

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NEW YORK

CONSUMER FINANCIAL PROTECTION  
BUREAU, et al.

Plaintiffs,

vs.

STRATFS, LLC (f/k/a STRATEGIC  
FINANCIAL SOLUTIONS, LLC), et al.

Defendants, and

STRATEGIC ESOP, et al.,

Relief Defendants.

Case No. 1:24-cv-00040-EAW-MJR

**RECEIVER’S STATUS REPORT**

Thomas W. McNamara, as Court-appointed receiver (the “Receiver”), submits this limited report in advance of the Status Conference scheduled for July 2, 2025 to apprise the Court of recent findings by the Receiver’s team concerning Fidelis Legal Support Services, LLC (“Fidelis”) and recently-added Receivership Defendants The Bush Lake Trust (“Bush Lake Trust”), Veteris Capital, LLC (“Veteris”), BDC Group, LLC (“BDC”), and Two Square Enterprises, Inc. (“Two Square”) (these recently added Receivership Defendants are collectively referred to as “the Fidelis Entities”).

As reported previously, the Receiver’s investigation uncovered that Fidelis Entities were used to funnel millions of dollars away from Fidelis<sup>1</sup> beginning immediately after the TRO was

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<sup>1</sup> The Receiver designated Fidelis a Receivership Defendant in February of 2024. Christo challenged that designation. After more than a year of hard-fought litigation, on March 25, 2025, the Court ruled that Fidelis is a Receivership Defendant. Dkt. No. 646 at 31. After this ruling, the Receiver obtained access to some Fidelis bank and accounting records, which led to

entered. *See* Dkt. No. 657, ¶¶ 9-15; Dkt. No. 661, pp. 11-13. The review and investigation to disentangle the finances of Fidelis and the Fidelis Entities and to identify Receivership Estate Assets are ongoing. At this stage, millions of dollars in Receivership Estate Assets held in the names of Fidelis and the Fidelis Entities have been secured. Other transfers have been identified, but the underlying assets remain unsecured. Multiple subpoenas have been issued, including to Fidelis's and the Fidelis Entities' accountants and asset transfer recipients. While several independent third parties have cooperated, others, including the accountant and the company owned by Christo's significant other, KRF Capital, which received millions in transfers, have not. We expect the process to unravel the transfers and recoup Receivership Estate Assets will take time without that cooperation.

At this point, we are able to provide the Court with updates regarding two significant facts. First, between 2021 and 2023, Christo transferred more than \$15 million in Fidelis funds to his personal bank account. Second, despite Christo's supposed control of Fidelis Entities Bush Lake Trust and Veteris, there is another individual, Thomas Macey, who has exercised control, in whole or in part, of the assets of these two entities and has directed the deployment of millions of dollars in transfers from them.

Macey is a prior principal of Legal Helpers Debt Resolution, LLC, an entity which was discussed in Plaintiff's Complaint.<sup>2</sup> Legal Helpers was a debt relief business that was shut down

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the discovery of the Fidelis Entities and the asset transfers. The Receiver promptly named the Fidelis Entities as Receivership Defendants and gained access to some of their accounting and bank records. The Fidelis Entities contested the Receivership Defendant designation. The Court denied these challenges. Dkt. No. 692.

<sup>2</sup> Both Blust and Sasson worked under Macey at Legal Helpers. *See* Complaint, Dkt. No. 1, ¶¶ 52, 54, 57 (discussing Sasson and Blust's respective roles at Legal Helpers). In the Memorandum in Support of the Motion for a Temporary Restraining Order, Plaintiffs stated:

more than a decade ago.<sup>3</sup> We recently located drafts of an Amended and Restated Relationship and Cost Credit Agreement and an Amended and Restated Business Restriction Agreement from August of 2022 that suggest Macey played a role in the StratFS Law Firm Debt Relief operation too. The agreements concern service agreements between Strategic’s client services companies and the Law Firms. They set out the obligations of the “Blust Parties” and the StratFS parties. Notably, the draft Amended and Restated Business Restriction Agreement includes redline edits in which Gustafson is removed as one of the “Blust Parties,” and Thomas Macey is inserted. *See* Smith Decl., **Exhibit 2**. However, when the document was finalized on September 1, 2023,

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In addition, the Individual Defendants are recidivists who were former employees of Legal Helpers Debt Resolution which was the subject of multiple government actions by the Illinois Attorney General and the states of Wisconsin, North Carolina, and West Virginia between 2011 and 2014 for charging unlawful up-front fees, failing to reduce consumers’ debts as promised, and attempting to avoid advance-fee bans by recruiting attorneys to act as fronts for the businesses.

Dkt. No. 5-1 at 45.

<sup>3</sup> A search of Macey on the Illinois Attorney Registration and Disciplinary Commission website indicates that Macey was initially suspended from the practice of law beginning in 2015 because of his work at Legal Helpers. The Case Summary regarding him states:

Mr. Aleman, who was licensed in 1997, and Mr. Macey, who was licensed in 1993, were both suspended for two years. They owned and managed a law firm named Legal Helpers Debt Resolution and represented thousands of people in Illinois and throughout the country with consumer debt problems. Rather than perform legal services through their firm, they subcontracted the performance of nearly all services to non-lawyer debt settlement companies in other states. Non-lawyer employees for those companies regularly provided legal advice to clients and commonly answered client legal questions that arose. Messrs. Macey and Aleman did not implement a meaningful system to supervise the non-lawyers to whom they delegated client matters. Consequently, they assisted in the unauthorized practice of law and systematically violated disciplinary rules requiring attorney consultation and communication with clients. The suspensions are effective on June 4, 2015.

*See* Declaration of Logan D. Smith (“Smith Decl.”), **Exhibit 1**, available at <https://iardc.org/Lawyer/PrintableDetails/7ace607d-aa64-eb11-b810-000d3a9f4eeb?includeFormerNames=False> (last visited June 30, 2025).

Macey was replaced with an entity, Roslyn Holdings, LLC (“Roslyn”). Blust signed as “manager” for Roslyn; we do not know if Macey has control of or interest in Roslyn. Smith Decl., **Exhibit 3**.

### **I. Transfers from Fidelis to Cameron Christo**

The Receiver’s forensic accounting investigation has confirmed based on a review of Fidelis’s bank account statements that between May 2021 and December 2023, transfers were made from Fidelis to Cameron Christo’s Wells Fargo bank account in the amount of \$15,277,680.08. *See* Declaration of Lisa Jones (“Jones Decl.”) ¶¶ 6-8 & Ex. 1. It is not known what those payments were for or what was done with these funds. We do not have access to or control over Cameron Christo’s personal bank accounts, which are not a part of the Receivership Estate, and we understand he has not provided financial disclosures. In addition, Christo may have personally benefited from millions of dollars in transfers out of Fidelis Entities BDC Group and Two Square, including overseas transfers, as those entities are also nominally owned by or for the benefit of Christo.<sup>4</sup>

### **II. Thomas Macey’s Deployment of Bush Lake Trust and Veteris Assets**

Veteris made numerous transfers to third parties during 2023 through early 2024. *See* Jones Decl. ¶¶ 9-10. As discussed below, the assets of Bush Lake Trust and Veteris were controlled and deployed not by their supposed owner, Defendant Cameron Christo, but instead by Thomas Macey.

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<sup>4</sup> That is particularly the case for the transfers to/investments in the entity identified as BDCI Holdings Group Investments Inc., which involved millions of dollars transferred offshore to international banks (located in Switzerland and Lichtenstein).

**A. The Boca Raton Property (Bush Lake Trust Asset)**

Based on Christo's declarations and the Trust documents, Bush Lake Trust is set up as an irrevocable trust supposedly for the benefit of Christo's children. Dkt. Nos. 190-4 & 190-7. It is the "owner" of Fidelis. But the entity appears primarily to be a vehicle to transfer funds out of Fidelis, and it also appears that Macey has been making the decisions on where those funds go.

In January and February 2024, after entry of the TRO, Fidelis transferred approximately \$13 million to the Bush Lake Trust. *See generally* Dkt. No. 667-1 ¶¶ 7-11. These funds were then used for the purchase of an undeveloped real estate parcel located in Boca Raton, Florida in April 2024 for \$13.5 million. *See id.* ¶¶ 7-11 and Exs. 1 & 2 thereto (Dkt. Nos. 667-2 & 667-3).

While the residential lot was purchased in Bush Lake Trust's name, further digging revealed that Macey arranged the purchase from beginning to end in order to build a home for himself on the land. The seller (builder JH Norman) responded to a subpoena and produced a trove of materials, which made clear that the purchase was negotiated between the seller and Macey.

Briefly, the original versions of both the purchase agreement for the property and the construction agreement list Macey as the buyer. *See* Dkt. No. 718-1 (June 17, 2025 Declaration of Logan D. Smith) ¶¶ 3-4, Exs. 1 & 2. Early emails confirm that it was Macey and his counsel who negotiated the purchase of the property. Christo had no involvement.

But before the purchase agreement and a related construction agreement were executed, Bush Lake Trust was substituted in place of Macey in the documents. *Id.* ¶¶ 5-6, Exs. 3 & 4. And at the same time, Bush Lake Trust executed the contracts via its trustee in Omaha, Nebraska, the trustee signed an "Option Agreement" on the property in favor of Macey and also

assigned the construction agreement to Macey. *Id.* ¶¶ 7-8, Exs. 5 & 6.<sup>5</sup> Macey also signed a personal guaranty for the construction contract, which requires Bush Lake Trust to pay \$725 per square foot to build an 8,500-square foot house. *Id.* ¶ 9, Ex. 7.

Based on these documents, it is beyond argument that Bush Lake Trust was used to fund and take title to the real estate at Macey’s direction and for his benefit with the understanding a personal residence would be built (at a future cost of at least \$6 million dollars, which Macey personally guaranteed). The people involved in the sale were clear that it was Macey who was purchasing the lot and building a home. For example, the seller, builder JH Norman, sent an email in April 2025 to a friend of Macey’s indicating he would send the friend plans to “Tom’s new house in Royal Palm.” Smith Decl., **Exhibit 4**.

While the investigation continues, the Receiver filed a *lis pendens* on the land. The builder has a construction lien on the property with a liquidated damages clause of \$1,232,500, which is personally guaranteed by Macey.

**B. Loan to Worldwide Superabrasives LLC/Kahan and Winkel (Veteris Asset)**

In February of 2023, Macey agreed to provide a \$1.25 million loan to Richard Winkel and Jason Kahan, at a 10% interest rate. Macey deployed the funds of Veteris to furnish the loan, and Veteris was listed as the lender in the promissory note.

Macey agreed to make the loan and determined its terms. [REDACTED]

[REDACTED]

[REDACTED] Smith Decl.,

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<sup>5</sup> We have not located the terms of Macey’s “option,” and it is possible no such terms exist.

**Exhibit 5.**<sup>6</sup> The attorneys then drafted the necessary documents to effect the transaction. [REDACTED]

[REDACTED] *See id.*

Christo was not copied on or forwarded emails between counsel and the parties; Macey was. Christo's only apparent involvement was to sign the final agreements on behalf of Veteris.

**C. Minority Builders LLC (Veteris Asset)**

In June 2023, a \$400,000 loan was made to Minority Builder's LLC via Veteris. Similar to the Kahan and Winkel loan, Macey initiated and negotiated this transaction. Macey made clear throughout the transaction that he, with no involvement from Christo, was using Veteris to make a loan. In a June 3, 2023 email, sent by Macey to Minority Builders' principal, Macey forwarded an email he sent to his attorney (Guidabaldi) describing the transaction as follows:

The gist is that my friend Jack Leander is looking for capital to grow his concrete business, Minority Builders, LLC. MB is owned by Jack and Alain Hernandez, his partner, 50/50.

Veteris Capital, LLC has agreed to give him a \$400,000 loan at \_\_\_% interest (lowest possible we can put to make it legal, the real deal is no interest). This \$400,000 is to be paid back before any future profit distributions are to be made.

In return, Veteris is getting 10%.

Smith Decl., **Exhibit 6.**

Throughout June 2023, Guidabaldi worked with Macey and the counterparties at Minority Builders to work through the details of the loan. Christo had no apparent involvement. Thereafter, on June 20, 2023, a promissory note between Veteris and Minority Builders was

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<sup>6</sup> Certain evidence was produced in response to a subpoena by Mr. Guidabaldi and marked as "Confidential." While the communications do not appear to be confidential because they involve conversation with the counterparty in a transaction, they are being produced under seal out of an abundance of caution, in light of their designation as "Confidential."

executed, with Christo signing for Veteris, which was Christo's only apparent involvement in the transaction.

**D. Origin Strategic Credit Fund, Denton 380 LLC, and Gilbert Investments (Veteris Asset)**

In an eight-month period, between June 2023 and January 2024, \$10 million in investments in Origin Strategic Credit Fund, Denton 380 LLC, and Gilbert Investments LLC, were made via Veteris. These investments are offered and managed by Origin Credit Advisers based in Chicago, Illinois. The investment in Denton 380 LLC was made after the entry of the TRO in an amount of \$2 million.

Christo had no previous relationship with Origin prior to the \$10 million in investments made via Veteris in a short period of time. However, Macey is a long-time "legacy" investor in Origin. Blust too, through the Blust Trust, committed to invest \$26,290,000 between February 2020 and September 2023 in Origin investments, and presently the Blust Trust has Origin investments in excess of that amount, which are under the control of the Receiver.

**E. SRG May Ranch- JG HoldCo (Veteris Asset)**

On June 21, 2023, \$1,000,000 was invested in a cannabis business, SRG May Ranch – JG HoldCo, via Veteris. While we have not received a full production from JG HoldCo,<sup>7</sup> this investment also has close ties to Macey, given that JG HoldCo is owned by, among others, Jon Loevy, who represented Macey in a lengthy case brought by the Consumer Finance Protection Bureau against Macey and others, which was unrelated to Legal Helpers or this case. *See CFPB v. The Mortgage Law Group, LLP*, Case No. 14-cv-513, 2022 WL 3027031, at \*1 (W.D. Wisc.

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<sup>7</sup> The Receiver sent a subpoena to SRG May Ranch. Attorney John Loevy responded by sending a single document. We participated in a meet-and-confer with him, and he agreed to produce additional documents.

Aug. 1, 2022).<sup>8</sup> Also, according to JG HoldCo’s publicly-available consolidated financial statements for January 1, 2021 through June 30, 2021, Thirty-Ninth Street LLC entered into a \$5 million loan agreement with JG HoldCo Entities.

**F. Growterra LLC (Veteris Asset)**

In February 2023, Veteris purchased a [REDACTED] % stake ([REDACTED] units) in Growterra LLC. The purchase price for this equity was \$ [REDACTED], which was paid to Growterra between February 2023 and February 2024. On February 10, 2024, one month after this action was filed, Veteris sold 90% of its interest ([REDACTED] units) in Growterra to Thirty-Ninth Street, LLC, for \$ [REDACTED]. We understand from several sources, including internal Strategic records and a filing in the federal bankruptcy proceeding related to Macey’s former law firm (Case No. 14-10641 (S.D.N.Y.)) that Macey owns Thirty-Ninth Street LLC, which according to one filing, was formerly known as “Tom’s LLC.” Less than a week later, on February 16, 2024, Veteris separately made a loan to Growterra in the amount of \$1,600,000, and Growterra signed a Promissory Note with a three-year maturity date and favorable interest rates.

These Growterra transactions do not seem to make economic sense.<sup>9</sup> Given Macey’s involvement with both Veteris and Thirty-Ninth Street, LLC, there is reason to believe he is behind these transactions and they were not made at arms-length. All told, Veteris has transferred at least \$ [REDACTED] million to Growterra, and Veteris is the holder of a substantial unsecured debt.

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<sup>8</sup> Blust, via the Blust Trust, also holds \$7.5 million in what the Trust describes as “Loevy Investments,” which includes \$2 million in JG HoldCo.

<sup>9</sup> In the February 2023 purchase, the average sale price was \$ [REDACTED] per share; the sale to Thirty-Ninth Street LLC shortly after the TRO was at \$ [REDACTED] per share. At the same time, it was “selling” 90% of its interest in Growterra to another Macey company (Thirty-Ninth Street) at a huge discount, it lent \$1,600,000 in Veteris funds to Growterra.



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