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

UNITED STATES OF AMERICA

v.

NATHAN REIS (01) and
STEPHANIE HOCKRIDGE
A.K.A. STEPHANIE REIS (02),

Defendants,

and

BALENTINE LLC and SEI PRIVATE
TRUST COMPANY,

Garnishees.

No. 4:24-CR-287-O

UNITED STATES OF AMERICA'S RESPONSE TO DEFENDANTS' OBJECTIONS AND CROSS-MOTION FOR FINAL ORDER OF GARNISHMENT

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INTRODUCTION

The defendants saw PPP loans—intended to assist businesses struggling during the COVID-19 pandemic—as business opportunity. As evidence at Hockridge's trial established (and as Reis later admitted), the defendants conspired to generate millions in fraudulent PPP loans and, particularly through their company Blueacorn, charged borrowers kickbacks that were paid from a percentage of funded loans. The government has since discovered that the defendants transferred tens of millions of their newfound wealth to trusts designed to enrich and benefit their family. To recover some portion of the over $60 million that the Court ordered the defendants to pay in restitution, the government sought and obtained writs of garnishment directed primarily to the assets held in those trust accounts. The garnishees answered that they hold over $24 million in accounts owned by the defendants or their various family trusts.

The defendants have now filed objections to the garnishees' answers under 28 U.S.C. § 3205, arguing primarily that their trusts are legitimate estate planning vehicles and that they had no intent to defraud the government when they transferred their assets into these trusts. Even taking at them at their word, the defendants' subjective intent is no defense against the government's efforts to hold their trusts liable as nominees. Nor does it preclude a finding that the asset transfers were fraudulent under federal law. But the Court need not reach the merits of their defenses because defendants have failed to properly place their objections before the Court and moreover lack standing to litigate on behalf of their trusts. For all these reasons, the Court should deny the defendants' objections and enter a final order of garnishment.

BACKGROUND

Both defendants in this matter were convicted for their role in a far-reaching scheme to defraud the Paycheck Protection Program out of tens of millions of dollars. This Court

sentenced the defendants and ordered them to pay, jointly and severally, over $60 million in restitution. *See* ECF Nos. 362, 390. To enforce the Court's restitution orders, the government sought, obtained, and served writs of garnishment on SEI Private Trust Company (SEI) and Balentine LLC (Balentine) under the Federal Debt Collection Procedures Act (FDCPA).

The garnishees' answers identify millions in assets owned by the defendants and their various trusts. SEI maintains over $24.2 million in accounts registered to the defendants or their trusts (roughly $23 million of which is held in trust accounts), ECF No. 408, and Balentine's affiliate acts as general partner for various private investment funds in which the defendants' trusts own millions in partnership interests, *see* ECF No. 397. As explained in the government's Application, *see* ECF No. 311, these trusts were originally funded by the defendants' personal brokerage accounts. From July to November 2022, Reis transferred over $46 million to the Nathan J Reis 2022 Irrevocable Trust and the Nathan J Reis Family Protection Trust (now named the Mint Legacy Trust and the Mint Family Trust[1]), and Hockridge transferred over $29 million to the Stephanie Reis 2002 Irrevocable Trust and the Stephanie Reis Family Protection Trust (now named the Marietta Legacy Trust and the Marietta Family Trust). *Id.* at 6-7; *see also* Friedemann Aff. ¶¶ 10-11, ECF No. 311-3; Hockridge PSR ¶ 112, ECF No. 281-1.

The government sent the garnishment process to the defendants on December 17, 2025. *See* Certificate of Service (ECF No. 432). The government also sent the process to Billy Hockridge, Family Trustee for the Mint and Marietta Family Trusts and the Mint and Marietta Legacy Trusts, on January 14, 2026. *Id.* After receiving notice of this garnishment action, Defendants each filed timely requests to transfer this proceeding to the District of Puerto Rico under 28 U.S.C. § 3004(b)(2) (ECF Nos. 403, 404), which the Court recently denied (ECF No.

[1] According to Defendants, their trusts were renamed via "'decanting'—a process whereby the trustee, independent of the grantor, transfers preexisting trust assets into secondary trusts." ECF No. 423 at 5.

429). Defendants did not file objections to the garnishment within 20 days of receiving notice of the proceeding under 28 U.S.C. § 3202(d); rather, each filed objections to the garnishees' answers within 20 days of receiving the answers under § 3205(c)(5). *See* ECF Nos. 412 (Hockridge's Prelim. Obj. to Balentine Answer), 418 (Reis Obj. to Balentine Answer), 420 (Hockridge Suppl. Obj. to Balentine Answer), 423 (Reis Obj. to SEI Answer); 424 (Hockridge Obj. to SEI Answer). The trusts have not filed any objections.

Defendants do not contest that they transferred millions of their wealth into the trusts at issue here. As Hockridge recites (ECF No. 424 at 5), the defendants received "$145 million after redeeming their interest in Blueacorn" and then "chose to make generous contributions to these trusts" as part of their estate planning. Defendants principally object to the government's ability to reach the property held by the trusts, arguing that they have no interest in or control over the trust assets and that they "established the trusts for legitimate estate-planning purposes." *E.g.*, ECF No. 423 at 1. Defendants also argue that Balentine is not a proper garnishee, *see* ECF Nos. 412, 418. Hockridge separately argues that the trusts' assets are not traceable to defendants' crime and mounts a collateral attack on the restitution order itself, *see* ECF No. 424 at 6-8. Defendants do not object to the garnishment of the brokerage accounts in their name.

ARGUMENT AND AUTHORITIES

Under the Mandatory Victims Restitution Act (MVRA), the United States may enforce a restitution order using the "practices and procedures for the enforcement of a civil judgment," 18 U.S.C. § 3613(a), as well as "all other available and reasonable means." 18 U.S.C. § 3664(m)(1)(A)(ii). The FDCPA is the "federal law that provides the practices and procedures for the enforcement of a civil judgment." *United States v. Phillips*, 303 F.3d 548, 550-51 (5th Cir. 2002). As it did here, "the government often uses the garnishment provisions of the FDCPA

to collect restitution obligations imposed in a criminal judgment." *United States v. Onyeri*, 996 F.3d 274, 282 n.7 (5th Cir. 2021).

The FDCPA provides two statutory avenues for a defendant or interested party to object to a garnishment, *see* 28 U.S.C. §§ 3202(d), 3205(c)(5). As outlined above, both defendants declined to file objections to the garnishment under § 3202(d) within the 20-day period allotted by statute.[2] Instead, they have filed objections to the garnishees' answers under § 3205(c)(5), which permits a party to file a written objection to a garnishee's answer within 20 days of receipt of that answer. The statute requires that the objecting party follow certain requirements to properly lodge such an objection: "The party objecting shall state the grounds for the objection and bear the burden of proving such grounds. A copy of the objection and request for a hearing shall be served on the garnishee and all other parties." 28 U.S.C. § 3205(c)(5). If a hearing is required, the Court may set a hearing within 10 days or "as soon thereafter as is practicable." *Id.*

As explained below, the defendants failed to properly lodge objections under section 3205 and moreover lack standing to litigate rights to property they disclaim. And even if defendants could overcome these initial hurdles, their objections fail on the merits. Their objections should be denied.

I. The defendants failed to comply with § 3205's service requirement.

To begin, the defendants' objections under § 3205 are not properly before the Court. As explained above, § 3205 "imposes procedural requirements," including that the objecting party "serve the objection and request for hearing on the garnishee and all parties." *United States v. Crowther*, 473 F. Supp. 2d 729, 731 (N.D. Tex. 2007); *see also United States v. Atkins*, 2016 WL

[2] Both defendants recently filed amended requests for a hearing in this district, *see* ECF Nos. 430, 431. Neither the original requests nor the amended requests state any objection or identify any other reason for a hearing under § 3202(d), so it appears the requests are related only to their § 3202(d) objections.

7240594 (N.D. Tex. Nov. 4, 2016) (Ramirez, M.J.) (explaining that party must meet these requirements to "properly place an objection under § 3205 before the court"), *report and recommendation adopted*, 2016 WL 7240595 (N.D. Tex. Dec. 14, 2016).

Both defendants failed to meet this service requirement. The certificates of service on each of the defendants' objections show that the objections were filed electronically and thus sent to counsel of record who agreed to accept service via electronic means. But none of the defendants' objections indicate whether the filing was served on the relevant garnishees. Indeed, there is no indication from the record that such service was in fact completed. Balentine's answer did not identify any counsel of record who agreed to accept electronic service and SEI's answer explicitly stated that it would accept service only via first class mail, *see* ECF No. 408.

A party's failure to file an objection in accordance with the plain statutory requirements "is fatal under section 3205." *Crowther*, 473 F. Supp. 2d at 731. Courts in this district have routinely rejected objections from parties who fail to comply with § 3205's service requirements—even when that party is proceeding pro se, unlike defendants here. *See, e.g.*, *United States v. Peterson*, 2018 WL 4084205 (N.D. Tex. Aug. 2, 2018) (Ramirez, M.J.) (rejecting § 3205 objection that did not "reflect that it was served on Garnishee"), *report and recommendation adopted*, 2018 WL 4078269 (N.D. Tex. Aug. 27, 2018); *SEC v. Connectajet.com, Inc.*, 2016 WL 740358, at *4 (N.D. Tex. Feb. 25, 2016) (rejecting § 3205 objection where defendant failed to serve garnishee); *United States v. Ingelman*, 2013 WL 12137733 (N.D. Tex. Jun. 26, 2013) (concluding pro se party's failure to serve garnishee resulted in failure to lodge "objection within the scope of § 3205(c)(5)"); *see also United States v. Blevins*, 403 F. App'x 101, 103 (7th Cir. 2010) (affirming that pro se defendant's "objection was improper because he failed to serve it on the [garnishee] as required").

Thus, even if defendants' objections under § 3205 are "proper in substance," they are nonetheless "defective in procedure." *Crowther*, 473 F. Supp. 2d at 731. The Court accordingly should overrule their objections on this basis alone.

II. The defendants lack standing to litigate property rights they disclaim.

The defendants' objections fail at the outset for another independent reason: they lack standing to litigate rights in property that they entirely disclaim. Their objections focus on the property titled to all their various trusts, but they deny having any interest in that property. *See, e.g.*, ECF No. 412 (claiming "Ms. Hockridge has no interest in the trusts' assets"); ECF No. 418 ("The trusts are separate and distinct entities, not controlled by either Mr. Reis or Balentine.").

Defendants may not simultaneously disclaim their interest in these trusts and object to the garnishment of the trusts' property. *See United States v. Elliott*, 149 F. App'x 489, 494 (7th Cir. 2005) (defendant's insistence that garnished funds belonged to separate entity "dooms all his arguments because he cannot litigate the rights of a third party"); *United States v. Bradley*, 2010 WL 11565398, at *2 (W.D. La. Aug. 27, 2010) (rejecting party's challenge to garnishment order where it was made "for the purpose of protecting a third party's rights"). The trusts—which received notice of the garnishment process over five weeks ago[3]—are the proper parties to object to the garnishment of their own property, but they are apparently content for the defendants to advance arguments on their behalf. The trusts' time to object to the garnishment has since elapsed. 28 U.S.C. § 3202(d). Defendants do not have standing to litigate the property rights of their trusts, and the Court should overrule their objections on this independent ground as well.

[3] As stated in the Certificate of Service (ECF No. 432), counsel for the government sent the garnishment process to the trusts on January 14, 2025 by sending it via email to Mike Kaeding, counsel for Billy Hockridge, Family Trustee for the Mint and Marietta Family Trusts and the Mint and Marietta Legacy Trusts. Counsel for the trustee replied to the email and agreed to accept service on behalf of the trustee.

III. The defendants' objections fail on the merits.

Even if the Court were to assess the defendants' objections on the merits, they still fall short and should be overruled. Defendants generally insist that the transfer of their wealth to their trusts between 2022 and 2023 was "legal and commonplace estate planning." *E.g.*, ECF No. 418 at 4. That argument overlooks the government's initial contention that the trusts could be liable as the "defendants' alter-egos or nominees," ECF No. 311 at 8, which defendants entirely fail to address. And even taking them at their word, their subjective intent is no defense against nominee liability. As explained further below, the preliminary evidence gathered by the government shows that the trusts hold the garnished assets as defendants' nominees or, in the alterative, as transferees. *See generally* Affidavit of Diana Snyder (attached). Defendants have failed to meet their burden under section 3205 to show otherwise.

A. The trusts hold the restrained assets as the defendants' nominees.

The criminal judgment against the defendants created a lien in favor of the United States upon all of their "property and rights to property." 18 U.S.C. § 3613(c). The federal lien is not limited to property nominally held by the defendants; rather, it extends to any property held by their nominees or alter egos. *See G.M. Leasing Corp. v. United States*, 429 U.S. 338, 350-51 (1977); *United States v. Dolenz*, 2011 WL 4351558, at *1-2 (N.D. Tex. Jun. 16, 2011) (noting restitution lien reaches "any property held by a third party as the nominee or alter ego" and foreclosing lien upon property titled to nominee trust), *report and recommendation adopted*, 2011 WL 4348295 (N.D. Tex. Sept. 15, 2011).

Although defendants focus on arguing that the transfers were not fraudulent, the Court need not reach that question here. The preliminary evidence gathered by the government shows that the trusts hold the restrained assets as the defendants' nominees. When proceeding under a

nominee theory—an "independent bas[is] for attaching the property of a third party"—the United States may attach "[s]pecific property in which a third person has legal title . . . if the [debtor] in fact has beneficial ownership of the property." *Oxford Cap. Corp. v. United States*, 211 F.3d 280, 284-85 (5th Cir. 2000) (citation omitted).

Determining the true beneficial owner of property is a fact-specific inquiry. In the Fifth Circuit, courts generally consider the following non-exclusive factors to establish nominee status: "(1) whether adequate consideration was given by the nominee for the property; (2) whether the property was placed in the name of the nominee in anticipation of a suit or occurrence of liabilities; (3) whether there is a close relationship between the transferor and the nominee; (4) whether the conveyance was recorded; (5) whether the transferor retained possession of the property; and (6) whether the transferor continued to enjoy the benefits of the property." *Dolenz*, 2011 WL 4351558, at *2 (citing *Oxford Cap. Corp.*, 211 F.3d at 284 n.1).[4] "No one factor is determinative of nominee status." *Id.* (citing *United States v. Burnett*, 2010 WL 3941906, at *10 (S.D. Tex. Oct. 7, 2010), *aff'd*, 452 F. App'x 569 (5th Cir. 2011)). A court assessing nominee status "should avoid an over-rigid preoccupation with questions of structure, and apply the preexisting and overarching principle that liability is imposed to reach an equitable result." *Nassar Fam. Irrev. Tr.*, 2016 WL 5793737 at *7 (citation omitted). Importantly, "[a] nominee finding does not require intent to defraud creditors or hinder collection efforts." *Id.*

[4] As the trusts holding the property are Nevada entities, it appears that Nevada law may apply. The court need not definitively rule on the question as the analysis is the same. Although Nevada law "recognizes the nominee theory, it does not appear to address the factors necessary to determine whether an entity is the nominee of a [debtor]." *United States v. Steele*, 2019 WL 2411422, at *9 (D. Nev. Jun. 7, 2019), *aff'd*, 30 F. App'x 250 (9th Cir. 2020). Courts applying the nominee theory to Nevada property therefore look to the "federal court nominee factors," which are generally those outlined in *Oxford Capital*. *See id.*; *see also Nassar Fam. Irrev. Tr. v. United States*, 2016 WL 5793737, at *8 (S.D.N.Y. Sept. 30, 2016) ("Where state law does not explicitly set forth a nominee test, federal courts have looked to the factors applied by other courts to determine whether a nominee relationship exists."), *aff'd*, 699 F. App'x 46 (2d Cir. 2017).

The evidence gathered by the government to date shows that the trusts hold the restrained property as the defendants' nominees. First, it is uncontested that the trusts received no consideration for the over $70 million in cash that they received from the defendants. Second, the evidence suggests that the cash was placed in the trusts' name in anticipation of a suit or liabilities. Even assuming for current purposes that the defendants were engaged in bona fide estate planning, defense counsel admits that all were aware of potential restitution liability during this time and even "suggested the possibility of sequestering funds from the Reises' estate planning" to account for that liability. ECF No. 424 at 3. And the original naming of the trusts—two named as the Reis and Hockridge "Family Protection Trust"—itself suggests that they were formed for the express purpose of protecting the defendants' newfound wealth from potential upcoming liabilities. While defendants assert that they were generally unaware of the full extent of restitution that they now owe, the test does not require that they be aware of the precise contours of any potential liability. Third, there is plainly a close relationship between the defendants and their trusts; both defendants were (at least for some time) family trustees of the trusts, Snyder Aff. ¶ 9, and one of the current family trustees is Hockridge's father, *see* ECF No. 432. Hockridge moreover admits (ECF No. 412 at 3) that she is a beneficiary of two of the trusts. *See Nassar Fam. Irrev. Tr.*, 2016 WL 5793737, at *8 (finding "fact that Nassar is both a beneficiary and trustee of the Trust" as "indicative of a close relationship" between them).[5]

The fifth and sixth factors, which consider whether the transferors retain possession and enjoy the benefits of the transferred property, weigh heavily in favor of nominee liability. Since their creation and funding, the trusts have sent millions to the defendants or their entities and made significant payments for the defendants' benefit. The defendants' continued use and

[5] The government does not contest that the fourth factor weighs against nominee liability since the formation and funding of the trusts appears to have been recorded in accordance with applicable law.

enjoyment of the funds they claim to have irrevocably gifted to their trusts is telling evidence that they remain the true beneficial owner of the funds subject to garnishment here. As set forth with more detail in the attached affidavit, the evidence gathered to date shows the following:

- Between 2023 and 2025, the trusts sent at least $13.2 million to the defendants or or their wholly-owned entity directly. Snyder Aff. ¶¶ 11-12. Of this amount, $9.2 million was transferred to the defendants' personal brokerage accounts. *Id.*

- The trusts have sent at least $21 million to the defendants' various law firms for the defendants' benefit. *Id.* ¶ 13. Notably, over $19 million of this amount was transferred on the day before and on the day of Hockridge's sentencing. *Id.*

- The trusts have transferred over $8 million in connection with the defendants' purchase of their Puerto Rico properties—either by sending cash used to place deposits on the properties or by direct transfer to their entity that nominally purchased one of the properties. *Id.* ¶¶ 14-15.

The evidence also shows that Reis continued to exercise control over trust funds by acting as the authorized signer for certain distributions from the trusts. *Id.* ¶ 16. Moreover, Reis is apparently instructing or otherwise coordinating with the current trustee to have one of the defendants' trusts pay the $2.5 million he was ordered to pay toward restitution within 14 days of sentencing, *see* ECF No. 409. That too makes apparent Reis's ability to use the trusts' funds as needed for his personal obligations—or, at minimum, his expectation that the trusts will act at his behest.

In sum, the relationship between the defendants and their trusts bears the archetypal hallmarks of a nominee relationship. *See, e.g.*, *Crimson Ventures & Consulting LLC v. United States*, 2024 WL 3841614, at 8 (N.D. Tex. Aug. 14, 2024) (finding nominee relationship where party had "very close relationship" with entity and made "personal use" of entity's funds); *Dolenz*, 2011 WL 4351558, at *2 (defendant's transfer of property to trust he controlled without consideration, continued use and enjoyment of property, and subsequent transfers to other related entities rendered the trust his nominee). Furthermore, the fact that the trusts may have been validly formed under state law for bona fide "estate planning purposes" "does not bear" on

whether the trusts hold any property as nominees; "the 'critical issue in resolving a nominee . . . claim is not motive, but control[.]" *Nassar Fam. Irrev. Tr.*, 2016 WL 5793737, at *10 (quoting *United States v. Eversoff*, 270 F. App'x 75, 77 (2d. Cir. 2008)). Likewise, any argument that defendants were "solvent at the time of the transfer is also unavailing" because "the analysis focuses on control," not solvency. *Id.*

B. Alternatively, the transfers to the trusts are fraudulent under the FDCPA.

In the alternative, the Court should set aside and avoid the defendants' transfers to the trusts as fraudulent under the FDCPA, which provides in relevant part as follows:

> [A] transfer made or obligation incurred by a debtor is fraudulent as to a debt to the United States, whether such debt arises before or after the transfer is made or the obligation is incurred, if the debtor makes the transfer or incurs the obligation—
>
> **(A)** with actual intent to hinder, delay, or defraud a creditor; or
>
> **(B)** without receiving a reasonably equivalent value in exchange for the transfer or obligation if the debtor—
>
> . . . .
>
> **(ii)** intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as they became due.

28 U.S.C. § 3304(b)(1). Section 3306 of the FDCPA permits the United States to avoid such a transfer to the extent necessary to satisfy the debt to the United States. Thus, sections 3304(b)(1) and 3306 of the FDCPA permit the United States to set aside any transfer, regardless of whether the debt to the United States arose before or after the transfer was made, if the debtor either had the actual intent to delay a creditor *or* if the "debtor (i) transferred assets without receiving reasonably equivalent value (ii) when he reasonably should have believed he would incur a debt beyond his ability to pay." *United States v. Loftis*, 607 F.3d 173, 174 (5th Cir. 2010). The defendants' transfers to their trusts are voidable under either section.

i. The defendants had actual intent to hinder or delay a creditor.

The FDCPA provides factors (i.e., badges of fraud) that courts may consider when determining actual intent under § 3304(b)(1)(A), including whether "the transfer or obligation was to an insider," whether "the debtor retained possession or control of the property transferred after the transfer," whether the debtor received "reasonably equivalent" value for the transfer, and whether "the transfer occurred shortly before or shortly after a substantial debt was incurred." *See* 28 U.S.C. § 3304(b)(2). The FDCPA permits the court to consider any additional factors but "does not so require." *F.T.C. v. Nat'l Bus. Consultants, Inc.*, 376 F.3d 317, 321 n.7 (5th Cir. 2004). The Fifth Circuit has held that the intent to defraud can be decided as a matter of law. *See, e.g.*, *BMG Music v Martinez*, 74 F.3d 87, 90 (5th Cir. 1996).

For substantially the same reasons the evidence supports a nominee finding, it also supports a finding that the defendants transferred their wealth to the trusts to "with actual intent to hinder, delay, or defraud a creditor" under § 3304(b)(1)(A). As explained above, the defendants transferred over $70 million to these trusts without receiving any consideration, continue to use and enjoy the trust property, and have a close relationship with these trusts. Other factors listed by the FDCPA lend additional support to find that they had the requisite intent under the statute. The defendants made these transfers "shortly before" they incurred a substantial restitution liability, § 3304(b)(2)(J), and—as defendants all but concede—those transfers have resulted in the defendants becoming "insolvent shortly after the transfer[s] w[ere] made," § 3304(b)(2)(I). *See* ECF No. 420 at 3 (admitting that amount ordered in restitution now "exceed[s] the value of [defendants'] remaining assets after funding the trusts"); *see also* 28 U.S.C. § 3302(b) ("A debtor who is generally not paying debts as they become due is presumed to be insolvent.").

ii. The defendants reasonably should have believed they would incur millions in debt when funding their trusts.

The court may also void the transfers under § 3304(b)(1)(B) regardless of the defendants' actual intent. It is uncontested that defendants did not receive reasonably equivalent value in exchange for the tens of millions they transferred to their trusts. At the time they made these transfers, both defendants "should have reasonably believed that [they were] incurring debts beyond [their] ability to pay when [they] defrauded . . . the government of millions of dollars." *Loftis*, 607 F.3d at 177-78. "Having defrauded the government out of a significant sum of money, any reasonable person should have believed a criminal investigation would be possible." *United States v. Brantley*, 2019 WL 8012585, at *5 (N.D. Tex. Nov. 8, 2019) (O'Connor, J.), *aff'd*, 816 F. App'x 934 (5th Cir. 2020).

This is particularly true here since Reis admitted his guilt for conspiring to commit fraud against the government, ECF No. 272, and neither defendant contests that they conducted their estate planning while being aware that their company Blueacorn (from which they generated their wealth) was being investigated for facilitating a massive PPP fraud scheme—even crediting that they perhaps "did not know about [any] imminent indictment a few months later." *Brantley*, 816 F. App'x at 938 ("Brantley knew he had lied to HUD, and because his company had just been assessed civil penalties, he should have known criminal prosecution, and thus restitution, could lead to debts beyond his ability to pay."). The court can therefore void the transfers under the FDCPA's constructive fraud prong and need not determine the defendants' actual intent.

C. Balentine is a proper garnishee.

Defendants also challenge the writ issued to Balentine as improper, arguing that Balentine does not have custody of the financial accounts in question (because the assets in those accounts are custodied by the other garnishee, SEI), *e.g.*, ECF No. 412 at 2. Even so, Balentine's

answer states that its affiliate "acts as the general partner" for certain partnerships in which the trusts are "limited partners in private investment funds." ECF No. 397 at 3. The FDCPA provides that the government may garnish a partnership interest by naming "any partner other than the debtor" as the "garnishee on behalf of the partnership." 28 U.S.C. § 3205(b)(2). The writ to Balentine is therefore proper as to each of the trusts' partnership interests for which its affiliate acts as general partner.

D. Hockridge's separate objections are meritless.

Separately, Hockridge raises two additional objections to the garnishment. Neither has merit. Hockridge first asserts that "the assets in the trusts now subject to garnishment are not proceeds of any crime." ECF No. 424 at 6. Even if true, that fact is irrelevant here. The federal lien created by the restitution order attaches to "all property and rights to property" of the criminal defendant, irrespective of the property's origin. 18 U.S.C. § 3613(c); *see United States v. Ogbemudia*, 361 F. App'x 583, 583-84 (5th Cir. 2010) (noting government's efforts to enforce restitution order are "distinct from a forfeiture proceeding" and do not require tracing).

Hockridge also raises a collateral attack on the restitution order itself, alleging that it is "constitutionally infirm" because the Court imposed restitution "without any jury findings," ECF No. 424 at 8. This argument is likewise misplaced. "It is well-settled that a defendant may not use a garnishment proceeding to challenge the underlying judgment and restitution order in [her] case." *Onyeri*, 996 F.3d at 281. Moreover, a party raising an objection under § 3205(c)(5) "must specifically address the *garnishee's answer*, and not the writ of garnishment generally." *Ingelman*, 2013 WL 12137733, at *2 (emphasis in original). Anyhow, Hockridge's argument on this score is squarely foreclosed by Fifth Circuit precedent. *See United States v. Rosbottom*, 763 F.3d 408, 420 (5th Cir. 2014).

IV. No evidentiary hearing is warranted.

The defendants requested a hearing under § 3205(c)(5) with each of their objections. *See, e.g.*, ECF No. 423 at 6. They have also recently filed amended requests for a hearing in this district, *see* ECF Nos. 430, 431. No hearing is warranted here.

As explained above, the defendants failed to properly place their § 3205(c)(5) objections before the Court because they did not comply with the statute's service requirements. They are therefore not entitled to a hearing under that section. *See, e.g.*, *Peterson*, 2018 WL 4084205, at *3 (denying hearing where pro se defendant failed to meet "procedural requirements imposed by § 3205"). The "service of [an] objection on [the] garnishee" is a "requirement" for a hearing under § 3205. *Ingelman*, 2013 WL 12137733, at *3 (citing *Blevins*, 403 F. App'x at 103-04). Defendants' recently filed requests identify no separate basis for any hearing under § 3202, so the only grounds they have asserted for a hearing are those contained in their defective § 3205(c)(5) objections. Moreover, given that defendants have forfeited their standing to litigate the garnishment of the trusts' property by disclaiming their interests in that property, the Court need not (and cannot) hear or determine the merits of their various objections.

In any event, it does not appear that an evidentiary hearing would serve any useful purpose. Defendants do not contest that they sent their assets to the trusts without receiving any consideration. And as detailed above, the facts regarding trusts' use of their assets for defendants' personal purposes are not subject to serious dispute. Even if the Court were to credit the defendants' repeated claims that they transferred their wealth to their trusts as part of a bona fide estate planning process, it would not overcome the evidence outlined above that the trusts are liable here either as the defendants' nominees or transferees (or both). Finally, no statute or rule requires a hearing when the Court has sufficient evidence before it to enter a judgment.

V. The Court should enter a final order of garnishment.

Neither defendant has established any valid defense to the garnishment, so the United States is entitled to immediate payment under 18 U.S.C. § 3613(a). As the United States has complied with all procedural requirements, it now respectfully requests that the Court enter a final order of garnishment directing the garnishees to liquidate the accounts and investments identified in the answers and pay 100% of those funds to the Clerk of Court in partial satisfaction of the defendants' restitution obligation. For any assets that may be illiquid, the government requests that the Court impose a federal lien to ensure that such assets remain restricted and any proceeds be sent towards restitution in the event of full or partial liquidation. To ensure fairness, the government respectfully suggests that any payment from the trusts be credited to the defendant who was the grantor of the relevant trust, as outlined in the proposed order.

CONCLUSION

Therefore, the United States respectfully requests the Court (1) deny the defendants' objections and their associated requests for a hearing and (2) enter a final order of garnishment directing payment from the garnishees.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on February 19, 2026, I electronically submitted the foregoing document with the Clerk of the Court for the United States District Court, Northern District of Texas, using the electronic case filing system of the court. The electronic case filing system sent a "Notice of Electronic Filing" to the attorney(s) of record who have consented in writing to accept this Notice as service of this document by electronic means. I further caused the foregoing document to be sent to the following non-ECF filers as follows:

Balentine LLC
c/o David Damiani, Registered Agent
3344 Peachtree Rd., Ste. 2200
Atlanta, GA 30326
via first class mail

Mint Family Trust, Mint Legacy Trust, Marietta Family Trust, Marietta Legacy Trust
c/o Billy Hockridge, Family Trustee
via email to Mike Kaeding at Mike.Kaeding@alston.com

SEI Private Trust Company
Attn: General Counsel
1 Freedom Valley Drive
Oaks, PA 19456
via first class mail

/s/ *Saurabh Sharad*
Saurabh Sharad
Assistant United States Attorney