,384)	\$ (304,281,372)
BANK / FINANCIAL SERVICES / INVESTMENT CO. / CREDIT SUPPLIER NET IN/OUTFLOW \$	\$ 186,863	\$ (219,785)	\$ (332,284)	\$ (365,207)
DEPOSIT	\$ 245,822	\$ 186,885	\$ 719,857	\$ 1,152,565
DISBURSEMENT	\$ (58,959)	\$ (406,671)	\$ (1,052,141)	\$ (1,517,772)
UNKNOWN PAYEE/DEPOSITOR NET IN/OUTFLOW \$	\$ 0	\$ 157,770	\$ 0	\$ 157,770
DEPOSIT	\$ 0	\$ 157,770	\$ 0	\$ 157,770
DISBURSEMENT	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL NET INFLOW / OUTFLOW PER YEAR	\$ 817,869	\$ 2,398,932	\$ (4,135,479)	\$ (918,678)

Table 1.4. (Ahuja Decl., ¶ 28)

Agridime's core business operations generated very little revenue when compared to the amount of investment proceeds received, indicating that its unsustainable core operations were not capable of settling future obligations to investors. (*Id.*, ¶¶ 29-30.) Further demonstrating that core business operations were not adequately equipped to fund investor returns, Agridime's net cash flows without investor monies were negative month after month from 2021 through 2023. (*Id.*, ¶ 29.) Based on the account activity, any positive operational cash flows were insufficient to satisfy the outstanding payment obligations owed to investors, given that operational disbursements appear too frequently to allow for an accumulation of positive net cash. (*Id.*, ¶ 30) While Agridime's meat and cattle sales operations may have had some isolated months of marginally positive cash flows, the monthly net cash activity was always substantially less than the money paid to investors during the same month. (*Id.*) In addition, Agridime failed to purchase sufficient cattle to meet its obligations to investors. (*Id.*, ¶ 33.) In other words, the funds used to pay investors were required from a source other than Agridime's meat and cattle sales operations. (*Id.*, ¶ 32.)

Based on A&C's analysis, Defendants began operating their Ponzi scheme at least as early as October 2021 and continued the scheme until the Receiver's appointment in December 2023. (*Id.*, ¶ 34.)

D. State and federal regulators close in on Receivership Defendants.

Agridime's need to satisfy investor returns with money from new investors caused the company to spiral deeper into financial ruin, which it could not forestall even when faced with legal consequences for its actions.

1. Receivership Defendants defy orders from state regulators to cease and desist Cattle Contract sales.

In or around April 2023, the Arizona Corporation Commission began investigating Agridime in connection with its sale of the Cattle Contracts. Ex. E (SEC App. 115).

On April 18, 2023, the Arizona Corporation Commission issued to Agridime a Temporary Order to Cease and Desist from selling Cattle Contracts within Arizona, and to cease violating the antifraud provisions of the Arizona Securities Act. Ex. E (SEC App. 115-16), Ex. E-1 (SEC App. 119-30).

Around this same time period, the North Dakota Securities Department also initiated an investigation into Agridime. Ex. D (SEC App. 52). On May 24, 2023, it issued a Cease-and-Desist Order to Agridime and Link, directing Agridime to cease selling its Cattle Contracts to North Dakota residents. *Id.*

Despite these cease-and-desist orders from state authorities, Agridime continued to sell Cattle Contracts to investors in both North Dakota and Arizona. Agridime records show that the company sold more than \$1 million worth of Cattle Contracts to Arizona residents after entry of the Arizona cease-and-desist order. Ex. F (SEC App. 116). Agridime's operations manager even admitted to selling Cattle Contracts to parties within Arizona, despite knowing of the cease-and-desist order. Ex. E-6 (SEC App. 337-38, 356). He also admitted to selling Cattle Contracts on behalf of Agridime from Arizona during this period, which is prohibited by the cease-and-desist order. (*Id.*) Further, an undercover agent for the State of Arizona contacted Agridime as recently as October 2023 and was offered a Cattle Contract, even though the agent repeatedly told the Agridime representative that he was an Arizona resident. Ex. H (SEC App. 439-43). The Agridime sales representative offered to sell the contract to the undercover agent by permitting him to use an out-of-state address. (*Id.*). Agridime records likewise show that it sold at least 18 Cattle Contracts to residents in North Dakota after entry of the cease-and-desist order in that state. Ex. D (SEC App. 53-54).

2. Two federal agencies file complaints against Receivership Defendants for violations of federal laws and regulations concerning the improper sale of securities and commodities.

Federal authorities have also initiated actions against Receivership Defendants. The Commission filed the underlying lawsuit against Receivership Defendants for violations of the Securities Act of 1933 (“Securities Act”) and the Securities Exchange Act of 1934 (“Exchange Act”). (ECF No. 1.) After establishing a likelihood of success, the Commission obtained preliminary injunctive relief (ECF No. 30), and the appointment of the Receiver (ECF No. 15).

The Commission reached bifurcated settlements with Link and Wood, who entered into separate written consent agreements (“Consents”) with the Commission. (ECF No. 90, ¶ 2; ECF No. 90, Exs. A and B.) In the Consents, Link and Wood agreed to, among other things, permanent injunctions against violations of the Securities Act and Exchange Act, disgorgement of ill-gotten gains, and entry of Judgment. Link and Wood also agreed to comply with the Commission’s policy under 17 C.F.R. § 202.5(e) against consenting to a judgment while denying the underlying allegations.⁴ (Consents, ¶ 13.) On April 25, 2024, the Court entered final judgments against Link and Wood, expressly incorporating the Consents. (ECF Nos. 92 (Link) and 93 (Wood).)

On May 10, 2024, the Commodity Futures Trading Commission (“CFTC”) filed a separate action against Receivership Defendants in the Northern District of Texas for violations of the Commodity Exchange Act and applicable CFTC regulations, arising out of the same underlying transactions. *See Commodity Futures Trading Commission v. Link et al.*, Case No. 4:24-cv-00424-P (ECF No. 1) (“CFTC Lawsuit”). The CFTC Lawsuit remains pending.

⁴ “Codified in the Code of Federal Regulations and common practice for SEC enforcements, the consent decrees prohibit defendants from casting doubt on the validity of the SEC’s investigation into or enforcement against them. *See* 17 C.F.R. § 202.5. Additionally, defendants may not proclaim their lack of guilt unless they also indicate their lack of innocence.” *Sec. & Exch. Comm’n v. Novinger*, 96 F.4th 774, 776 (5th Cir. 2024).

III. ARGUMENT & AUTHORITIES

A. The law abhors a Ponzi scheme.

The Fifth Circuit defines a Ponzi scheme as a “fraudulent investment scheme in which money contributed by later investors generates artificially high dividends or returns for the original investors, whose example attracts even larger investments.” *Janvey v. Alguire*, 647 F.3d 585, 597 (5th Cir. 2011) (quoting BLACK’S LAW DICTIONARY 1198 (8th ed. 2004)). “[T]hat investor funds were used to issue ‘returns’ to other investors” is a “*sine qua non*” of a Ponzi scheme. *Am. Cancer Soc. v. Cook*, 675 F.3d 524, 528 (5th Cir. 2012). As the Second Circuit explained, this is how a Ponzi scheme is perpetuated because it gives the “false appearance of profitability in order to obtain new investors”:

The [company] gives the appearance of being profitable by obtaining new investors and using those investments to pay for the high premiums promised to earlier investors. The effect of such a scheme is to put the [company] farther and farther into debt by incurring more and more liability and to give the [company] the false appearance of profitability in order to obtain new investors.

Hirsch v. Aruthur Andersen & Co., 72 F.3d 1085, 1088 n. 3 (2d Cir. 1995).

A Ponzi scheme may be shown by clear, numerical support of the steps undertaken to accomplish the scheme. *Janvey*, 647 F.3d at 597. In addition to the classic elements, indicia of a Ponzi scheme include: (i) promises are made of unrealistic and outsized returns with little to no risk, (ii) funds are not invested as promised, and (iii) the company operates at a loss continuously, sustained by the money of new investors. *See S.E.C. v. Aequitas Mgmt., LLC*, No. 3:16-cv-00438-JR, 2020 WL 1528249, at *6-7 (D. Or. March 31, 2020).

A Ponzi scheme determination plays an important role in claims the Receiver may bring to recover assets of the Receivership Estate. *See, e.g., Donell v. Kowell*, 533 F.3d 762, 771–72 (9th Cir. 2008). In the Fifth Circuit, transfers made from a Ponzi scheme are presumptively made with intent to defraud because, as a matter of law, a Ponzi scheme is insolvent from inception. *Janvey*,

647 F.3d at 596; *Warfield v. Byron*, 436 F.3d 551, 558 (5th Cir. 2006) (explaining a Ponzi scheme is, “as a matter of law, insolvent from its inception”). A Ponzi finding also helps the Receiver propose an appropriate and equitable distribution plan. *S.E.C. v. Credit Bancorp, Ltd.*, 290 F.3d 80, 89 (2d Cir. 2002).

For the reasons below, the Receiver requests that the Court enter an Order finding that Defendants operated a Ponzi scheme since at least October 2021.

B. The Receivership Defendants created and carried out a Ponzi scheme.

1. The Receivership Defendants used new investor funds to issue returns to earlier investors.

A Ponzi scheme exists where money contributed by later investors is used to pay artificially high returns to the original investors. *See Janvey*, 647 F.3d at 597. As part of their scheme, the Receivership Defendants routinely promised 15-20% returns. (Ahuja Decl., ¶ 34.) Failing to generate sufficient profits to pay the promised returns, the Receivership Defendants used funds contributed by later investors to pay those artificially high returns to earlier investors. (Ahuja Decl., ¶ 34.)

Indicia of Ponzi scheme activity first are observable in October 2021. (Ahuja Decl., ¶ 34.) That month, net cash flows of Agridime’s Core Business Operations were -\$825,806, and net cash flows of Core Business Operations had been substantially negative for all nine prior months in 2021. Yet Agridime made investor repayments of \$3,500 in October 2021 based solely on the strength of other investor deposits. After October 2021, Agridime’s investor repayments grew exponentially, even though its core business operations remained consistently negative while its investor deposits continued to grow:

Year / Month	Net Cash Flow of Core Business Operations	Investor Repayments	Investor Deposits
2021			
Jan	\$ (2,277,401)	\$ -	\$ 3,167,185
Feb	\$ (2,670,715)	\$ -	\$ 1,884,000
Mar	\$ (2,273,733)	\$ -	\$ 2,224,000
Apr	\$ (2,462,227)	\$ -	\$ 2,109,000
May	\$ (4,373,155)	\$ -	\$ 5,251,478
Jun	\$ (1,539,721)	\$ -	\$ 590,597
Jul	\$ (973,751)	\$ -	\$ 816,294
Aug	\$ (1,779,949)	\$ -	\$ 2,369,600
Sep	\$ (971,242)	\$ -	\$ 507,250
Oct	\$ (825,806)	\$ 3,500	\$ 646,900
Nov	\$ (1,355,596)	\$ 27,600	\$ 2,806,080
Dec	\$ (4,730,947)	\$ 1,639,000	\$ 6,162,965
2022			
Jan	\$ (1,506,582)	\$ 3,255,600	\$ 5,431,235
Feb	\$ (3,586,399)	\$ 2,591,250	\$ 5,622,000
Mar	\$ (3,622,395)	\$ 2,556,500	\$ 5,064,662
Apr	\$ (2,128,056)	\$ 4,415,350	\$ 10,200,500
May	\$ (4,864,792)	\$ 5,219,250	\$ 7,013,800
Jun	\$ (4,601,463)	\$ 988,200	\$ 8,624,250
Jul	\$ (3,093,153)	\$ 1,047,700	\$ 2,718,756
Aug	\$ (7,632,855)	\$ 2,294,350	\$ 9,893,000
Sep	\$ (6,577,064)	\$ 1,582,500	\$ 6,281,000
Oct	\$ (3,367,944)	\$ 806,400	\$ 3,534,000
Nov	\$ (5,910,695)	\$ 2,351,750	\$ 9,318,410
Dec	\$ (4,880,589)	\$ 7,875,618	\$ 15,515,790
2023			
Jan	\$ (5,126,135)	\$ 8,889,850	\$ 12,839,700
Feb	\$ (2,062,738)	\$ 6,622,490	\$ 10,200,800
Mar	\$ (4,797,548)	\$ 7,013,630	\$ 11,172,811
Apr	\$ (4,272,476)	\$ 7,375,300	\$ 10,876,000
May	\$ (3,300,195)	\$ 14,992,450	\$ 23,161,700
Jun	\$ (2,246,329)	\$ 15,891,700	\$ 11,962,055
Jul	\$ (1,711,595)	\$ 2,995,200	\$ 4,606,500
Aug	\$ 470,414	\$ 7,587,750	\$ 9,917,800
Sep	\$ (113,483)	\$ 12,423,130	\$ 9,263,500
Oct	\$ (561,613)	\$ 8,274,045	\$ 9,245,100
Nov	\$ 2,136,075	\$ 9,742,542	\$ 6,968,500
Dec	\$ (4,056,291)	\$ 2,738,160	\$ 6,170,500
Grand Total	\$ (103,648,146)	\$ 141,200,814	\$ 244,137,718

Table 1.5, (Ahuja Decl., ¶ 32).

Investor deposit amounts were the only source of funds from which repayments to investors with expiring cattle contracts could have been made. The overwhelming majority of the \$141,200,814 repaid to investors could not have been derived from core business operations or other sources *because those categories of transactions were consistently negative*. The following shows the net inflows and outflows for each category of Agridime transactions:

TOTAL DEPOSITS AND DISBURSEMENTS BY CATEGORY BY YEAR (SOURCE: BANK STATEMENT AND SHOPIFY REPORT DATA)				
	2021	2022	2023	Grand Total
INVESTOR CASH FLOWS NET IN/OUTFLOW \$	\$26,865,249	\$54,232,936	\$21,838,720	\$102,936,904
DEPOSIT	\$28,535,349	\$89,217,403	\$126,384,966	\$244,137,718
DISBURSEMENT	\$(1,670,100)	\$(34,984,468)	\$(104,546,246)	\$(141,200,814)
CORE BUSINESS OPERATIONS NET IN/OUTFLOW \$	\$ (26,234,243)	\$ (51,771,988)	\$ (25,641,914)	\$ (103,648,146)
DEPOSIT	\$ 40,865,803	\$ 68,198,953	\$ 91,568,470	\$ 200,633,226
DISBURSEMENT	\$(67,100,046)	\$ (119,970,942)	\$ (117,210,384)	\$ (304,281,372)
BANK / FINANCIAL SERVICES / INVESTMENT CO. / CREDIT SUPPLIER NET IN/OUTFLOW \$	\$ 186,863	\$ (219,785)	\$ (332,284)	\$ (365,207)
DEPOSIT	\$ 245,822	\$ 186,885	\$ 719,857	\$ 1,152,565
DISBURSEMENT	\$ (58,959)	\$ (406,671)	\$ (1,052,141)	\$ (1,517,772)
UNKNOWN PAYEE/DEPOSITOR NET IN/OUTFLOW \$	\$ 0	\$ 157,770	\$ 0	\$ 157,770
DEPOSIT	\$ 0	\$ 157,770	\$ 0	\$ 157,770
DISBURSEMENT	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL NET INFLOW / OUTFLOW PER YEAR	\$ 817,869	\$ 2,398,932	\$ (4,135,479)	\$ (918,678)

Table 1.4, (Ahuja Decl., ¶ 28).

Notably, incoming investor deposits were the only part of Agridime's business that generated consistently positive net cash flows compared to the other components of Agridime's business. Furthermore, the inflow of investor funds essentially tracked with the outflows of

investor repayments, further establishing that Agridime simply utilized incoming investor deposits to immediately repay earlier investors:

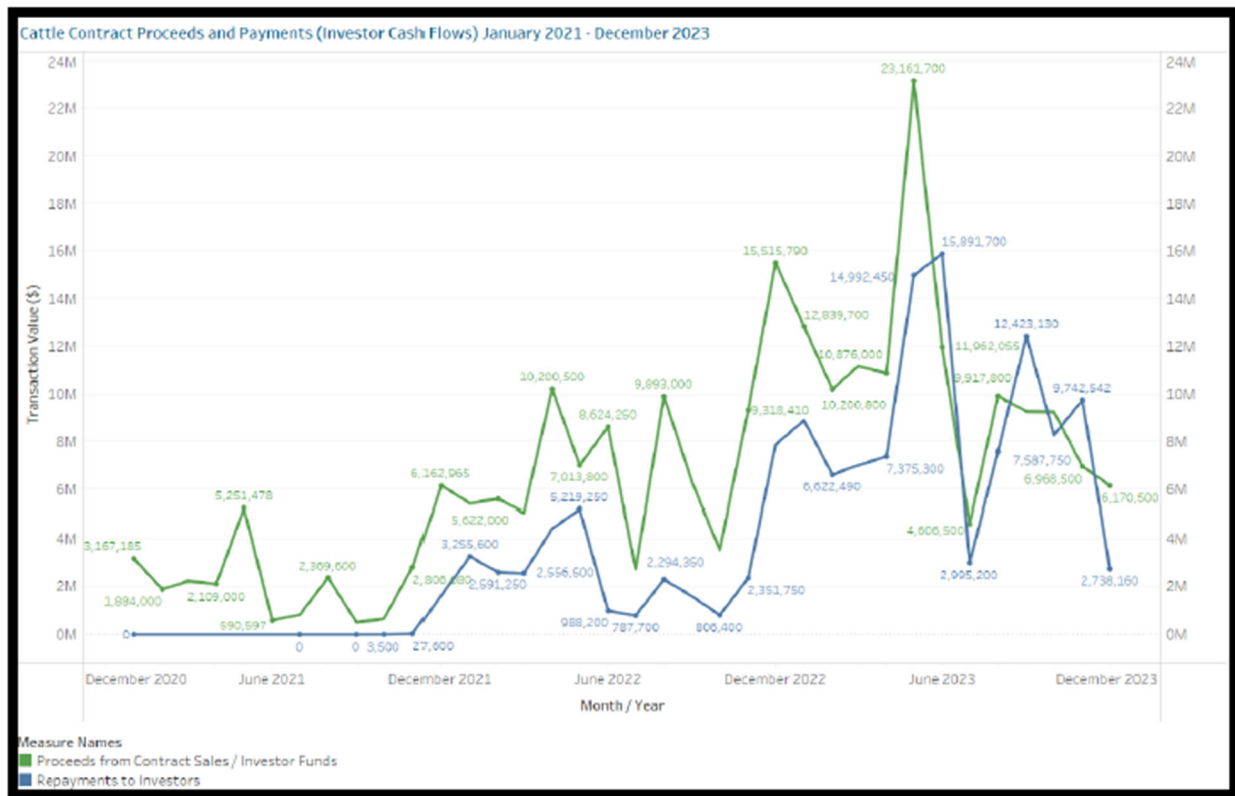


Fig. 1.2, (Ahuja Decl., ¶ 27).

Accordingly, beginning in October 2021, Agridime continuously used investor deposits to pay artificially high returns to prior investors that it could not otherwise generate through its operations, establishing the “*sine qua non*” of a Ponzi scheme.

2. Other Ponzi scheme factors establish that Receivership Defendants operated a Ponzi scheme.

Other factors may be considered to prove a Ponzi scheme. *See Aequitas Mgmt., LLC*, 2020 WL 1528249, at *6 n.40 (citing *The Ponzi Book: Unraveling Ponzi Schemes* § 2.03 (2012) and identifying 15 different factors). While many of the factors overlap and almost all of them support a Ponzi finding in this case, consideration of the following factors further establishes that Agridime operated as Ponzi scheme.

a. Agridime promised unrealistic and outsized returns with little to no risk.

A factor supporting a Ponzi scheme is when “[t]he Ponzi perpetrator made unrealistic promises of returns on their investments[,]” and “mischaracterize[s] the nature of the . . . investment opportunities and any risk associated with making an investment.” *Aequitas Mgmt., LLC*, 2020 WL 1528249, at *6 n.40 (quoting *The Ponzi Book: Unraveling Ponzi Schemes* § 2.03).

Here, Agridime offered investors an opportunity that was admittedly “too good to be true.” Ex. D-1, (SEC App. 56-66). Specifically, Agridime promised that, in exchange for an investment of \$2,000 per head, Agridime would raise a calf and, after one year and seven days, the company would buy back the calf at a higher price to provide a promised return of a “guaranteed 15-20% yearly profits,” sometimes promising to pay up to a 32% return for certain contracts. *Id.*; Ex. D-1 (SEC App. 57); Ex. E-6, (SEC App. 327-328); Ex. D-3, (SEC App. 81); Ex. D-4, (SEC App. 92); Ex. F, (SEC App. 405); Ex. E-5, (SEC App. 228).

Agridime’s “guarantees” of 15-32% returns were outsized and unrealistic, especially in the volatile cattle business, and thus clear evidence of a Ponzi scheme. That Agridime could purport to pay guaranteed returns of up to 32% despite the company’s large net operating losses and the inherent unknowns that necessarily hang over any investment in the cattle business (*e.g.*, fluctuations in feed costs and market prices, illness or death of the animals, etc.) demonstrates that Agridime simply was using new cash to repay “guaranteed” contracts held by older investors. (Ahuja Decl., ¶ 20.) From January 2021 through December 2023, Agridime raised approximately \$244 million from 1,940 investors in multiple states through its sales of the Cattle Contracts. (Ahuja Decl., ¶34.) But as established above, without the investor funds to repay earlier investors, Agridime’s business operations were nowhere close to covering the outsized and unrealistic returns it promised.

b. Agridime failed to invest investor funds as promised.

A factor supporting the existence of a Ponzi scheme is when “[t]he perpetrator failed to invest all of the investors’ funds in promised investments.” *Aequitas Mgmt., LLC*, 2020 WL 1528249, at *6 n.40 (quoting *The Ponzi Book: Unraveling Ponzi Schemes* § 2.03).

Here, the Cattle Contracts were marketed to investors under the guise that the proceeds would be used to acquire and raise cattle on Agridime’s network of ranches. But there was a large gulf between the enormous monthly inflow of investor monies and the much smaller amount Agridime actually spent for cattle. For example, as shown in Figure 1.5, Agridime received more than \$6 million in investor funds in 19 out of 24 months between January 2022 and December 2023, yet the company purchased more than \$6 million of cattle in only one month in that two year time frame. Indeed, Agridime bought more than **\$4 million** of cattle in only five of those 24 months. Investor proceeds significantly exceeded the amounts spent to purchase cattle month-over-month:

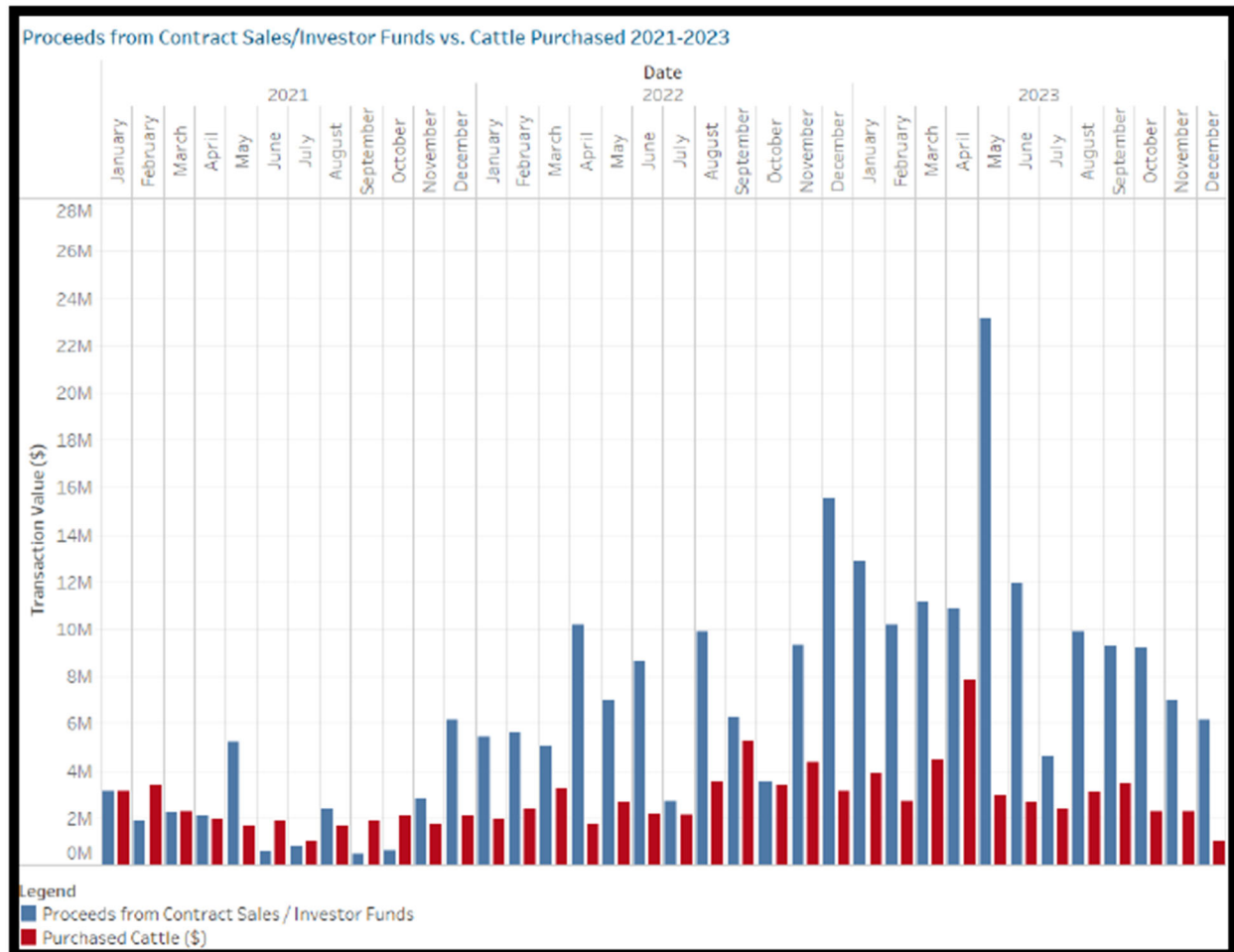


Fig. 1.5, (Ahuja Decl., ¶ 33).

As illustrated by Table 1.6, from 2021 through 2023, the percentage of incoming investor funds used to purchase cattle decreased each year. Cumulatively, only 41% of investor funds raised in that three-year period actually were utilized by Agridime to buy cattle. Obviously, if the company had been operating as it promised, all of the incoming investor monies should have been used to purchase cattle.

	Cattle Purchased (\$)	Investor Proceeds from Cattle Contracts (\$)	Cattle Purchased / Investor Proceeds (%)
Year 2021			
January	\$ 2,754,307	\$ 3,167,185	87%
February	\$ 3,391,831	\$ 1,884,000	180%
March	\$ 2,270,124	\$ 2,224,000	102%
April	\$ 1,927,130	\$ 2,109,000	91%
May	\$ 1,712,095	\$ 5,251,478	33%
June	\$ 1,903,172	\$ 590,597	322%
July	\$ 1,016,955	\$ 816,294	125%
August	\$ 1,693,977	\$ 2,369,600	71%
September	\$ 1,902,262	\$ 507,250	375%
October	\$ 2,108,020	\$ 646,900	326%
November	\$ 1,729,285	\$ 2,806,080	62%
December	\$ 2,107,104	\$ 6,162,965	34%
Total 2021	\$ 24,516,261	\$ 28,535,349	86%
Year 2022			
January	\$ 1,935,574	\$ 5,431,235	36%
February	\$ 2,374,439	\$ 5,622,000	42%
March	\$ 3,267,773	\$ 5,064,662	65%
April	\$ 1,591,864	\$ 10,200,500	16%
May	\$ 2,655,118	\$ 7,013,800	38%
June	\$ 2,184,647	\$ 8,624,250	25%
July	\$ 2,144,914	\$ 2,718,756	79%
August	\$ 3,521,536	\$ 9,893,000	36%
September	\$ 5,280,731	\$ 6,281,000	84%
October	\$ 3,377,572	\$ 3,534,000	96%
November	\$ 4,358,251	\$ 9,318,410	47%
December	\$ 3,138,905	\$ 15,515,790	20%
Total 2022	\$ 35,831,325	\$ 89,217,403	40%
Year 2023			
January	\$ 3,873,094	\$ 12,839,700	30%
February	\$ 2,712,979	\$ 10,200,800	27%
March	\$ 4,416,409	\$ 11,172,811	40%
April	\$ 7,817,370	\$ 10,876,000	72%
May	\$ 2,978,521	\$ 23,161,700	13%
June	\$ 2,689,119	\$ 11,962,055	22%
July	\$ 2,364,930	\$ 4,606,500	51%
August	\$ 3,127,635	\$ 9,917,800	32%
September	\$ 3,249,070	\$ 9,263,500	35%
October	\$ 2,289,728	\$ 9,245,100	25%
November	\$ 2,275,082	\$ 6,968,500	33%
December	\$ 911,114	\$ 6,170,500	15%
Total 2023	\$ 38,705,051	\$ 126,384,966	31%
Grand Total	\$ 99,052,637	\$ 244,137,718	41%

Table 1.6, (Ahuja Decl., ¶ 33).

In sum, Agridime failed to spend the investor money to purchase cattle as promised and instead used the monies to repay earlier investors outsized returns.

c. Agridime operated at a loss continuously, sustained only by the money of new investors.

A factor supporting the existence of a Ponzi scheme is when the purported business operations of a company provide little or no profits or earnings. *Aequitas Mgmt., LLC*, 2020 WL 1528249, at *6 n.40 (quoting *The Ponzi Book: Unraveling Ponzi Schemes* § 2.03).

Here, only Agridime's investor cash flows generated positive net cash flows consistently year-over-year compared to the other categories of Agridime's transactions. Agridime's core business operations conducted very little business as compared to the amount of investment proceeds received. Indeed, as shown in Table 1.5, above, Agridime's net cash flows without investor monies were negative 34 of 36 months from 2021 through 2023, further demonstrating that core business operations were not adequately equipped to fund investor returns. Moreover, the amount of money lost every month was staggering; Agridime posted losses of *at least* \$1.5 million per month from January 2022 through July 2023.

It is important to note that the woeful performance of Agridime's core business operations described herein actually *overstates* the company's health, as a portion of the core operation deposits included financing proceeds received from feedlots such as Cattle Empire, Brookover, and Beef City, for cattle placed on feed at those locations. Thus, even after conservatively including this financed money to bolster Agridime's bottom line, Agridime's core business operations still fell far short of supporting the returns paid to investors, as starkly demonstrated by Figure 1.3:

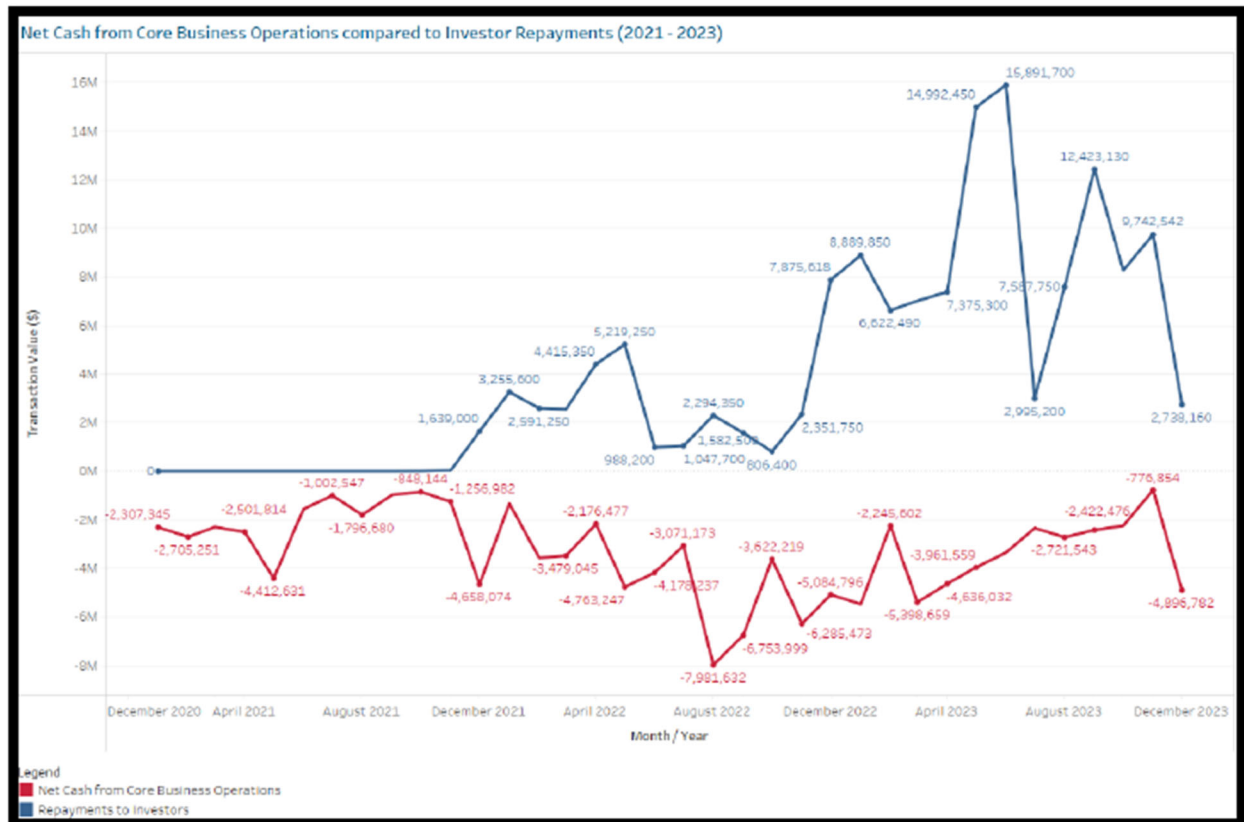


Fig. 1.3, (Ahuja Decl., ¶ 29).

While Agridime's meat and cattle sales operations may have had some isolated months of marginally positive cash flows, the monthly net cash activity was always substantially less than the money paid to investors during the same month. That is, the funds used to pay investors were required from a source other than Agridime's meat and cattle sales operations.

Disbursements over the period in scope to individuals or entities identified as cattle contract purchasers (including disbursements made via Shopify) totaled \$141,200,814, which significantly exceeded the amount of funds transferred over the same period from Agridime's Meat Sales Account (x3203) to the Dealer Account (x2742). This demonstrates that Agridime's core business operations were primarily not used to finance the returns on cattle contract investments:

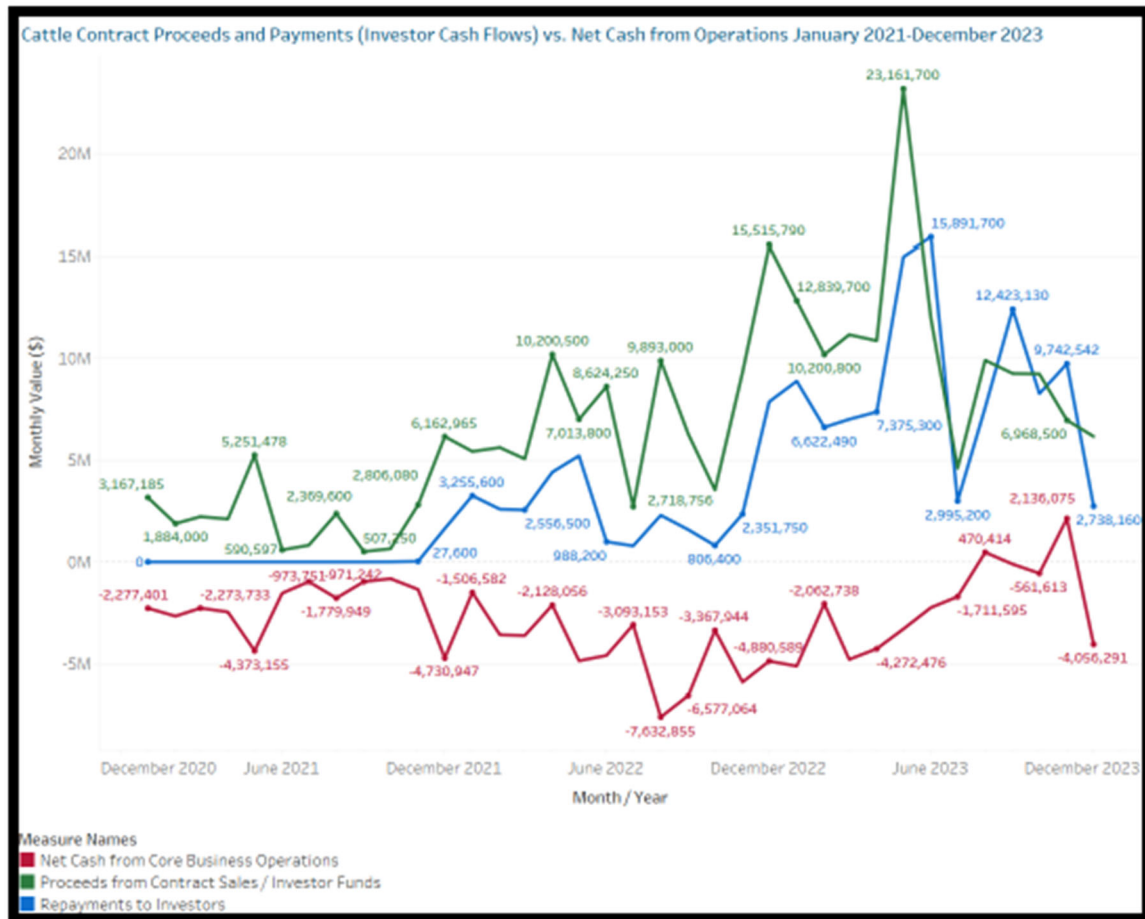


Fig. 1.4, (Ahuja Decl., ¶ 30).

Accordingly, Agridime continuously operated at a loss, establishing yet another factor of a Ponzi scheme.

C. A Ponzi determination creates a “Ponzi presumption” that will assist the Receiver in fulfilling his duties.

“A finding that a Ponzi scheme was perpetrated creates a so-called ‘Ponzi presumption,’ by which a court may infer the perpetrator’s intention to hinder, delay, or defraud for purposes of voiding transfers.” *Aequitas Mgmt., LLC*, 2020 WL 1528249, at *5. Indeed, a finding of a Ponzi scheme conclusively establishes fraudulent intent, *see SEC v. Res. Dev. Int’l, LLC*, 487 F.3d 295, 301 (5th Cir. 2007) (“In this circuit, proving that [a transferor] operated as a Ponzi scheme establishes the fraudulent intent behind the transfers it made.”), and may also preclude re-litigation

of the issue. *See Floyd v. Dunson (In re Ramirez Rodriguez)*, 209 B.R. 424, 433 (Bankr. S.D. Tex. 1997) (“[T]he criminal conviction of Ms. Rodriguez based on the debtors’ operation of a Ponzi scheme conclusively establishes fraudulent intent, and precludes the defendant from relitigating this issue.”). Thus, a Ponzi determination will assist the Receiver in recovering fraudulently transferred funds.

A Ponzi determination will also inform a distribution plan that the Receiver may recommend to the Court to return any recovered funds to Agridime’s investor victims. *See, e.g., Credit Bancorp, Ltd.*, 290 F.3d at 89 (explaining “the use of a *pro rata* distribution has been deemed especially appropriate for fraud victims of a ‘Ponzi scheme’”); *Aequitas Mgmt., LLC*, 2020 WL 1528249, at *7 (considering proposed distribution plan after a Ponzi finding and recognizing “Ponzi schemes often feature a commingling of investor funds” so an attempt to “trace” an investor’s transferred money can lead to a less favorable distribution among investors). With a Ponzi determination, the Receiver likely would recommend a distribution plan that subtracts any past Ponzi profits paid to unwitting investors from the amounts owed to those victims. Accordingly, a Ponzi determination will assist the Receiver in the ultimate resolution of this receivership proceeding in the most equitable way possible.

IV. PRAYER

For these reasons, the Receiver respectfully requests that the Court grant this Motion, find and determine that the Receivership Defendants created, executed, and maintained a Ponzi scheme beginning at least October 2021, and grant the Receiver all further relief at law and in equity to which he may be justly entitled.

Dated: July 26, 2024.

Respectfully submitted,

/s/ Colin P. Benton

Brant C. Martin

State Bar No. 24002529

brant.martin@wickphillips.com

David J. Drez III

State Bar No. 24007127

david.drez@wickphillips.com

Jacob T. Fain

State Bar No. 24053747

jacob.fain@wickphillips.com

Colin P. Benton

State Bar No. 24095523

colin.benton@wickphillips.com

WICK PHILLIPS GOULD & MARTIN, LLP

100 Throckmorton Street, Suite 1500

Fort Worth, Texas 76102

Telephone: (817) 332-7788

Fax: (817) 332-7789

**ATTORNEYS FOR STEVE FAHEY, IN HIS
CAPACITY AS COURT-APPOINTED
RECEIVER**

CERTIFICATE OF CONFERENCE

This is to certify that on July 26, 2024, the Receiver conferred with counsel for the Commission and Link regarding the relief requested in this Motion. Counsel indicated that the Commission is not opposed to this motion at this time, and Link is opposed. The Receiver attempted, but was unable, to confer with counsel for Wood, and thus presumes that Wood is opposed to the relief requested herein.

/s/ Colin P. Benton

Colin P. Benton

CERTIFICATE OF SERVICE

This is to certify that on July 26, 2024, a true and correct copy of the foregoing document was filed and served in accordance with the Federal Rules of Civil Procedure via the CM/ECF filing system on all counsel of record.

/s/ Colin P. Benton

Colin P. Benton

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

AGRIDIME LLC et al.,

Defendants.

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Civil Action No. 4:23-cv-1224-P

DECLARATION OF MADHU AHUJA

1. My name is Madhu Ahuja. I am over 18 years of age and competent to make this Declaration. I am a Certified Public Accountant in the State of Texas, USA, a Certified Fraud Examiner, and a Certified Valuation Analyst. I am also Accredited in Business Valuation by the AICPA, and the President of Ahuja & Consultants, Inc., (“A&C”), formerly known as Ahuja & Clark, PLLC. I have more than 28 years of experience providing a variety of audit, forensic accounting, litigation, business disputes, tax, and other financial advisory services. I have performed a variety of forensic investigation work including employee embezzlement, vendor fraud, and financial accounting fraud. Additionally, my forensic accounting experience includes reconstruction of financial records, funds tracing, data anomaly detection, and data analysis. As a forensic accountant, I also have extensive experience with receiverships, including tracing assets, tracing the flow of funds, and calculating net investor losses.

2. I received a Post Graduate Diploma in Business Administration, Finance from the Institute of Productivity Management in Kanpur, India in 1991. I also have a Master of Science in Management and Administrative Sciences degree earned from the University of Texas at Dallas

in 1995. I worked for PricewaterhouseCoopers, LLP from 1996 through 2002 before founding Ahuja & Clark, PLLC in 2003. Additional information about my education and experience is found in my resume, a true and correct copy of which is attached as **Exhibit A**.

3. On December 11, 2023, the United States District Court for the Northern District of Texas appointed Mr. Stephen P. Fahey as the Receiver for Agridime, LLC (“Agridime”), Josh Link, and Jed Wood. The Court authorized A&C to provide professional services in this case and, among other things, to assist the Receiver with determining whether the indicia of Ponzi investment activity existed within Agridime’s business operations. Through my role with A&C, I have personal knowledge of the facts contained in the Declaration, which are true and correct.

4. I understand that the SEC defines a Ponzi scheme as an investment fraud that pays existing investors with funds collected from new investors. Ponzi scheme organizers often promise high returns with little or no risk. Instead they use money from new investors to pay earlier investors and may steal some of the money for themselves. With little or no legitimate earnings, Ponzi schemes require a constant flow of new money to survive.¹

SCOPE

5. A&C was approved by the Court to serve as forensic accountants to support the Receiver, Mr. Stephen P. Fahey. This Forensic and Investigative Declaration Regarding the Investigation of Agridime’s Business Practices (the “Declaration”) has been prepared to provide the Court, the Receiver, and interested parties with the results of the investigation of the facts used to evaluate whether indicia of Ponzi investment activity were present within Agridime’s business operations.

¹ U.S. Securities and Exchange Commission website at <https://www.investor.gov/introduction-investing/investing-basics/glossary/ponzi-schemes>.

6. In connection with its investigation, A&C performed an extensive document review and analysis. We have examined the substance of Agridime's business transactions and its business practices in detail. Below is a description of the forensic and investigative assessment that A&C performed, as well as the related findings.

7. A&C's findings are based on information obtained from the Receiver, the staff employed by Agridime, third parties, and public sources. The Declaration does not constitute an audit of financial condition and is intended only to provide information for use by the Court in aiding the evaluation of whether the indicia of Ponzi scheme were present, and in any applicable litigation related to this case. Furthermore, the procedures performed thus far did not include a detailed review to confirm all transaction payees, and cannot be expected to identify all errors, irregularities, fraud, or illegal acts. In the event that additional relevant information is obtained, A&C reserves the right to amend the Declaration.

AGRIDIME'S BUSINESS OPERATIONS AND CATTLE CONTRACTS

8. Per the SEC Civil Action Complaint filed December 11, 2023, Agridime is a Texas limited liability company co-founded by Joshua Link ("Link") and Jed Wood ("Wood") in 2017, with its principal place of business in Fort Worth, Texas. Link and Wood have jointly controlled Agridime as its highest-ranking officers and managing members, each owning a 45.5% interest in the company. Agridime has operated in Texas, Arizona, Kansas, North Dakota, and other states, and has purported to be a meat-distribution company with a "proprietary beef supply chain."²

9. Per Agridime's website, the company highlighted its focus on meat sales and distribution, whereby the meat was sourced from local farms and ranches in the United States, underwent USDA inspection, and was certified for resale. Orders could be placed online for the

² U.S. Securities and Exchange Commission website at <https://www.sec.gov/files/litigation/complaints/2023/comp-pr2023-250.pdf>

beef and other protein products, which could be distributed to consumers nationwide from Herington, Kansas, Gilbert, Arizona, or Fort Worth, Texas. Such products were marketed to restaurants, food service distributors, meat distributors, grocery stores, and end consumers.³ Agridime's website in a secondary capacity marketed the Company's standing as an "online cattle and agricultural products brokerage company that utilizes a proprietary trading platform to connect buyers and sellers."⁴ Per the SEC Complaint, Agridime's website marketed cattle contracts "as a way for investors to passively profit from cattle ownership without having to do all the work."⁵ The cattle contracts represented investment contracts whereby the proceeds were to be used to purchase the underlying asset of heads of cattle/livestock. The cattle were to be fed until reaching market weight, at which point the cattle would be processed and the meat would be marketed to consumers.

FORENSIC INVESTIGATION – PROCEDURES

10. A&C has performed a comprehensive analysis of Agridime's business and financial operations between January 2021 and December 2023 through a detailed review of bank records and a review of the QuickBooksTM accounting data, using data exported by A&C between March 6, 2024 through June 27, 2024. As a part of the analysis, A&C downloaded all Worthington National bank statements and supporting documentation as received from the accounting department of Agridime. A&C reviewed the bank information for period gaps and received any missing information from the Receiver and Agridime accounting staff to ensure completeness. Complete copies of the bank information were received to cover the period January 2021 through December 2023.

³ Agridime Company website at: <https://agridime.com/meat-distribution>

⁴ Agridime Company website at: <https://agridime.com/cattle-backgrounding>

⁵ U.S. Securities and Exchange Commission website at <https://www.sec.gov/files/litigation/complaints/2023/comp-pr2023-250.pdf>

11. The analysis is based on the bank activity of the following three accounts, comprised of approximately 40,325 transactions in total, of which \$446,999,957 is the total value of disbursements and \$446,081,279 is the total value of deposits.

Account
Agridime LLC - Dealer Account - Worthington National Bank - Business Chk. Acct. No. 6032742 ("x2742")
Agridime LLC - Meat Sales Account - Worthington National Bank - Business Chk. Acct. No. 6033203 ("x3203")
Agridime LLC – Operating Account - Worthington National Bank - Business Chk. Acct. No. 6030845 ("x0845")

12. A&C focused on all accounts' data to identify investor money through transaction party names.

13. A&C analyzed the list of names found within the document "Cattle Contract Sales" provided by Agridime's accounting department that I understand to be a list of Agridime investors. A&C then compared the list of names extracted from the bank statement description field to the "Cattle Contract Sales" document. The comparison aimed to confirm which names represent investors and distinguish those parties from other vendors or customers.

14. A&C standardized the names between the "Cattle Contract Sales" document provided by Agridime and any name appearing within the bank statement transaction descriptions. A&C further used Agridime's QuickBooksTM data exports to corroborate any bank statement transactions that lacked detail. For all transactions not related to investor names, A&C standardized the majority of transaction payee/payor names and categorized each transaction according to its perceived business purpose (e.g., Meat Manufacturing / Processing / Distributing, Logistics, Farm and Ranch Products, Feed Yard, Livestock Production, Construction Company, etc.). On a higher level, A&C classified all transactions based on whether the cash flows appear to represent core operations, investor cash flows, or financing.

15. Of the total absolute value of bank statement deposit and disbursement amounts (i.e., \$893,081,236), 88% of the transaction population volume has been classified based on payee names and transaction descriptions found in third-party sources (i.e., bank records and Shopify records), while 12% of the transactions' payees / payors have been verified using Agridime internal records primarily housed in QuickBooks™.

16. If the QuickBooks™ data lacked sufficient detail to identify the *specific name* of the transaction payee in cases where it was unclear through the bank statement description, those transactions were classified as "Unknown." This "Unknown" payee / payor classification predominately consists of transfers made via a third-party payment platform (e.g., Paypal, Stripe, Toast, Shopify, etc.). Of the total absolute value of bank statement deposit and disbursement amounts (i.e., \$893,081,236), there are 7,386 transactions valued at \$131,322,426 for which the specific name of the payor/payee is unknown (i.e., 15% of the total transaction population value). However, although the specific name of the Payee or Payor is unknown, A&C has nonetheless been able to verify the transactions as operating cash flows based on comparing the dates and transaction amounts to confirm that those transactions were not located in Agridime's cattle contract records. Additionally, Agridime's accounting staff confirmed that transactions through Paypal, Stripe, and Toast related to meat and cattle sales. The majority of "Unknown" transactions thus could be classified into the category Core Business Operations or Investor Cash Flows. A&C has not been able to distinguish whether one of those transactions valued at \$157,769 relates to operational or investor cash flows and has left that as an "Unknown" transaction.

17. A&C has traced the first occurrence of indicated Ponzi investment activity to October 2021 through the analysis of investor payments made despite the net operating losses generated by the business.

18. A&C has reviewed Agridime's accounting records to verify its financial condition. The accounting entries supporting the financial statement line items do not appear to appropriately capture the substance of the transactions that took place. For example, Agridime has engaged in cattle financing activities with feedlot Cattle Empire, LLC through various note agreements. Rather than recording the payable amount as a liability, the full amount of the financed note was booked as core operation revenue when funds were received by Agridime, inaccurately inflating Agridime's revenue line item. For the purpose of presenting the indicia of Ponzi activity, note that A&C has assigned Cattle Empire, LLC payments to Core Operations.

19. A&C concludes that Agridime's financial statements are not in compliance with Generally Accepted Accounting Principles ("GAAP"). The accounting records have been prepared in a way that caused the financial picture to be materially distorted and/or incomplete. Therefore, A&C gave little weight to these financial statements when considering whether the indicia of Ponzi investment activity were present. Instead, A&C has placed greater emphasis on bank records. A&C has trended various aspects of the bank transaction data to discover the underlying business activity and illustrate the deterioration of Agridime's financial position over time.

20. A&C reviewed contract samples provided by Agridime's accounting staff to gain an understanding of the terms and structure of the contracts. Note that the cattle contracts denote principal and interest as "purchase price" and "guaranteed [...] profit," respectively. A&C verified, per the contract terms, that both principal and interest were due to be paid out on the contract settlement date. A review of sample cattle contracts and additional support provided by Agridime staff indicates that investors were guaranteed returns ranging from 15% to 33%. The characteristic of guaranteeing returns was to attract new investments. These new investments would then generate cash to repay older investors since the business was consistently generating net operating losses.

21. A&C trended the bank activity for each Account (i.e., Meat Sales Account x3203, Dealer Account x2742, and Operating Account x0845) to indicate deposits and disbursements over the period for which data was provided. This data is presented in the below graphs to identify dates where there was a large disbursement/investor payout with a prior recent deposit to indicate examples of investor payouts funded by new investor monies. A&C reviewed various parameters to align the bank statement transaction data with data represented by Agridime's records in QuickBooks™, including, but not limited to, the following: investor proceeds and payments, purchased cattle, cattle contract sales, cattle contract purchases, and commissions paid.

A. Evaluation of Activities for the Period between January 2021 and December 2023

1. Insufficient Core Business Cash Flow

22. To further distinguish among Agridime's business activities, A&C has classified each transaction inflow or outflow under one of the following categories: (1) Investor Cash Flows (i.e., money received from investors or paid to investors); (2) Core Business Operations (i.e., net cash flow from Agridime's meat and cattle sales); (3) Bank / Financial Services / Investment Company / Credit Supplier (i.e., money received from or disbursed to financial institutions); (4) Shopify Transactions and (5) Transactions with Unknown Payees for which A&C was unable to verify the purpose as of the date of this report.

<i>Total Transaction Values by Category</i>	<i>Cash Inflows (Deposit)</i>	<i>Cash Outflows (Disbursement)</i>	<i>Net Cash Flow</i>
<i>Investor Cash Flows</i>	\$219,902,140	\$(140,861,714)	\$79,040,427
<i>Core Business Operations</i>	\$184,100,455	\$(303,191,474)	\$(119,091,019)
<i>Shopify Transactions⁶</i>	\$40,768,349	\$(1,428,998)	\$39,339,351

⁶ A portion of Shopify transactions also represent investor cash flows. A Shopify report received from Agridime accounting staff indicates that investor funds received for contract purchases represent \$24,235,578, or 59% of total

<i>Bank / Financial Services / Investment Company / Credit Supplier</i>	\$1,152,565	\$(1,517,772)	\$(365,207)
<i>Unknown Payor / Payee</i>	\$157,770	\$0	\$157,770
Net Cash Flow	\$446,081,279	\$(446,999,957)	\$(918,678)

Table 1.1

23. For the purpose of presenting cash flows throughout the remainder of this report, the proceeds and payments transacted via Shopify have been incorporated based on whether the transaction is related to Core Business Operations or Investor Cash Flows. The distinction is based on the Shopify reports received from Agridime accounting staff. The adjustment to the categories to integrate the Shopify activity is presented below.

<i>Total Transaction Values by Category</i>	<i>Cash Inflows (Deposit)</i>	<i>Cash Outflows (Disbursement)</i>	<i>Net Cash Flow</i>
<i>Investor Cash Flows</i>	\$244,137,718	\$(141,200,814)	\$102,936,904
<i>Core Business Operations</i>	\$200,633,226	\$(304,281,372)	\$(103,648,146)
<i>Bank / Financial Services / Investment Company / Credit Supplier</i>	\$1,152,565	\$(1,517,772)	\$(365,207)
<i>Unknown</i>	\$157,770	\$0	\$157,770
Net Cash Flow	\$446,081,279	\$(446,999,958)	\$(918,678)

Table 1.2

incoming funds from Shopify. The report further specified that \$339,100 in investor re-payments were transacted via Shopify, or 24% of total Shopify disbursements.

Note that A&C has relied on the report with figures supported by Shopify reports to indicate contract sales transactions due to Shopify's reliability as a third-party source of information. However, the Shopify report reflects contract sales transactions until June 15, 2023, while the range of bank statement transaction data is through December 29, 2023. Therefore, any residual transactions that were processed via Shopify presented in the bank statement between June 15, 2023 and December 29, 2023 have been credited to Core Business Operations, given that the data range of the Shopify report specifying contract sales transactions was limited to June 15, 2023.

24. A&C has evaluated the activities through which Agridime conducted its core operations by assigning transactions to a category representing all but investor funds. The following graph (Figure 1.1) shows the deposits and disbursements of core operational activity for the period January 2021 – December 2023 excluding those transactions with unknown payees/depositors, and those related to financing activities. As illustrated in Figure 1.1, Agridime’s core business operations demonstrate consistently negative cash flows.

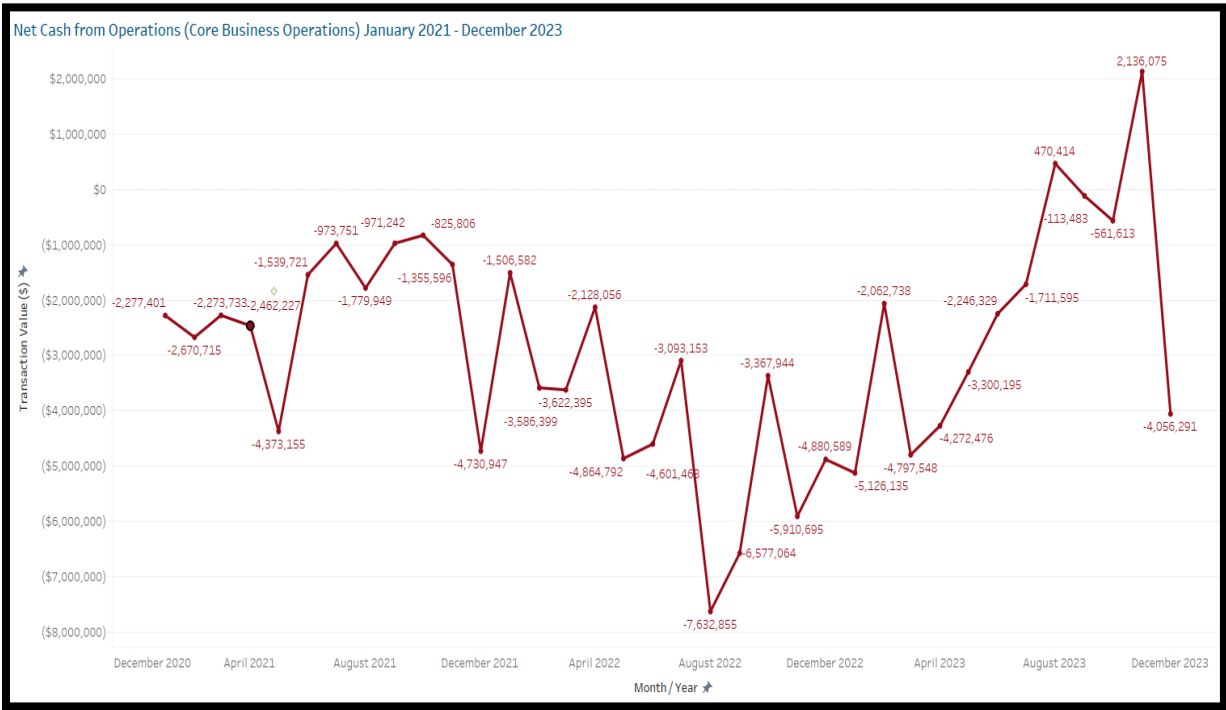


Figure 1.1

2. Cash Sources and Uses

25. With specific respect to deposits from cattle contract purchasers (also referred to herein as “investors”), approximately 1,940 investors have been identified from whom a total of \$244,137,718 was received as proceeds from cattle contract sales (including contract monies received via Shopify). A&C compared the bank statement transaction date, amount, and Payee/Depositor against Agridime’s Cattle Contract Sales records to verify the nature of each transaction:

Proceeds from Contract Sales/Investors versus Payments to Investors	
Proceeds (Deposit)	\$ 244,137,718
Repayments (Disbursement)	\$ (141,200,814)

Table 1.3

26. As shown above in Table 1.3, investor cash inflows were \$244,137,718 with cash outflows of \$141,200,814 (including investor cash flows transacted via Shopify). Table 1.2 and Figure 1.1 demonstrate that the net cash outflows from core business operations were cumulatively negative at \$103,648,146. Therefore, the majority of \$141,200,814 repaid to investors could not have been derived from core business operations given that the other categories identified above were also net negative and thus could not be a source for investor repayments. Therefore, the source of the repayments to the earlier investors must have been drawn from new investor deposits.

27. Investor cash flows have been trended to determine time frames at which new investor deposits were received and used to repay old investor obligations. The results of the trend analysis are included in the next graph (*see* Figure 1.2). In reviewing activity trendlines of combined data of Dealer Account x2742, Meat Sales Account x3203, and Operating Account x0845 via the graph, the inflows of funds from cattle contract purchasers compared with the outflows of funds disbursed to those purchasers (returns) are very highly correlated. Given that contracts were purchased at various times, with varying terms and settlement dates, the high correlation between fund flows indicates that incoming deposits were financing payment obligations. The indicia of Ponzi investment activity first surfaced in October 2021 when the first investor repayments were due as there were no operating profits to repay the investors at that time.

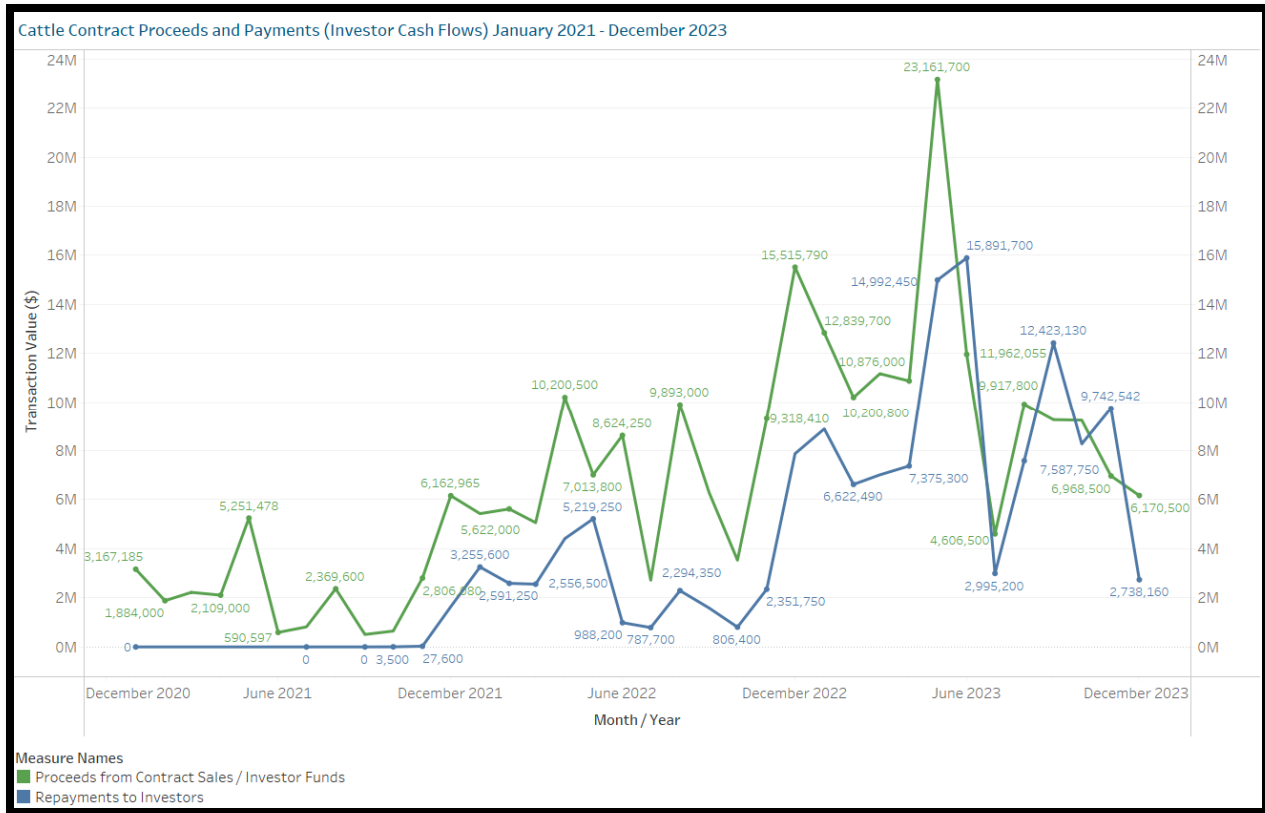


Figure 1.2

B. A Comparison of Core Business Operations to Investment Activities Demonstrates Funds Used to Pay Investors were Generated from a Source other than Agridime's Core Business Operations

28. Given the limited reliance placed on Agridime's accounting records because of the irregular accounting entries identified, A&C placed greater emphasis on analyzing operating and financing cash flows based on bank records (*See* Table 1.4). Note that Investor Cash Flows is the only category that has generated positive net cash flows consistently year-over-year compared to the other categories. Given the sheer transaction volume of cattle contracts and obligations to repay principal and interest amounts, it is evident that Agridime's core business operations conducted very little business as compared to the amount of investment proceeds received, indicating that its unsustainable core operations were not capable of settling future obligations to investors.

TOTAL DEPOSITS AND DISBURSEMENTS BY CATEGORY BY YEAR (SOURCE: BANK STATEMENT AND SHOPIFY REPORT DATA)				
	2021	2022	2023	Grand Total
INVESTOR CASH FLOWS NET IN/OUTFLOW \$	\$26,865,249	\$54,232,936	\$21,838,720	\$102,936,904
DEPOSIT	\$28,535,349	\$89,217,403	\$126,384,966	\$244,137,718
DISBURSEMENT	\$(1,670,100)	\$(34,984,468)	\$(104,546,246)	\$(141,200,814)
CORE BUSINESS OPERATIONS NET IN/OUTFLOW \$	\$ (26,234,243)	\$ (51,771,988)	\$ (25,641,914)	\$ (103,648,146)
DEPOSIT	\$ 40,865,803	\$ 68,198,953	\$ 91,568,470	\$ 200,633,226
DISBURSEMENT	\$(67,100,046)	\$ (119,970,942)	\$ (117,210,384)	\$ (304,281,372)
BANK / FINANCIAL SERVICES / INVESTMENT CO. / CREDIT SUPPLIER NET IN/OUTFLOW \$	\$ 186,863	\$ (219,785)	\$ (332,284)	\$ (365,207)
DEPOSIT	\$ 245,822	\$ 186,885	\$ 719,857	\$ 1,152,565
DISBURSEMENT	\$ (58,959)	\$ (406,671)	\$ (1,052,141)	\$ (1,517,772)
UNKNOWN PAYEE/DEPOSITOR NET IN/OUTFLOW \$	\$ 0	\$ 157,770	\$ 0	\$ 157,770
DEPOSIT	\$ 0	\$ 157,770	\$ 0	\$ 157,770
DISBURSEMENT	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL NET INFLOW / OUTFLOW PER YEAR	\$ 817,869	\$ 2,398,932	\$ (4,135,479)	\$ (918,678)

Table 1.4

29. To further illustrate the ability of Agridime to meet investors' contractual obligations, the chart below (Figure 1.3) trends investor repayments against monthly net cash flows that exclude investor proceed amounts (i.e., excludes raised capital from contract sales). Net cash flows without investor monies are negative month after month during the 2021 – 2023 time frame, further demonstrating that core business operations were not adequately equipped to fund investor returns. Additionally, note that some of the Core Operation deposits include financed money for cattle placed at feedlots such as Cattle Empire LLC, Brookover, and Beef City:

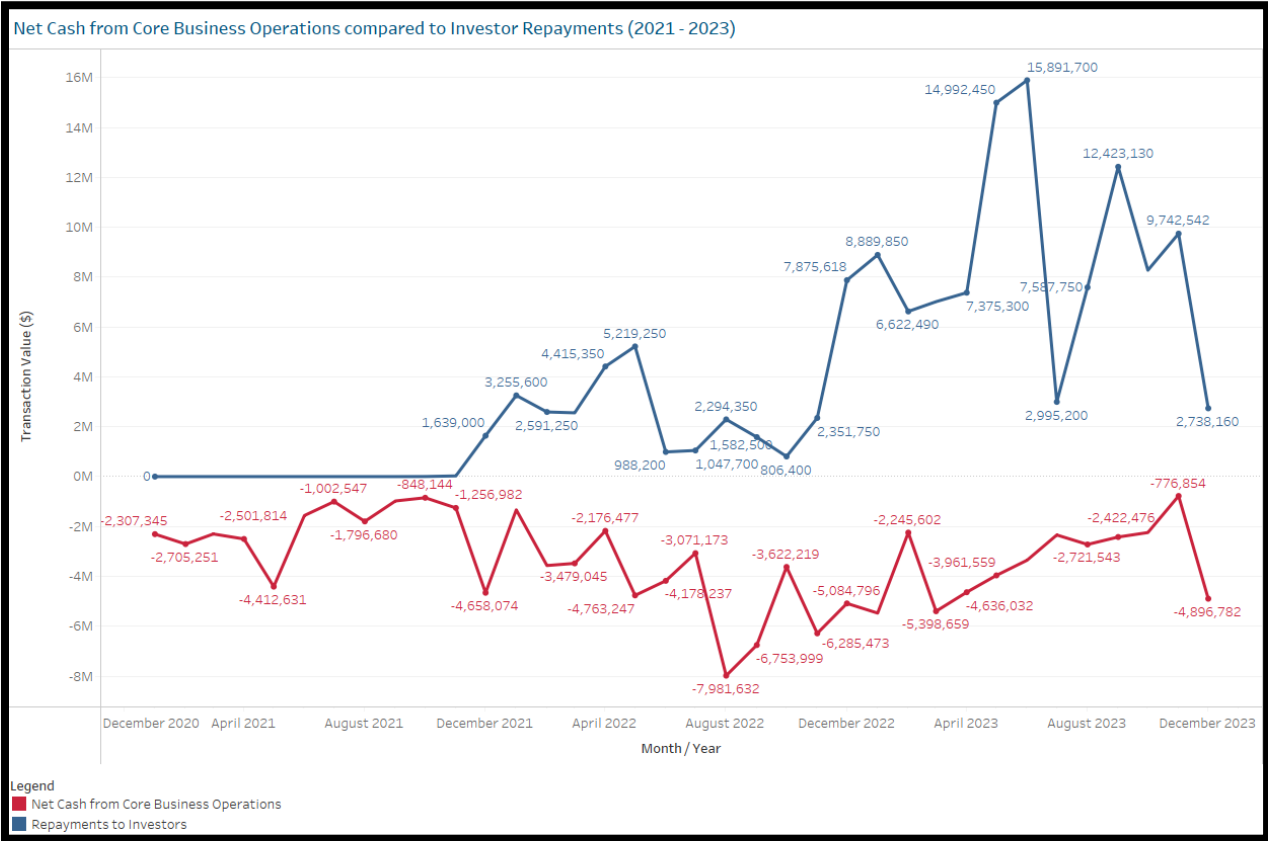


Figure 1.3

30. Based on the account activity divided between core operations and investor cash flows, any positive operational cash flows appear insufficient to satisfy the outstanding payment obligations owed to cattle contract purchasers (investors), given that operational disbursements appear too frequently to allow for an accumulation of positive net cash. While Agridime’s meat and cattle sales operations may have had some isolated months of marginally positive cash flows, the monthly net cash activity was always substantially less than the money paid to investors during the same month. That is, the funds used to pay investors were required from a source other than Agridime’s Meat and Cattle Sales operations. Figure 1.4 below brings together previously

discussed data points related to investor cash flows and core business cash flows to show a holistic picture of Agridime's business activities.

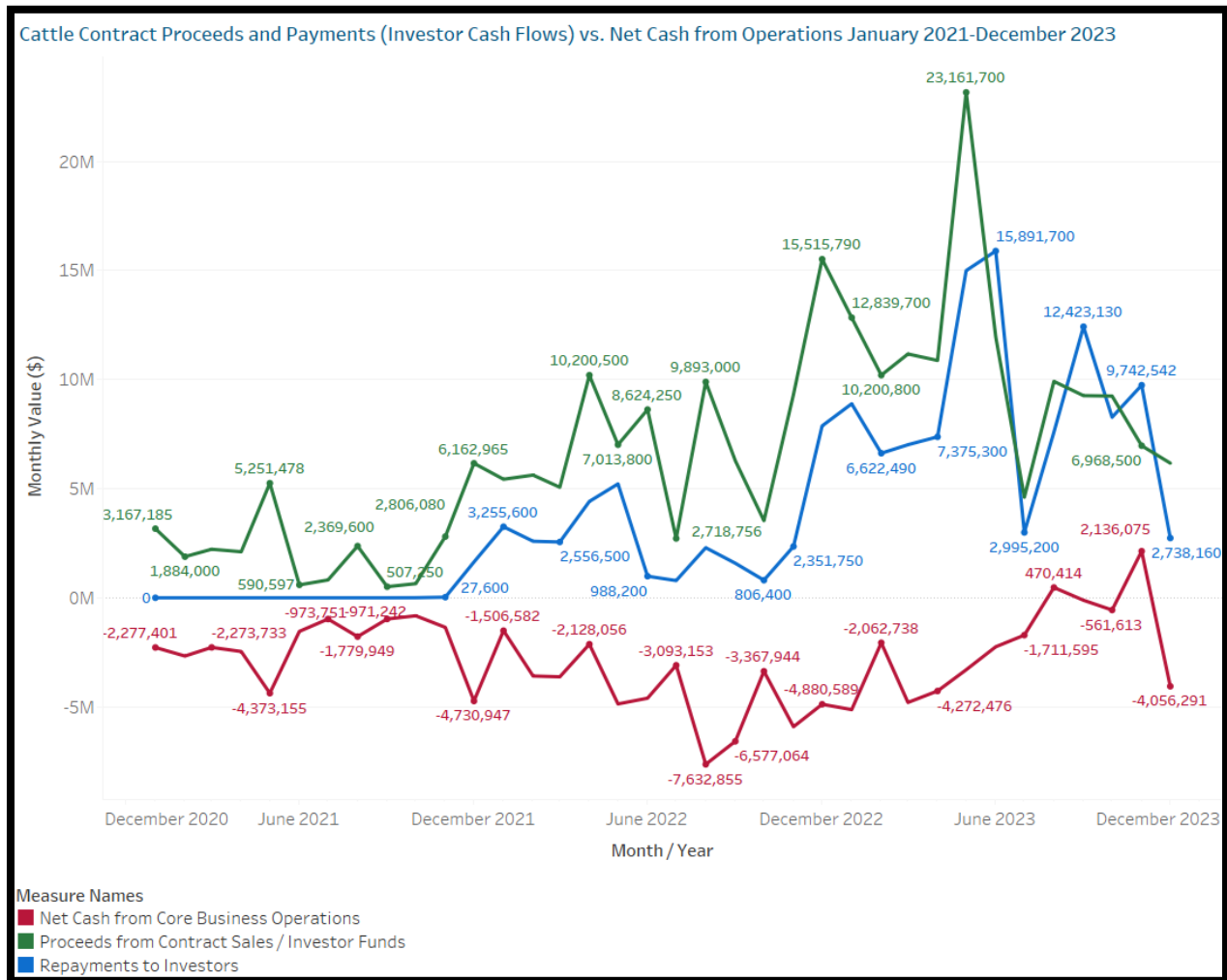


Figure 1.4

31. Disbursements over the period in scope to individuals or entities identified as Cattle Contract Purchasers (including disbursements made via Shopify) totaled \$141,200,814, which significantly exceeds the amount of funds transferred over the same period from the Meat Sales Account (x3203) to the Dealer Account (x2742), indicating that core business operations were primarily not used to finance the returns on cattle contract investments.

1. Agridime Used Funds Obtained from Newer Investors to Settle Obligations Due to Older Investors

32. A primary characteristic of Ponzi investment activity is that the related business has little or no legitimate earnings. To depict the insufficiency for Core Business Operations to fund Investor re-payments, Table 1.5 below details the negative monthly net cash flows for years 2021 – 2023 versus actual investor repayments. Investor deposit amounts are additionally presented to show that those deposits are the only source of funds from which repayments could have been made. On a monthly basis, the cash flows from operations are regularly negative, and additionally, significantly inferior to investor repayments that were required. Note that only two months of the three years (i.e., August and November 2023) reached positive cash flows for core business operations, and both of those months include several large deposits from Cattle Empire LLC, which may or may not be part of financing agreements. The comparison implicitly indicates that only investor deposits from more recent cattle contracts have been used to satisfy the obligations of previously entered cattle contracts.

Year / Month	Net Cash Flow of Core Business Operations	Investor Repayments	Investor Deposits
2021			
Jan	\$ (2,277,401)	\$ -	\$ 3,167,185
Feb	\$ (2,670,715)	\$ -	\$ 1,884,000
Mar	\$ (2,273,733)	\$ -	\$ 2,224,000
Apr	\$ (2,462,227)	\$ -	\$ 2,109,000
May	\$ (4,373,155)	\$ -	\$ 5,251,478
Jun	\$ (1,539,721)	\$ -	\$ 590,597
Jul	\$ (973,751)	\$ -	\$ 816,294
Aug	\$ (1,779,949)	\$ -	\$ 2,369,600
Sep	\$ (971,242)	\$ -	\$ 507,250
Oct	\$ (825,806)	\$ 3,500	\$ 646,900
Nov	\$ (1,355,596)	\$ 27,600	\$ 2,806,080
Dec	\$ (4,730,947)	\$ 1,639,000	\$ 6,162,965
2022			
Jan	\$ (1,506,582)	\$ 3,255,600	\$ 5,431,235
Feb	\$ (3,586,399)	\$ 2,591,250	\$ 5,622,000
Mar	\$ (3,622,395)	\$ 2,556,500	\$ 5,064,662
Apr	\$ (2,128,056)	\$ 4,415,350	\$ 10,200,500
May	\$ (4,864,792)	\$ 5,219,250	\$ 7,013,800
Jun	\$ (4,601,463)	\$ 988,200	\$ 8,624,250
Jul	\$ (3,093,153)	\$ 1,047,700	\$ 2,718,756
Aug	\$ (7,632,855)	\$ 2,294,350	\$ 9,893,000
Sep	\$ (6,577,064)	\$ 1,582,500	\$ 6,281,000
Oct	\$ (3,367,944)	\$ 806,400	\$ 3,534,000
Nov	\$ (5,910,695)	\$ 2,351,750	\$ 9,318,410
Dec	\$ (4,880,589)	\$ 7,875,618	\$ 15,515,790
2023			
Jan	\$ (5,126,135)	\$ 8,889,850	\$ 12,839,700
Feb	\$ (2,062,738)	\$ 6,622,490	\$ 10,200,800
Mar	\$ (4,797,548)	\$ 7,013,630	\$ 11,172,811
Apr	\$ (4,272,476)	\$ 7,375,300	\$ 10,876,000
May	\$ (3,300,195)	\$ 14,992,450	\$ 23,161,700
Jun	\$ (2,246,329)	\$ 15,891,700	\$ 11,962,055
Jul	\$ (1,711,595)	\$ 2,995,200	\$ 4,606,500
Aug	\$ 470,414	\$ 7,587,750	\$ 9,917,800
Sep	\$ (113,483)	\$ 12,423,130	\$ 9,263,500
Oct	\$ (561,613)	\$ 8,274,045	\$ 9,245,100
Nov	\$ 2,136,075	\$ 9,742,542	\$ 6,968,500
Dec	\$ (4,056,291)	\$ 2,738,160	\$ 6,170,500
Grand Total	\$ (103,648,146)	\$ 141,200,814	\$ 244,137,718

Table 1.5

2. Investor Proceeds vs. Volume of Cattle Purchased

33. The cattle contracts were marketed to investors under the premise that the proceeds would be used to acquire, feed, and raise cattle on Agridime's network of ranches. A&C has compared the monthly investor proceeds against the amount spent for cattle to illustrate the large discrepancy between those parameters, and to evidence that Agridime did not purchase nearly enough cattle to pay the promised investor returns. Table 1.6 is based on the Agridime accounting records (exported from QuickBooks) validated against bank statement records to illustrate that investor proceeds significantly exceeded the amount of purchased cattle month-over-month. Note that the two measures are narrowly correlated in earlier months but diverge significantly throughout later months. The percentage of total cattle purchased divided by the total amount of investor funds raised for 2021, 2022, and 2023 respectively is 86%, 40%, and 31%. On a cumulative basis, the percentage of total cattle purchased for all years 2021-2023 divided by the total amount of investor funds raised for 2021 – 2023 is 41%. The inconsistent negative trend of cattle purchased as a percentage of investor proceeds indicates that investor funds were not used for their prescribed purpose to purchase what should have been the underlying asset of the investment. Note that Table 1.6 further includes cattle contract proceeds received via Shopify.

	Cattle Purchased (\$)	Investor Proceeds from Cattle Contracts (\$)	Cattle Purchased / Investor Proceeds (%)
Year 2021			
January	\$ 2,754,307	\$ 3,167,185	87%
February	\$ 3,391,831	\$ 1,884,000	180%
March	\$ 2,270,124	\$ 2,224,000	102%
April	\$ 1,927,130	\$ 2,109,000	91%
May	\$ 1,712,095	\$ 5,251,478	33%
June	\$ 1,903,172	\$ 590,597	322%
July	\$ 1,016,955	\$ 816,294	125%
August	\$ 1,693,977	\$ 2,369,600	71%
September	\$ 1,902,262	\$ 507,250	375%
October	\$ 2,108,020	\$ 646,900	326%
November	\$ 1,729,285	\$ 2,806,080	62%
December	\$ 2,107,104	\$ 6,162,965	34%
Total 2021	\$ 24,516,261	\$ 28,535,349	86%
Year 2022			
January	\$ 1,935,574	\$ 5,431,235	36%
February	\$ 2,374,439	\$ 5,622,000	42%
March	\$ 3,267,773	\$ 5,064,662	65%
April	\$ 1,591,864	\$ 10,200,500	16%
May	\$ 2,655,118	\$ 7,013,800	38%
June	\$ 2,184,647	\$ 8,624,250	25%
July	\$ 2,144,914	\$ 2,718,756	79%
August	\$ 3,521,536	\$ 9,893,000	36%
September	\$ 5,280,731	\$ 6,281,000	84%
October	\$ 3,377,572	\$ 3,534,000	96%
November	\$ 4,358,251	\$ 9,318,410	47%
December	\$ 3,138,905	\$ 15,515,790	20%
Total 2022	\$ 35,831,325	\$ 89,217,403	40%
Year 2023			
January	\$ 3,873,094	\$ 12,839,700	30%
February	\$ 2,712,979	\$ 10,200,800	27%
March	\$ 4,416,409	\$ 11,172,811	40%
April	\$ 7,817,370	\$ 10,876,000	72%
May	\$ 2,978,521	\$ 23,161,700	13%
June	\$ 2,689,119	\$ 11,962,055	22%
July	\$ 2,364,930	\$ 4,606,500	51%
August	\$ 3,127,635	\$ 9,917,800	32%
September	\$ 3,249,070	\$ 9,263,500	35%
October	\$ 2,289,728	\$ 9,245,100	25%
November	\$ 2,275,082	\$ 6,968,500	33%
December	\$ 911,114	\$ 6,170,500	15%
Total 2023	\$ 38,705,051	\$ 126,384,966	31%
Grand Total	\$ 99,052,637	\$ 244,137,718	41%

Table 1.6

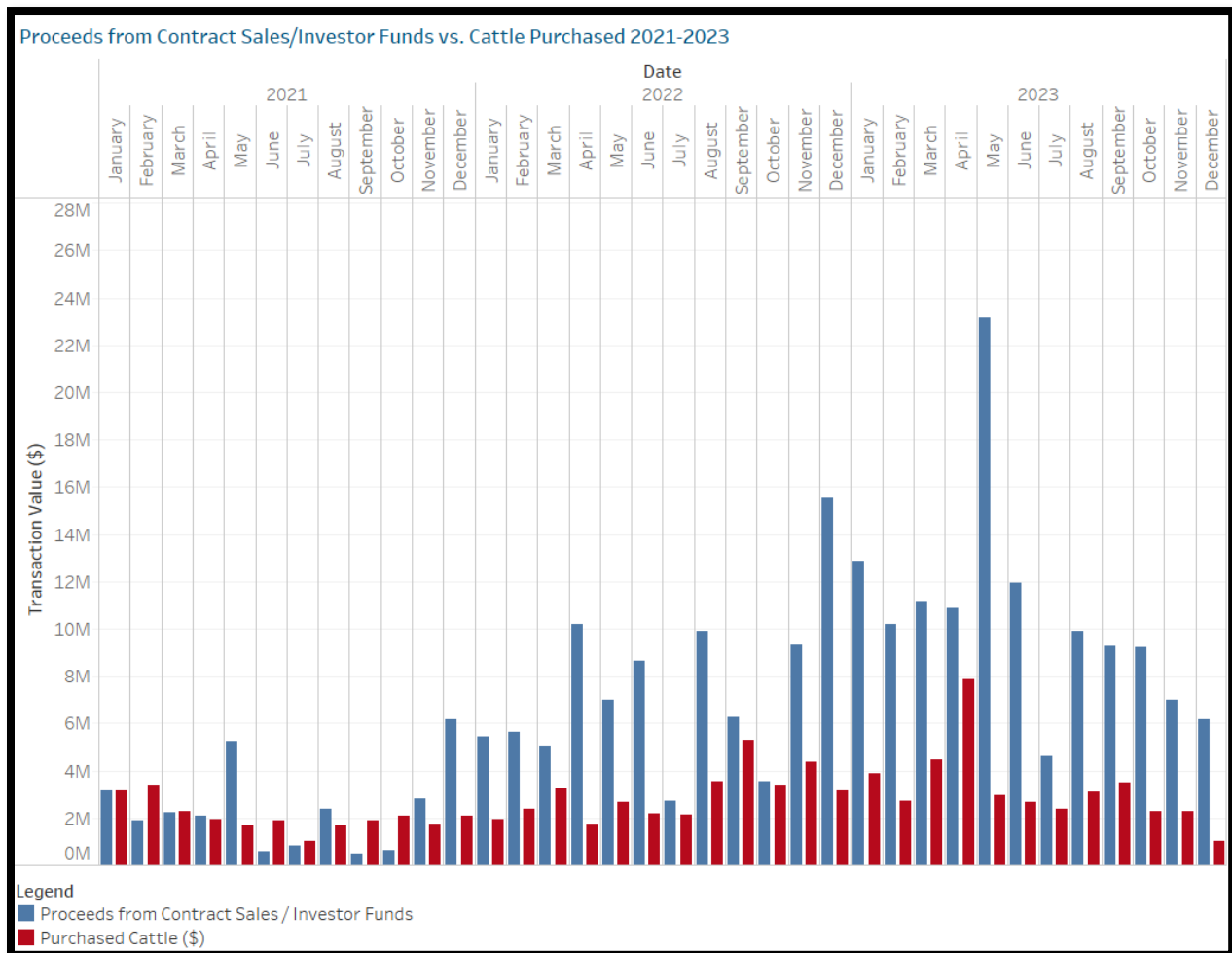


Figure 1.5

CONCLUSIONS

34. In summary, based on my education, experience, expertise, and A&C's review of the documents and analysis of the data related to Agridime during the period January 2021 through December 2023 as described in this Declaration, it is my opinion that Agridime's business practices during the period October 2021 through the inception of the Receivership in December 2023 demonstrate all the indicia of a Ponzi investment scheme as defined by the SEC:

- Agridime raised \$244,137,718 from approximately 1,940 investors by way of selling investment contracts related to the purchase and sale of cattle;

- A review of sample contracts indicates that investors were guaranteed returns ranging from 15% to 33% despite Agridime having recurring net operational losses;
- \$141,200,814 was repaid to investors by Agridime while there were consistent net operating losses generated by the business;
- Net cash flows from Core Business Operations were cumulatively a negative \$103,648,146;
- Agridime did not purchase sufficient cattle to meet its obligations to investors;
- The payments of obligations to older investors were funds obtained from newer investors; and
- Agridime's business records were not reliable. This is a common characteristic found amidst fraudulent activities.

I declare under penalty of perjury that the foregoing is true and correct, and within my personal knowledge.

Executed on this 19th day of July, 2024.

Madhu Ahuja
Madhu Ahuja



Madhu Ahuja, CPA, ABV, CVA, CFE

President

Ahuja & Consultants, Inc.

madhu@ahuja-consultants.com

(469) 467-4660

Madhu Ahuja is the President and founder of Ahuja & Consultants, Inc. and has over 28 years of public accounting, tax, and forensic experience. She specializes in complex financial investigations, forensic accounting, business income loss calculations, calculation of economic damages, business valuations, and litigation support.

EDUCATION

Master of Science - Management & Administrative Sciences 1995
The University of Texas at Dallas, Richardson, Texas

Post Graduate Diploma in Business Administration, Finance 1991
Institute of Productivity Management, Kanpur, India

CERTIFICATIONS

Certified Public Accountant (CPA), Texas
Accredited in Business Valuation (ABV)
Certified Valuation Analyst (CVA)
Certified Fraud Examiner (CFE)

PROFESSIONAL EXPERIENCE

Ahuja & Consultants, Inc. (formerly Ahuja & Clark, PLLC) 2003 - Present
PricewaterhouseCoopers, LLP 1996 - 2002

SERVICE EXPERTISE

- Tracing and characterization of assets, and Fraud Analysis for Receivership
 - Reconstruction of financial records for Court appointed receivers
 - Tracing and reporting on misappropriation of funds
 - Winners and losers analysis
 - Claims management
 - Fraud analysis
- Ponzi analysis Fraud Analysis for Bankruptcy
 - Court appointed accountant by bankruptcy trustee
 - Solvency analysis
 - Fraudulent conveyance
 - Preference analysis
 - Ponzi analysis
- Business Interruption Calculation Covered by Insurance Policy
 - Engaged by insurance companies, insured's and attorneys to calculate business interruption loss and extra expense for a covered loss event
 - Completed over 100 Business Interruption Claim Calculations and Reports
 - Assisted with mediation involving business interruption calculation losses



- Fidelity Claims Loss Calculation Covered by Insurance Policy
 - Forensic Accounting Services
 - Investigation of fraud allegation
 - Monetary loss fraud investigations
- Economic Loss Assessment
 - Economic damage quantification in breach of contract, construction delays and personal injury/death
- Business Valuations
 - Partner buy-outs
 - Medical practices
 - Franchises
 - Minority discount calculation
 - Marital dissolution
 - Gift tax returns & estate taxes
- Advanced Financial Analysis
 - Quality of Earnings
 - Financial Due Diligence
 - Net present value
 - Internal rate of return
 - Financial ratios
 - Cost of capital
 - Discounted cash flow applications
- Audit of Financial Statements
 - Audits of title company for Texas Department of Insurance
 - Audits of nonpublic companies
- Review and Compilation of Financial Statements
 - Preparation of detailed reports, professional presentations, and training
 - Detailed analysis of cash balances and other assets to discover irregularities
 - Understanding of complex financial transactions
- Tax Compliance & Special Reporting
 - Federal compliance, including corporations and foreign entities
 - Multi-state tax
 - State tax apportionment calculations
 - International compliance, including Forms 5471 and IRS amnesty programs
- Tax Research & Planning
 - Corporate reorganizations
 - Multi-state sales & use tax - audit management & support
 - State nexus rules
 - Taxation of shareholders
 - Joint ventures

PROFESSIONAL MEMBERSHIPS

- Member of American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TSCPA)
- Member of National Association of Certified Valuators and Analysts (NACVA)
- Member of Association of Certified Fraud Examiners (ACFE)
- National Association of Federal Equity Receivers (NAFER)



REPRESENTATIVE PROJECTS

BNC Equities LLC Plaintiff, V. Certain Underwriters at Lloyds, London Subscribing to Policy No. PRPNA1701690
Engaged to provide calculation of business interruption loss. Designated as the Appraiser for determining the amount of business interruption loss in this matter.

Securities and Exchange Commission v. Roy W. Hill, Eric N. Shelly, Clean Energy Technology Association, Inc., and Freedom Impact Consulting, LLC., Civil Action No.: 6:23-cv-00321
Engaged to provide professional services in this matter and assist the Receiver in relation to the forensic accounting, financial accounting, and tax issues.

U.S. Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al., Case No. 4:21-cv-01310 (N.D. TX filed December 1, 2021)
Engaged to provide professional services in this matter and assist the Receiver in relation to the forensic accounting, financial accounting, and tax issues.

State of Washington v. CLA Estate Services, Inc. et al., No. 18-2-06309-4 SEA
Engaged by the State of Washington to provide valuation of entities involved in litigation.

Femi Popoola vs. Methodist Hospitals of Dallas, et al., Cause No. DC-20-01363
Engaged to calculate the claimed loss of earnings and value of household services in the above-referenced matter.

Allan Oxenreiter and Evelyn Denise Oxenreiter, Plaintiffs, Vs. Rahul Mishra, D.O., Pain and Spine Physicians of Texas, PLLC, Premier Interventional Pain Management, PLLC, Leslie Hansen, M.D., and Jameka Ritrece Briggs, Defendants., Cause No. CC-21-02402-D
Engaged to calculate the claimed loss of earnings for the plaintiff.

Brandon Ray et al. vs. Joseph Scott Houghton APRN-CRN et al., Cause No. Dc-21-17253
Engaged to provide an opinion regarding the calculation of the claimed loss of earnings provided by the plaintiff in this matter.

Brandon Dodd Vs. Uhp L.P., DBA University Behavioral Health Of Denton, Vishal Patel, Md, Saumil A. Mehta, M.D., et al., Cause No. CC-20-05631-B
Engaged to provide an opinion regarding the calculation of the claimed loss of earnings provided by the plaintiff in this matter.

Itria Ventures, LLC vs TFW Industrial Supply & CNC Machine, LLC and Troy Adam Gilley, Cause No. DC-C201700508
Engaged by Receiver for investigation of TFW Industrial Supply to determine the integrity of the financial records, and to determine whether there was fraud, dishonesty, incompetence, misconduct, mismanagement, or irregularity by management.

In the Matter of the Marriage of Kathryn Warren and Jarrod S. Warren and in the Interest of A.J.W., S.L.W., and K.R.W., Minor Children Cause DF-19-11740
Engaged to provide calculation of separate marital balance sheet, valuation of the business, and assist with the mediation process.

KJC Auto Title Loan Corp - North Texas, a/k/a Fiesta Automobile Club, f/k/a KJC Auto Title Loan Corp, Case No. 15-45114-MXM-7
Hired by the Trustee to assist in the investigation of the acts and conduct of the Debtor, and the operation of the Debtor's business, including investigation into whether there has been a fraud, dishonesty, incompetence, misconduct, mismanagement, or irregularity in the management of the Debtor's affairs. Analyzed potential avoidance actions and supplying support for payment history and invoicing. Engaged to attend any hearings and/or trials as to one or more of the matters set forth above and perform all other accounting services and provide all other financial advice to the Trustee in connection with the foregoing areas as may be determined by the Trustee to be required or necessary. Ms. Ahuja assisted in the analysis of the use of a Ponzi scheme by the Debtor.



The Securities and Exchange Commission v. William Neil "DOC" Gallagher, Gallagher Financial Group, Inc. and W. Neil Gallagher, Ph.D. Agency, Inc., Case No. 3:19-cv-575-C

Provided forensic accounting services to the Federal Receiver for reconstruction of financial records to analyze and trace assets embezzled by the Defendant. Provided an accounting of investor money misappropriated by the defendant, and calculation and disbursement of receivership funds to investors.

Benjamin L. Patton, individually; Matthew B. Patton, individually; John Granger, individually; Pacla Holding LLC; Pacla Intermediate LLC; 220 Holdings LLC; BPMPJG LLC; 220 Intermediate LLC; 3885 Investments LLC; 2680 Investments LLC; 5313 Investments LLC; 446 Services LLC; 446 Investments LLC, 445 Services LLC; and 445 Investments LLC, V. Joseph B. Garza, individually; Garza & Harris LTD.; Joe B. Garza P.C.; 20,000 LLC; Garza Legal Group PLLC; Cameron Harris, individually; Kevin J. McDonnell, individually; KJ CPA; McDonnell Richardson CPA P.C.; K.J. McDonnell PLLC; KJ Law Firm; and McDonnell Coates LLP, CI No 9030011019

Engaged to review discrepancies in tax returns prepared by CPA for Plaintiff.

MSO Seals & Gaskets, Inc. D/BA Metric Standard Odd Seals & Gaskets, Inc. V. Scottsdale Insurance Company and Erin Elizabeth Meiwes, Civil Action No. 4:19-CV-04491

Engaged to calculate business interruption loss calculation.

ValueGlobal LLC v. Ashish Ram Tripath and Pintan Technologies Inc., Cause No. 2017-79100

Engaged to provide damages calculation for violation of non-compete agreement between parties.

Arkags, Inc. and Khalif Siddiqui V. Mesa Underwriters Specialty Insurance Company, et al., Cause No. 2016-32624

Engaged to calculate business interruption loss calculation.

Anne W. Thomas v. Richard S. Thomas, No. 17-0777-158

Engaged to calculate the present cash value of the remaining, repudiated alimony contract between the parties.

Commodities Futures Trading Commission vs. TMTE, INC. a/k/a METALS.COM, CHASE METALS, INC., CHASE METALS, LLC, BARRICK CAPITAL, INC., LUCAS THOMAS ERB a/k/a LUCAS ASHER a/k/a LUKE ASHER, and SIMON BATASHVILI, Defendants; and TOWER EQUITY, LLC, Relief Defendant., Civil Action 3:20-CV-2910-L

Engaged by the Receiver to assist with tax returns for the Receivership.

Expert Witness Testimony

Gensavis Pharmaceuticals, Inc v. Glenn Keltos No.236-316166-20 in the District Court of Tarrant County, Texas 236 Judicial District

Ms. Ahuja provided deposition and trial testimony on behalf of Plaintiff Gensavis Pharmaceuticals, Inc. regarding the valuation of Gensavis, misappropriation of company funds, and alleged fraud by Defendant.

Kil To Chong, Individually and on behalf of Barak, Inc. and Trinitas Hospitality, Inc. v. Kyu Mi Chong No. 096-2940864-17 in the District Court of Tarrant County, Texas

Ms. Ahuja provided testimony in arbitration on behalf of Plaintiff Kil To Chong regarding the valuation of Barak, Inc. and Trinitas Hospitality, Inc. and alleged misappropriation of funds by the majority shareholder.

Kettan Patel, Bharat Patel, and Jayesh Patel, in their individual capacity and on behalf of Centennial Lodging, Inc. and Center Point Lodging Inc. Plaintiffs Vs. Jagadishkumar Maganbhai and Keith Maganbhai Defendants No. DC-19-15036 in Dallas County, Texas 160th Judicial District Court

Ms. Ahuja was deposed in the above-referenced matter on behalf of Plaintiffs regarding the alleged misappropriation of funds by the majority shareholder.

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

No. 4:23-CV-1224-P

AGRIDIME LLC, JOSHUA LINK, AND JED
WOOD,

Defendants.

ORDER

Before the Court is Steve Fahey, in his capacity as the Court-appointed Receiver's ("Receiver") Motion for Ponzi Determination and Brief in Support (ECF No. ____). Having considered the Motion, attachments, and relevant docket entries, any response(s) and reply(ies), and applicable law, the Court **FINDS** that Agridime was operated as a Ponzi scheme as of October 1, 2021.

Accordingly, the Court concludes the Motion should be and hereby is **GRANTED**.

SO ORDERED on this ____ day of July 2024.