

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO
Senior Judge Raymond P. Moore**

Civil Action No. 19-cv-02594-RM-STV

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MEDIATRIX CAPITAL INC., et al.,

Defendants,

and

MEDIATRIX CAPITAL FUND LTD., et al.,

Relief Defendants.

ORDER

This Order resolves three Motions that are now ripe in this civil enforcement action:

- (1) the Motion to Intervene by Relief Defendant Victoria M. Stewart (ECF No. 681);
- (2) the Motion for an Order Authorizing Sale by the Receiver (ECF No. 682); and
- (3) the Motion to Stay by Ms. Stewart (ECF No. 692).

Plaintiff's pending Motion for Summary Judgment is addressed in a separate Order. For the reasons below, the Court denies both of Ms. Stewart's Motions and grants the Receiver's Motion.

I. BACKGROUND

Plaintiff United States Securities and Exchange Commission ("SEC") brings this action

alleging that the individual and entity Defendants raised over \$125 million through a fraudulent investment scheme. (ECF No. 1, ¶ 1.) In September 2019, the Court granted the SEC's request for a temporary restraining order, freezing more than \$250 million in assets of the Defendants and Relief Defendants. (ECF No. 10.) Defendants subsequently consented to entry of the Asset Freeze Order, which extended the asset freeze until final adjudication of this case on the merits, subject to the Defendants' and Relief Defendants' right to move the Court for relief from the asset freeze and the SEC's right to oppose any such motion. (ECF No. 38.) In September 2020, the Court entered the Appointment Order, directing the Receiver to marshal and preserve all Receivership Property. (ECF No. 153.) The Appointment Order also directed that the Receiver refrain from dispossessing any individual Defendant of his primary residence without obtaining the Court's approval. (*Id.* at 10.)

In May 2024, Defendants Sewell and Stewart were both found guilty of fifteen counts of fraud and conspiracy. Defendant Sewell was sentenced to a 276-month term of imprisonment; Defendant Stewart received a 288-month term. They were also ordered to pay restitution of more than \$93 million jointly and severally. Additional background related to the pending Motions is provided below.

II. MOTION TO INTERVENE

Ms. Stewart filed her Motion to Intervene in May of this year, seeking "to assert and protect her legal and equitable interests in certain assets subject to the Preliminary Order of Forfeiture" issued in the criminal case against her husband, Defendant Michael Stewart.¹ She

¹ The Court reviews Ms. Stewart's pro se Motions and related filings liberally and holds them to a less stringent standard than those drafted by attorneys. *See Haines v. Kerner*, 404 U.S. 519, 520 (1972); *Trackwell v. United States*, 472 F.3d 1242, 1243 (10th Cir. 2007).

concurrently filed an identical motion in her husband's criminal case, which Senior United States District Judge William J. Martinez construed as a third-party petition under Fed. R. Crim. P. 32.2(c) and 21 U.S.C. § 853(n) and dismissed as untimely. (*United States v. Stewart*, No. 21-cr-00034-WJM, ECF No. 781 at 5.) Judge Martinez determined that "the Government facially complied with the statutory notice requirements" applicable to the Preliminary Orders of Forfeiture entered in November 2024 that identified specific assets as subject to forfeiture as proceeds traceable to the criminal offenses of Defendants Stewart and Sewall. (*Id.* at 6.) Judge Martinez further determined that Ms. Stewart's petition "was well over a year too late." (*Id.* at 7.)

Ms. Stewart cites no authority, and the Court is aware of none, for the proposition that this Court can or should reconsider or circumvent Judge Martinez's rulings in the criminal case regarding the Preliminary Orders of Forfeiture in the context of this civil enforcement case. Further, Ms. Stewart fails to provide any other compelling reason why she should be permitted to intervene in this case. Accordingly, the Court denies the Motion to Intervene.

III. MOTION TO AUTHORIZE SALE

The Receiver seeks an order authorizing him to prepare and market for sale the real property located at 8082 E. Arroyo Hondo Road, Scottsdale, AZ. According to the Receiver, the Arroyo Property has been the Stewarts' primary residence during the pendency of this case and is owned by Relief Defendant the 1989 Foundation, a Bahamian entity which is in turn owned by the Stewarts. However, Defendant Stewart's interest in the Arroyo Property has been forfeited as a result of the criminal case against him. (*See Stewart*, No. 21-cr-00034-WJM, ECF No. 439 at 4.)

In her Opposition, Ms. Stewart raises the same arguments that Judge Martinez rejected in

the criminal case. But any interest Ms. Stewart or the 1989 Foundation had in the Arroyo Property was lost when they failed to timely contest the Notice of Preliminary Orders of Forfeiture in the criminal case. And again, as mentioned above, the government has shown that it complied with the statutory requirements to effect the forfeiture of the Arroyo Property.

Therefore, the Court finds that the Arroyo Property is a recoverable asset under the terms of the Appointment Order and that the Receiver can market the Arroyo Property for sale in the interest of compensating the victims of Defendants' fraud.

IV. MOTION TO STAY

Ms. Stewart also filed a Motion seeking a stay of any Order authorizing valuation and marketing of the Arroyo Property. This Motion appears to be a continuation of Ms. Stewart's efforts to postpone the inevitable. Forfeiture of the Arroyo Property has already been sanctioned by Judge Martinez and this Court, and the present Motion adds nothing new to the arguments Ms. Stewart has already presented, and therefore it is denied.

V. CONCLUSION

Based on the foregoing, the Court ORDERS that

- (1) the Motion to Intervene (ECF No. 681) is DENIED;
- (2) the Motion to Authorize Sale (ECF No. 682) is GRANTED, and
 - (a) the Receiver is authorized to value and market the Arroyo Property for sale in accordance with 28 U.S.C. § 2001(b), prior Orders of this Court, and other applicable law,
 - (b) title to the Arroyo Property shall only be transferred upon further Order of the Court approving a sale motion,

- (c) Ms. Stewart, and any other residents of the Arroyo Property, shall vacate the Arroyo Property on or before October 14, 2026, and
 - (d) pursuant to the Appointment Order, upon the request of the Receiver, the United States Marshal Service, in any judicial district, is hereby ordered to assist the Receiver in carrying out his duties to take possession, custody, and control of the Arroyo Property; and
- (3) the Motion to Stay (ECF No. 692) is DENIED.

DATED this 14th day of September, 2026.

BY THE COURT:

A handwritten signature in black ink, appearing to read 'Raymond P. Moore', is written over a horizontal line.

RAYMOND P. MOORE
Senior United States District Judge