

## IN THE IOWA DISTRICT COURT FOR POLK COUNTY

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| STATE OF IOWA, EX REL. DOUG<br>OMMEN, IOWA INSURANCE<br>COMMISSIONER,<br><br>Petitioner,<br><br>v.<br><br>BECKSTONE PARTNERS, LLC,<br>DESFINED, LLC, EAST KING<br>MANAGEMENT, LLC, AND THE<br>CORPORATE LEASING<br>COMPANY, LLC,<br><br>Respondents. | Case No. CVCV067472<br><br><br><br><br><br><br><br><br><br><b>ORDER GRANTING PETITIONER'S<br/>APPLICATION FOR RULE TO<br/>SHOW CAUSE</b> |
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An evidentiary hearing was held on Petitioner's Application for Rule to Show Cause on November 5, 2024. Petitioner appeared through Assistant Attorney General Kevin Protzmann. Third party Brett Timothy Immel (Mr. Immel), who created, and/or managed, and/or was an officer of Defendants appeared as a self-represented litigant. There were no other appearances. The hearing was reported.

Petitioner's Exhibits 1, 1.1, 2-4, 4.1, 5, 5.1, 6-14 and Mr. Immel's Exhibits A-B were admitted. Petitioner also provided testimony from two of its officers, Jason Bryan and Jill Anderson.

After reviewing the case file and the evidence presented in light of the relevant law, the court enters the following Order.

**FINDINGS OF FACT**

On July 8, 2024, the court issued an Order Appointing Receiver, Granting Temporary and Permanent Injunctive Relief and Granting Other Equitable Remedies (Receivership Order).

(Ex. 1.1; D0026). Among other directives, the broadly worded Receivership Order required all officers of Defendants, including Mr. Immel, to “[c]ooperate with any directive of the [Iowa Insurance] Commissioner issued in his capacity as receiver” of Defendants. *Id.* The Receivership Order further required all officers of Defendants, including Mr. Immel, to

[t]ake all steps needed to locate and transfer to the control of the Commissioner all assets of Defendants, including any and all properties in which the Defendants purportedly hold ownership interest . . . All assets shall be transferred to the Commissioner immediately upon the issuance of this Order and in no event later than 4:30 p.m. CDT on July 11, 2024.

*Id.*

The residential property located at 1819 Buffalo Road in West Des Moines, Polk County, Iowa (1819 Buffalo Road) was noted in the Receivership Order as one such property owned by Defendant Beckstone Partners, LLC (Beckstone). *Id.* The court’s July 8 Order also required Mr. Immel to:

b. Provide the Commissioner any and all of Defendants’ records relating to [Defendants’] business activities, including but not limited to contracts, bank statements, and communications from any other party;

c. Cooperate with any directive of the Commissioner issued in his capacity as Receiver; and

d. Cooperate with the Commissioner in his capacity as Receiver in the ongoing civil litigation in Pennsylvania against Defendants and in any other civil litigation against Defendants that is or may become pending.

(Ex. 1.1 at pp. 9-10; D0026 at pp. 9-10).

On July 9, 2024, the Iowa Insurance Commissioner (the Commissioner) caused the Receivership Order to be served on Mr. Immel. (Ex. 2). The Commissioner in his capacity as Receiver also provided written instructions to Mr. Immel. These instructions included a directive that no later than July 11, 2024, Mr. Immel transfer possession “of all real property owned by the

named Defendants, including property deeds, access codes, and all keys, for all properties, including but not limited to . . . 1819 Buffalo Road.” *Id.*

On July 11, 2024, Mr. Immel informed the Commissioner’s legal counsel that he and his family were currently using 1819 Buffalo Road as a personal residence. (Ex. 3). Mr. Immel and his family, however, do not—and did not—have an interest in the real estate located at 1819 Buffalo Road. (Exs. 1, 4). Rather, Defendant Beckstone owned the real property. At some point prior to entry of the Receivership Order, Mr. Immel apparently chose to use the property as his personal residence.

Despite the Receivership Order, and despite the Commissioner’s correspondence of July 9, 2024, Mr. Immel failed to transfer possession of 1819 Buffalo Road to the Commissioner by July 11, 2024. (Ex. 4.1). The Commissioner informed Mr. Immel of his failure to comply in a letter dated July 15, 2024. *Id.* In that letter, the Commissioner informed Mr. Immel that his continued occupancy of 1819 Buffalo Road was in violation of the Receivership Order, but that he could come into compliance with the Receivership Order by either vacating the residence or proposing lease terms for renting the property. *Id.*

Regarding the Commissioner’s proposal for a lease agreement, the court heard testimony from Petitioner’s second witness, Ms. Anderson, that the Commissioner offered to enter into a lease agreement with Mr. Immel at fair market value to ensure that 1819 Buffalo Road, an asset of Defendant Beckstone, would generate revenue rather than experience further wastage.

In partial compliance with the Commissioner’s July 15 letter, Mr. Immel met with the Commissioner’s representatives on July 17, 2024, where he provided certain records requested by the Commissioner. (Ex. 7). However, other requests from the July 15 letter remained outstanding, including transferring possession of 1819 Buffalo Road. *Id.* This failure notwithstanding, on July

18, 2024, Mr. Immel allowed the Commissioner's representatives to inspect the condition of 1819 Buffalo Road. (Ex. 9).

On July 24, 2024, the Commissioner sent Mr. Immel another letter, reiterating that he either sign a lease or vacate the premises. *Id.* The Commissioner specifically provided:

As receiver, the Division is obligated to marshal [sic] assets for the benefit of investors. Accordingly, as you know, we are not able to allow you to continue to reside rent-free at 1819 Buffalo Road. In light of your familial situation, we are willing to enter into a short-term lease arrangement with you through September 6, 2024. This represents roughly 45 days from now and two months since you were ordered by the court to transfer the property to us. The rent for the entire period is \$3,500, with an additional required \$3,500 security deposit. If this arrangement does not work for you, please vacate the premises no later than July 30, 2024.

If you agree to proceed with the lease, we will expect the \$7,000 payment at the time the lease is signed and no later than July 30, 2024. We will refund the \$3,500 security deposit assuming the terms of the lease are met. As will be spelled out in the lease, you will need to maintain and keep the property in good condition for realtors and potential buyers for the entirety of the lease term. You are not to make improvements to the property while leasing it. We will provide 24-hours' notice of any realtors, potential buyers, or workmen needing to view or make improvements to the premises and you will vacate the premises during these periods of time.

*Id.* Despite the Commissioner's offer to enter into a lease agreement, testimony from Ms. Anderson confirms that Mr. Immel never agreed to any lease terms. Nor did Mr. Immel vacate 1819 Buffalo Road by the deadline of July 30, 2024. (Ex. 12).

On August 2, 2024, the Commissioner again wrote Mr. Immel:

In our last letter, we offered you the option of entering into a lease arrangement in light of your parental responsibilities or to vacate the premises by Tuesday, July 30. Your initial email responses did not reference this request, but your July 31 letter indicated that you have begun packing up the house – but also that you are still very much occupying it. We have been more than reasonable here, but if you continue to reside at 1819 Buffalo Road after Sunday, August 11 and if we do not have all sets of keys to 1819 Buffalo Road by 10 a.m. on Monday, August 12, we will have no choice but to file a motion to have you held in contempt of the court's July 8 Order. Furthermore, we intend to begin accessing the house with real estate agents and contractors as soon as August 12.

*Id.* Despite the Commissioner’s renewed demand for Mr. Immel to vacate the property by August 12, 2024, Mr. Immel continued to reside at 1819 Buffalo Road past the new deadline.

In addition to Mr. Immel’s continued occupancy of 1819 Buffalo Road, the Commissioner’s August 2, 2024, letter also directed Mr. Immel to – among other things – “give [the Commissioner] control of the beckstonepartners.com website by providing the necessary service provider, access, and passwords.” *Id.*

During the show cause hearing, the court heard testimony from Ms. Anderson that (1) “beckstonepartners.com” was the website Defendants used to solicit and defraud investors, (2) the website was still active and accessible by the public, and (3) the website provided Mr. Immel’s cell phone number to any member of the public interested in investing with Defendant Beckstone. (Ex. 14). Because of this, the Commissioner sought to take control of the website from Mr. Immel to shut down operations.

Like the Commissioner’s demands regarding 1819 Buffalo Road, Mr. Immel had until August 12, 2024, to comply with the Commissioner’s directive on transferring Defendant Beckstone’s website. (Ex. 12). Mr. Immel failed to comply with either request by the August 12 deadline. (Ex. 13). On September 13, 2024, the Commissioner’s legal representative sent a final demand letter to Mr. Immel, informing him that he had until September 20, 2024, to comply with the requests made by the Commissioner in the August 2 letter, and that the Commissioner would “file with the court an Application for Rule to Show Cause” and “seek sanctions against [Mr. Immel] for contempt of court . . . for [his] non-compliance with the Receiver’s reasonable requests.” *Id.*

Once again, Mr. Immel failed to fulfill either request by the new deadline of September 20, 2024. Petitioner filed the Application on September 25, 2024. On September 30, 2024, the court scheduled a hearing on the Application for November 5, 2024.

Only after Petitioner filed the Application, but prior to the November 5 hearing, did Mr. Immel comply with Petitioner's directives relating to 1819 Buffalo Road and to Defendant Beckstone's website. The court received testimony that on or around October 3, 2024, Mr. Immel and his family vacated 1819 Buffalo Road. The court also received testimony on the poor condition of the property upon Mr. Immel's departure, including:

1. Mr. Immel failed to remove a significant amount of his personal property, causing the Commissioner to spend around \$1,800.00 for hauling and removal services;
2. The yard around 1819 Buffalo Road was in poor condition caused by Mr. Immel's use of an ATV;
3. The thermostat was painted over, preventing its use;
4. The basement had significant water and mold damage due to a leak, which will require repairs that may cost up to \$25,000.00 for remediation;
5. The residence had no electricity upon entry because there was over \$1,000.00 in overdue electric bills to the utility company which Mr. Immel, as an officer of Defendant Beckstone, failed to pay;
6. Mr. Immel never insured the property; and
7. The overall damage to the property made it difficult for the Commissioner to find and obtain insurance for the residence.

The court also heard testimony that on October 3, 2024, Mr. Immel met with the Commissioner's representatives to begin the process of handing over control of Defendant Beckstone's website. During this meeting, Mr. Immel provided the Commissioner with the password to access the website. Shortly after Mr. Immel departed, the Commissioner's representatives determined that the website required two-factor authentication, and the secondary

access code would have been sent to Mr. Immel's cell phone. They promptly called and texted Mr. Immel about this, but he never responded.

Throughout October, the Commissioner and Mr. Immel discussed resolving the website access issue. (Exs. A, B). It was not until about 4:00 p.m. on November 4, 2024—less than 24 hours before the show cause hearing—that the Commissioner finally gained control over Defendant Beckstone's website.

### CONCLUSIONS OF LAW

This is an action for civil contempt. Civil contempt occurs when the alleged contemnor is aware of a court order and willfully violates its terms. Iowa Code section 665.2(3) (2023). The moving party has the burden to prove contempt by the contemnor beyond a reasonable doubt.

The punishment for contempt in district court may include a fine up to \$500.00, or imprisonment up to six months, or a combination of both. Iowa Code § 665.4(2). The maximum punishment for contempt may be imposed for each individual act constituting contempt. However, a court may not stack multiple punishments when the contempt is one continuous act of contempt. *Palmer Coll. of Chiropractic v. Iowa Dist. Ct. for Scott Cnty.*, 412 N.W.2d 617, 621-22 (Iowa 1987).

Under the Receivership Order, Mr. Immel was obligated to comply with the Orders of the court as well as the directives of the Commissioner issued in his capacity as Receiver. If Mr. Immel fails to comply with a directive of the Commissioner which is reasonably related to the Commissioner's duties as Receiver, then such failure constitutes contempt.

Under this record it is clear that Mr. Immel engaged in at least four distinct acts and omissions, each of which constitute contempt:.

A. **Count I.** When the court issued the Receivership Order, the court ordered Mr. Immel to transfer all of Defendants' property to the Commissioner no later than July 11, 2024. The Commissioner also directed Mr. Immel to move out of 1819 Buffalo Road by this date, and the Commissioner renewed this directive on multiple occasions in July, August, and September 2024. Mr. Immel's repeated failure to move out of 1819 Buffalo Road until October 3, 2024, constitutes a single, continuous contempt of court.

B. **Count II.** When Mr. Immel moved out of 1819 Buffalo Road, he left behind a significant amount of personal property, and he left the residence and land in need of significant repairs caused by his deliberate actions and his willful neglect. Had Mr. Immel vacated 1819 Buffalo Road by the original deadline of July 11, 2024, the property would have been in significantly better condition when the Commissioner ultimately took possession of it.

Mr. Immel's acts and omissions regarding 1819 Buffalo Road constitute contempt of court. When the court issued its Receivership Order, the court directed Mr. Immel to transfer all Defendants' property to the Commissioner. The Commissioner reiterated the same directive on multiple occasions over a period of months. While not expressly stated, the core purpose of the Receivership Order would be frustrated if Mr. Immel was under no obligation to safeguard Defendants' property—which he did not own—prior to delivering it to the Commissioner. Legally Mr. Immel could not intentionally, or through willful neglect, damage Defendant Beckstone's property prior to delivering it to the Commissioner. Such damage would be in resistance to the Receivership Order and the lawful directives of the Commissioner flowing from that Order. Iowa Code § 665.2(3).

Therefore, once Mr. Immel was required to yield all property belonging to Defendants, any acts or omissions by Mr. Immel that could foreseeably damage, degrade, or diminish Defendants'



property, or otherwise reduce the value of such property, would violate the Receivership Order and the Commissioner's related directives. Because of this, Mr. Immel's failure to safeguard and maintain 1819 Buffalo Road after the Receivership Order was entered constitutes contempt of court.

C. **Count III.** When the Commissioner directed Mr. Immel to yield control of Defendant Beckstone's website no later than August 12, 2024, this directive was a reasonable exercise of the Commissioner's powers and duties pursuant to the Receivership Order. When Mr. Immel failed to provide access by the August 12 deadline, Mr. Immel's omission constituted contempt of court, which was continuous until Mr. Immel finalized transfer of the website on the afternoon immediately preceding the show cause hearing.

D. **Count IV.** When Mr. Immel initially provided the Commissioner with the password to access Defendant Beckstone's website on October 3, 2024, the Commissioner concluded the meeting under the belief that Mr. Immel had discharged his duty to provide access. But almost immediately thereafter, the Commissioner's representatives discovered they could not access the website due to two-factor authentication. Mr. Immel, who had created and managed the website on behalf of Defendant Beckstone knew or should have known that providing the password would be insufficient, and that a two-factor authentication process would follow the Commissioner's attempt to access the site.

Mr. Immel failed to present sufficient credible evidence showing he was reasonably unaware of this requirement. He further failed to present sufficient evidence explaining or justifying his failure to respond to the Commissioner's attempts to contact him—attempts which took place mere minutes after the meeting had concluded. While Mr. Immel's acts and omissions on October 3, 2024, are related to his contempt for failing to provide access to the website, the

court finds these acts are distinguishable, constituting separate counts of contempt. Mr. Immel did not merely fail to comply with the Commissioner's directive of August 2, 2024. He willfully impeded the Commissioner's ability to access the website. These separate acts and omissions merit separate punishment.

After hearing all of the evidence presented and weighing the credibility of witnesses, the court finds beyond a reasonable doubt that Mr. Immel was aware of the district court's July 8, 2024, Order at the time he violated its terms and that his conduct in doing so was willful. The court will adjudicate him guilty of four counts of contempt pursuant to Iowa Code section 665.2(3).

**E. Punishment.** The court now turns to determining what punishment should be imposed pursuant to Iowa Code section 665.4(2) under this record. Some credible evidence in the record supports leniency. For example, the court received testimony that between September 25 and November 5, 2024, Mr. Immel completed all outstanding directives of the Commissioner which otherwise formed the basis for the Application filed on September 25. The record also shows Mr. Immel has not categorically ignored the Commissioner's directives, and in some respects has cooperated with the Commissioner. (Ex. 7) (indicating Mr. Immel provided certain records requested by the Commissioner); (Exs. 8, 9, 11) (indicating Mr. Immel located two of Defendants' computers and provided them to the Commissioner).

However, Mr. Immel has otherwise disregarded the Commissioner's reasonable directives arising from the court's Order entered July 8, 2024. Over an extended period of time, the Commissioner repeatedly extended various deadlines for Mr. Immel to comply with outstanding directives. Mr. Immel repeatedly violated those deadlines without explanation or justification. It is clear the Commissioner tried to work with Mr. Immel during this time frame, but Mr. Immel often did not reciprocate until the Commissioner threatened or took legal action. Indeed, for the

Commissioner's directives relating to 1819 Buffalo Road and Defendant Beckstone's website, it is apparent that neither the Receivership Order nor the clear, repeated instructions of the Commissioner were enough to goad Mr. Immel into compliance. Mr. Immel only began substantial compliance with these two requests after the Commissioner filed the Application. The court takes particular note of Mr. Immel's willful disregard for maintaining Defendant Beckstone's property at 1819 Buffalo Road. These acts and omissions clearly violate the fundamental purpose of the receivership: securing and preserving assets for the benefit of investors.

The court ultimately concludes that it will not impose jail time for Mr. Immel. However, the court will impose the maximum fine of \$500.00 for each count of contempt of court (Counts I-IV), for a total of \$2,000.00, upon Mr. Immel for his dilatory actions in cooperating with the requirements imposed by the Receivership Order and the Commissioner's directives arising from that Order. The court concludes this is an appropriate sentence to punish Mr. Immel and to deter him from engaging in prohibited conduct in the future.

### **ORDER**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** that the Application is granted. Brett Timothy Immel is adjudicated to be guilty of four counts of contempt (Counts I-IV) pursuant to Iowa Code section 665.2(3) for four separate acts that violate the district court's July 8, 2024, Receivership Order. Brett Timothy Immel is not sentenced to jail. Therefore mittimus shall not issue.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Brett Timothy Immel is sentenced to pay a total fine of \$2,000.00 for his contempt of court, \$500.00 for each of the four counts alleged, pursuant to Iowa Code section 665.4(2). This sentence is supported by

four separate willful acts by Brett Timothy Immel violating the district court's July 8, 2024, Order, of which he was aware.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that costs are assessed to the named Defendants.

#### **NOTICE**

Brett Timothy Immel is notified that pursuant to Iowa Code section 665.11, he may seek review of this sentence by filing a writ of certiorari within thirty days from the entry date of this Order.



State of Iowa Courts

**Case Number**  
CVCV067472

**Case Title**  
STATE OF IOWA EX REL DOUGLAS OMMEN VS  
BECKSTONE PRTNRS ETAL  
**Type:** ORDER FOR JUDGMENT

So Ordered

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Jeanie K. Vaudt, District Court Judge  
Fifth Judicial District of Iowa

Electronically signed on 2025-01-04 18:05:49