



Receiver submit a full report and accounting of the Receivership Estate reflecting, to the best of the Receiver's knowledge as of the period covered by the report, the existence, value, and location of all Receivership Property and the extent of liabilities, including (a) a summary of the operations of the Receiver, (b) the amount of cash on hand, (c) a schedule of all of the Receiver's receipts and disbursements (to be attached as Exhibit A to the Quarterly Status Report), (d) a description of all known Receivership Property, (e) a description of liquidated and unliquidated claims held by the Receivership Estate, (f) a list of all known creditors with their addresses and the amounts of their claims, (g) the status of Creditor Claims Proceedings, after such proceedings have been commenced, and (h) the Receivers' recommendation for a continuation or discontinuation of the receivership and the reasons for the recommendations. (*Id.*, ¶¶ 54-55.)

## **II.**

### **QUARTERLY STATUS REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2025**

#### **A. Brief summary of the operations of the Receiver.**

The following is not intended to be an exhaustive list of each activity performed by the Receiver during the third quarter of 2025; rather, this summary identifies key activities engaged in by the Receiver in Q3 2025 and provides a brief description of those activities.

##### **1. Winding Down the Operations of American Grazed Beef**

With the purchaser's breach of the asset purchase agreement and failure to appear at the Court's show cause hearing on June 26, 2025 (as detailed in the Receivership's last Quarterly Status Report), the Court ordered on June 27, 2025, that the Receivership had the express authorization to immediately winddown the operations of American Grazed Beef, LLC (AGB), and to market and sell the assets of the Receivership Estate, including any personal and real property of Agridime and/or AGB, without further court approval. (ECF No. 161.)

Pursuant to this court order, the Receivership wound down the active operations of AGB during Q3 2025. This included ending retail sales of AGB's meat inventory, vacating a warehouse

and office space in Fort Worth, Texas, that had been leased by AGB, and actively marketing and selling the land, equipment, and remaining meat inventory utilized by AGB.

First, the Receivership marketed the remaining meat inventory of AGB and reached an agreement in principle to sell this inventory to a wholesale distributor located in Texas. The meat inventory sale should be fully closed by early November 2025. Second, the Receivership began efforts to sell business and farm equipment belonging to Agridime. In Fort Worth, the Receivership utilized Rosen Systems, an experienced Dallas-based auction house, to conduct an online auction in September 2025 of the business equipment located in the Fort Worth warehouse. In Illinois, the Receivership utilized a local real estate agent in Knox County to facilitate private party purchases of the farm equipment located on the Agridime-owned property in Abingdon, Illinois. The Receivership is aiming to complete these Illinois equipment sales by the end of October 2025, at which point the Receivership will turn its focus to the farm equipment located on Agridime's properties in Kansas. This is the largest batch of company-owned equipment, and the Receivership aims to use a combination of private-party sales and an online auction to sell this inventory by the end of Q4 2025. Finally, the Receivership actively is working to market and sell Agridime's ten parcels of real estate in Kansas and Illinois. The Receivership entered into a contract to sell the Illinois property in Q3 2025 for \$700,000, and this transaction will close by the end of October 2025. In addition, the Receivership anticipates marketing the Kansas properties to sell in Q4 2025. Several potential purchasers have expressed interest in certain of these properties, and the Receivership believes that these sales can be effectuated by the end of 2025, with Court approval.

## **2. Preparation of Legal Claims for Breach of Asset Purchase Agreement and Clawback of Commissions Paid to Agridime Salespersons.**

As detailed in the Q2 2025 quarterly report, the North Dakota investment group that had executed an asset purchase agreement with the Receivership on October 7, 2024, failed to close

the asset purchase by the May 14, 2025 closing date. On June 3, 2025, the Court set a show cause hearing for June 26, 2025, and ordered the investment group to appear at the hearing and explain why it had failed to close the purchase. The investment group failed to appear at the hearing. In an Order dated June 27, 2025, the Court granted the Receivership the express authorization to take steps to discover facts concerning potential claims against the North Dakota investment group and its principal, Mr. Wiley Bice, including by issuing subpoenas for documents and/or testimony. (ECF No. 160.) The Court further ordered that the Receivership had the express authorization to enter into negotiations with the North Dakota investment group and Mr. Bice to resolve the breach of contract dispute and, if such negotiations failed, file a lawsuit in Fort Worth federal court to litigate the failed purchaser's acts and omissions in connection with the asset purchase agreement. (*Id.*)

In Q3 2025, the Receivership continued communications with Mr. Bice to ascertain whether the North Dakota investment group could secure its expected funding to close on the asset purchase agreement, while at the same time preparing a lawsuit seeking to remedy the breach of the asset purchase agreement. To date, the North Dakota investment group has been unable to cure its breach, and thus the Receivership anticipates filing suit against the group in Q4 2025.

In addition, the Receivership has prepared a lawsuit against several former Agridime salespersons who received commission payments for facilitating the sale of cattle investment contracts to individual investors. In Q3 2025, the Receivership negotiated with attorneys for these salespersons but was only able to settle and obtain payment from one individual. The Receivership anticipates filing suit against the remaining salespersons in Fort Worth federal court in Q4 2025.

### **3. Ongoing “Net Winner” Claw Back Efforts**

Continuing efforts started in Q1 and Q2 2025 – including the compilation of amounts owed to the Receivership and the preparation of various legal demand letters – the Receivership

continued claw back efforts in Q3 2025 against those individuals who received Ponzi profits from Agridime and exited the cattle investment contract scheme. Such efforts potentially could recover substantial amounts of Ponzi proceeds for the receivership estate and thereby assist in effectuating an equitable distribution plan. It is important to note that the overwhelming sentiment conveyed by those individuals receiving demand letters is one of cooperation with the Receivership's efforts. The Receivership appreciates this positive dialogue, and more than 160 "net winners" already have remitted funds totaling more than \$600,000 to the Receivership to resolve the claims against them.

Receivership counsel continues to engage with attorneys representing several "net winners" who owe six-and-seven-figure amounts for Ponzi proceeds received from Agridime before the scheme collapsed in December 2023. Receivership counsel are using their best efforts to resolve such claims without resorting to litigation, and aim to complete such pre-suit negotiations and initiate and necessary litigation against large "net winners" by the close of Q4 2025.

#### **4. Ranchers and Feed Lots**

The Receivership continued to engage with various ranchers and feed lots, who contend they are owed funds, including certain amounts held by the Receivership in escrow. There was motion practice and a hearing concerning these parties and issues. The Receivership anticipates attempting to bring a resolution to these issues and parties in 2026.

#### **B. The amount of cash on hand in the estate.**

The amount of cash on hand in the Receivership Estate as of September 30, 2025, was \$2,380,415.97.

**C. A schedule of all of the Receiver’s receipts and disbursements.**

**Exhibit A** (attached) contains the receipts and disbursements of Agridime LLC and American Grazed Beef, LLC, as operated by the Receiver from July 1, 2025, through September 30, 2025.

**D. A description of all known Receivership Property.**

As of September 30, 2025, Agridime LLC’s assets included several pieces of real property in Kansas and Illinois, a collection of farm and business office equipment used in the day-to-day operation of the business, and an inventory of frozen meat stored at a company warehouse in Herrington, Kansas. The Receiver has catalogued the property assets for the Court below.

- **Agridime’s Real Property:** The following real estate is owned by Agridime LLC, which appears to be free and clear of any mortgages. Because licensed appraisers have not been engaged to appraise all of Agridime’s properties at this time, this report uses the value placed on the property on Agridime’s balance sheet:
  - Buildings in Hope, Kansas (23 E. 2<sup>nd</sup> Ave., 9 E. 2<sup>nd</sup> Ave., 125 N. Main St., 100 Block N. Park St.) – combined value of \$240,575.33 on Agridime’s balance sheet as of December 13, 2023.
  - 6 W. Main St., Herrington, Kansas – value of \$18,847.05
  - 620 W. Main St., Herrington, Kansas – value of \$500,000
  - 106 N. Broadway St., Herrington, Kansas – value of \$38,923.39
  - 12 N. Broadway St., Herrington, Kansas – value of \$33,996.89
  - 2400 Block 400 Ave., Herrington, Kansas and 700 Block S. 5<sup>th</sup> St., Herrington, Kansas – value of \$278,906.50
  - Cedar Valley Farms, Abingdon, Illinois – currently under contract for sale for \$700,000
- **Agridime’s Equipment:** A list of office and farm equipment and vehicles owned by Agridime is hereby incorporated by reference to Exhibit A, pp. 36-39, of the Asset Purchase Agreement (ECF No. 121).

**E. A description of liquidated and unliquidated claims held by the Receivership Estate.**

As noted earlier, the Receivership Estate has started efforts to claw back (1) amounts paid to certain investors who received net profit from their investments in Agridime, and (2) commission payments made to individuals who facilitated the sale of cattle investment contracts to others. The total amount owed to the Receivership from these two categories of “net winners” is approximately \$15 million.

The Receivership continues to analyze and consider possible legal claims against individuals and/or entities who participated in the furtherance of the Ponzi scheme. As part of this ongoing analysis, in Q3 2025 the Receivership subpoenaed business records from a financial institution that worked with Agridime during the pendency of the Ponzi scheme, and continues to review these records as part of an assessment of a possible claim against this financial institution. The Receivership is currently not able to quantify these potential claims, other than to estimate that any such claims would multimillion dollars in damages.

The Receivership is analyzing a potential suit for unpaid insurance proceeds following denial of a claim for property loss due to equipment failure in the Arizona warehouse. The value of the claim is approximately \$600,000.

Finally, the Receivership is preparing the filing of a federal court lawsuit against the asset-sale purchaser for actual and consequential damages to the Receivership Estate in connection with the purchaser’s breach of the asset-purchase agreement. The Receivership is engaging in pre-suit negotiations with the purchaser’s legal counsel to resolve the dispute, but if such efforts are unsuccessful the Receivership anticipates filing suit in early Q4 2025. While the calculation is preliminary, the value of this claim is expected to exceed \$11 million in benefit of the bargain damages alone.

**F. A list of all known creditors with their addresses and the amounts of their claims.<sup>2</sup>**

The known creditors of Agridime include, as general categories, all cattle contract investor victims, all ranchers with unresolved “retained ownership” contracts with Agridime,<sup>3</sup> landlords, and several other creditors demanding payments for goods and services provided to Agridime before the Receivership assumed control of the business. The list of cattle contract investor victims and other creditors from Q3 2024 is largely unchanged<sup>4</sup>, and thus is hereby incorporated by reference from Exhibit B to the Receiver’s Initial Status Report. (ECF No. 96.)

Additionally, several additional entities have made claims/demands that have been disputed by the Receivership as to validity and/or amount, as follows:

- Agridime landlord SCRS Fort Worth Industrial, LLC has made a demand against Agridime for \$748,985.21 in past-due rent (ECF No. 154-6);
- Cattle Empire, LLC and Brookover Feed Yards, Inc., two of the feed lots with cattle placed in Agridime’s name, assert claims totaling approximately \$1.1 million in related cattle financing and feed costs for the “retained ownership” cattle;
- Various ranchers assert claims totaling approximately \$1.6 million concerning the above-referenced “retained ownership” cattle;
- Creditors Adjustment Bureau, Inc., identified as a collection agency and assignee of Stripe, Inc., a payment processing company utilized by Agridime before the Receivership, made a demand for \$123,191.61;
- O’Reilly Ventures asserts a 3% equity ownership interest in Agridime, and thus asserted a claim to 3% of the proceeds of the previously-approved asset sale; and
- TW Highpoint Owner, L.L.C. and Transwestern Ventures, LLC have made a demand for \$4,901,685.50, alleged due under a lease purportedly executed in 2023 by the prior owners of Agridime.

---

<sup>2</sup> The Receivership notes that this list is strictly provided to comply with the Court’s order, and is, therefore, not meant as an acknowledgement by the Receivership as to the legal validity of an asserted claim or the legal creditor status of any individuals or entities listed herein and/or in Exhibit B to the Receiver’s Initial Status Report. Accordingly, the Receivership expressly reserves the right to dispute any asserted claims made by any of the individuals or entities identified herein and/or in Exhibit B to the Initial Status Report.

<sup>3</sup> The United States Department of Agriculture’s Packers & Stockyards Division contends certain ranchers have priority claims under federal statutes.

<sup>4</sup> Creditors Wiebe Construction, Inc. and Lucky’s Roofing and Construction have settled their claims against Agridime since the Initial Status Report, and thus are no longer creditors of the company.

Although still being calculated and revised, the current amount of investor-victim claims totals approximately \$113 million, and the retained owner rancher claims total approximately \$1.9 million.

Finally, the Receiver notes that neither the Receiver nor his retained professionals, including his counsel and forensic accountants, have been paid for services provided to the Receivership since Q2 2024 due to the ongoing financial obligations of Agridime and American Grazed Beef.<sup>5</sup>

**G. The status of Creditor Claims Proceedings.**

No Creditor Claims Proceedings have been commenced as of September 30, 2025. The forensic accounting experts retained by the Receivership have reconciled the books and records of Agridime and prepared a draft comprehensive list of all investors and the amount owed to each on their respective cattle contract investments. In Q4 2024, the Receivership completed the process of providing each investor with an accounting of the amount owed and allowing investors 30 days in which to communicate with the Receivership regarding any discrepancies. In both Q4 2024 and Q1-Q3 2025, the Receivership engaged in amicable negotiations with many investors regarding discrepancies in the amounts that the Receivership believed were owed. In particular, the Receivership found that in the last six months of 2023, it appears that several cattle contracts were entered into by company management – and money received from investors – but the contracts were not provided to the company’s Fort Worth headquarters personnel for entry into a contract database. The Receivership believes that all (or substantially all) of these unaccounted-for

---

<sup>5</sup> While the Receivership court granted the Receiver’s 2024 Second Quarter Fee Application (ECF No. 129), payment for these services has not yet been made due to ongoing financial obligations of Agridime and American Grazed Beef.

contracts have now been identified and are reflected in the company's records, and the affected investors have been credited with the amounts due to them from their pending investments.

**H. The Receivers' recommendation for a continuation or discontinuation of the receivership and the reasons for the recommendations.**

The Receiver recommends that the Receivership continue for several reasons, as detailed below.

First, the Receivership anticipates initiating important legal actions in Q4 2025 against several individuals/entities, and these suits will be seeking damages well in excess of \$10 million. As noted earlier, one contemplated legal action would be against the North Dakota-based investment group for breach of the parties' asset purchase agreement. The suit will seek substantial actual, consequential, and punitive damages against the investment group for the harm caused by its misrepresentations and failure to close the purchase of Agridime's assets. The second suit would be against Agridime salespersons who received commissions from the company for assisting with the sale of cattle investment contracts to investors. This suit will seek to claw back the commission funds paid to each salesperson, which were proceeds of the Agridime Ponzi scheme.

Second, the Receivership continued intensive efforts to claw back any improper transfers of Ponzi scheme profits to investors and salespersons in Q3 2025, based on a thorough accounting finalized in Q1 2025. The Receivership anticipates that this effort will continue through Q4 2025. The Receivership also continues to investigate damages claims against third parties – for example, an unpaid insurance claim for damaged frozen meat – that could benefit the Receivership estate and the investor victims.

Third, the Receivership continues to manage the maintenance and sale of Agridime's remaining physical assets in Illinois, Kansas, Texas, and Arizona. In Q4 2025, the Receivership anticipates completing the sale of Agridime's remaining frozen meat supply to a wholesale

purchaser, the sale of Agridime's real property in Illinois and Kansas, and the company's farm and business equipment located in Illinois, Arizona, Texas, and Kansas utilizing both private party and online auction sales avenues.

Dated: October 31, 2025.

Respectfully submitted,

**RECEIVER STEPHEN P. FAHEY**

*/s/ Stephen P. Fahey* \_\_\_\_\_

Stephen P. Fahey, as Court Appointed Receiver  
State Bar No. 24101249

[steve@sfahey.com](mailto:steve@sfahey.com)

**LAW OFFICE OF STEVE FAHEY, PLLC**

640 Taylor Street, Ste. 1200

Fort Worth, Texas 76102

Telephone: (682) 301-0330

**CERTIFICATE OF SERVICE**

This is to certify that on October 31, 2025, a true and correct copy of the foregoing instrument was filed and served on all counsel of record through the Court's CM/ECF filing system.

*/s/ Stephen P. Fahey* \_\_\_\_\_

Stephen P. Fahey