

Joseph M.R. Covey (7492) (jcovey@parrbrown.com)
Stephen C. Mouritsen (16523) (smouritsen@parrbrown.com)
Cynthia D. Love (14703) (clove@parrbrown.com)

PARR BROWN GEE & LOVELESS, P.C.

101 South 200 East, Suite 700
Salt Lake City, Utah 84111
Telephone: (801) 532-7840
Facsimile: (801) 532 7750

Attorneys for Johnathan O. Hafen as Receiver for the Rust Rare Coin Receivership

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

COMMODITY FUTURES TRADING
COMMISSION, and

STATE OF UTAH DIVISION OF
SECURITIES, through Attorney General
Sean D. Reyes

Plaintiffs,
v.

RUST RARE COIN INC., a Utah corporation,
and GAYLEN DEAN RUST, an individual,

Defendants;

and

DENISE GUNDERSON RUST, an individual,
JOSHUA DANIEL RUST, an individual,
ALEESHA RUST FRANKLIN, an individual,
R LEGACY RACING INC, a Utah
corporation, R LEGACY ENTERTAINMENT
LLC, a Utah limited liability company, and R
LEGACY INVESTMENTS LLC, a Utah
limited liability company.

Relief Defendants.

**MOTION TO CONFIRM
APPOINTMENT OF APPRAISERS**

Civil No. 2:18-cv-00892-TC

Jonathan O. Hafen, the Court-Appointed Receiver, hereby submits this Motion to Confirm Private Sale of Receivership Properties and to Appoint Appraisers.

INTRODUCTION

The Receiver is the owner of real property located at 4025 Homer Spit Road, Homer, Alaska 99603 (the “Property”). The Receiver requests an order confirming the appointment of the appraisers as required by 28 U.S.C. § 2001 to assist the Court and the Receiver in valuing the property for potential sale. Once this Court has agreed to the appointment of the appraisers and their respective appraisals are completed, the Receiver will file a notice of the proposed sale of the Property and will subsequently submit a motion for a hearing to confirm a proposed sale of the Property consistent with 28 U.S.C. §§ 2001.

MEMORANDUM

This Court’s November 27, 2018 Order Appointing Receiver and Staying Litigation, Dkt. No. 54 (the “Order”), authorizes and directs the Receiver to take control of Defendants’ assets and provides: “Upon further Order of this Court, pursuant to such procedures as may be required by this Court and additional authority such as 28. U.S.C. § 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property to the Receivership Estates.” (Order, Dkt. No. 54, at 15 ¶ 38). The Order also contemplates that the Receiver would employ professionals to assist him in discharging his duties, including financial and business advisers as well as real estate agents:

To engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers;

(Order, Dkt. No. 54 at 5 ¶ 8(F)).

Title 28, Section 2001(b) of the United States Code authorizes a court to order the sale of real property at a private sale if the court finds that the sale is in the best interest of the estate after considering the evaluation of three appraisers appointed by the court (the sale may not be less than two-thirds of the appraised value) and after providing notice of the hearing at least 10 days before the hearing confirming the same.

(b) After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby. Before confirmation of any private sale, the court shall appoint three disinterested persons to appraise such property or different groups of three appraisers each to appraise properties of different classes or situated in different localities. No private sale shall be confirmed at a price less than two-thirds of the appraised value. Before confirmation of any private sale, the terms thereof shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation. The private sale shall not be confirmed if a bona fide offer is made, under conditions prescribed by the court, which guarantees at least a 10 per centum increase over the price offered in the private sale.

28 U.S.C. §§ 2001(b).

The Receiver has identified three professional and disinterested appraisers to provide an appraisal to assist the Court and the Receiver in evaluating the reasonableness of the private sale. These appraisers include: Barbara Bulluomini of Reliant LLC, 9330 Vanguard Dr. #201, Anchorage, Alaska 99507, (907) 929-2226; Lydia Larson of Rikrland Valuation Services, LLC, P.O. Box 989, Kenai, Alaska 99611, (907) 335-5000; and Clint Lentfer, Alaska Appraisal & Consulting Group, LLC, 203 W. 15th Ave. Suite 206, Anchorage, Alaska 99501, (907) 677-1133. The retention letters for each appraiser are attached hereto as Exhibits A through C. To comply with the requirements of Section 2001(b), the Receiver requests that this Court confirm the appoint of these three appraisers.

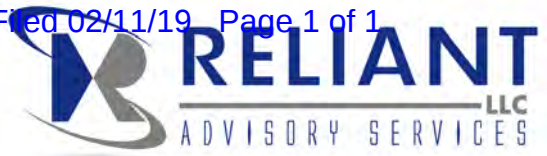
CONCLUSION

Based upon the foregoing, the Receiver requests that this Court grant his motion by entering an order confirming the appointment of the three appraisers.

DATED this 11th day of February, 2018.

PARR BROWN GEE & LOVELESS

/s/ Joseph M.R. Covey
Joseph M.R. Covey
101 South 200 East, Suite 700
Salt Lake City, UT 84111
(801) 532-7840
jcovey@parrbrown.com
Attorney for Receiver Jonathan O. Hafen



9330 Vanguard Dr., Suite 201
Anchorage, AK 99507
Phone: (907) 929-2226
Fax: (907) 929-2260
Email: admin@reliantadvisory.com

February 1, 2019

Ash Churchill, Realtor
Kachemak Group Real Estate
320 W Pioneer Ave., Suite 100
Homer, AK 99603

RE: **Forget Me Not Alternative Healing Building & Adjacent Vacant Lot
Retail Building on Leased Boardwalk Space on the Homer Spit**

Mr. Churchill,

Per our previous email exchange, I understand that the Receiver needs two appraisal reports; one on the Forget Me Not Alternative Healing building located at 3657 Main Street (to also include the adjacent vacant lot located at 3637 Main Street) and the other on a small retail building located on leased boardwalk space on the Homer Spit (4025 Homer Spit Road, Unit 27). Given the disparate locations and interests being appraised (fee simple vs. leasehold), there will be limited synergies between the two. As such, **each** report will be \$4,000 + \$30 Sales Tax. Note, too, that a 50% retainer is due at the time of inspection. I assume that I will have full access to the buildings. As I mentioned, I am booked into the third week of February but could work on these assignments right after that. I don't expect the Main Street property to take too much time; maybe a week to 10 days. So, let's say a due date of March 6th on that one. Because most of the Spit is shut down for the season, the smaller retail building will likely take longer. As you know, Alaska is a non-disclosure state and a lot of our work rounding up comps is done going door-to-door. Since almost none of the comparable shops on the Spit are open and many of the owners fly south for the winter, I will have to try to get in touch with them over the phone and see if they're willing to share information with me. Given this, I think the end of March is reasonable. I will certainly try to have it done sooner than that though.

Should the Receiver wish to retain Reliant, LLC for appraisal services, Lance in our Anchorage office will prepare a formal Letter of Engagement (one for each assignment) for his or her review and signature. Please feel free to contact me if you need any additional information.

Thank you,

A handwritten signature in blue ink that reads 'Barbara J. Belluomini'.

Barbara J. Belluomini
Certification No. 706



January 30, 2019

Kachemak Group Real Estate
320 W. Pioneer Ave, #100
Homer, AK 99603

ATTN: Mr. Ash Churchill

RE: Quote for Real Property Appraisal Services; Parcels owned by R Legacy Investments, LLC , Camarron & Aleesha Franklin

Thank you for considering Rikrland Valuation Services for your Real Estate Appraisal needs. Please consider this letter an initial quote for services. If selected by the court/Receiver, an engagement contract shall be drafted. In consideration of the following list of properties, I can determine the fair market value of the following properties in 6 separate reports for use in determining listing price of the properties.

It is my understanding that the request use of the reports is for listing purposes, not for marketing or other litigation uses. At this time my expertise is not being requested for testimony. Such services will need to be explicitly requested and engaged. For convenience, I have provided 2 quotes for each report based on turn time from date of inspection. I am happy to offer a 10% discount if all properties are engaged to my firm, see below for further details.

Property	Type	KPB Tax ID	3 weeks	6 weeks
3657 & 3637 Main Street	Com	17515314/17515313	\$6,495	\$4,995
4025 Homer Spit Rd Unit 27	Com	18103303BW27	\$5,995	\$3,995
1121 Sea Breeze Ct	Com	17923026	\$3,995	\$2,495
65299 Diamond Ridge Rd	SFR	17371002	\$2,495	\$1,995
Lot 3A, Surreal Subdivision, Unit 3	Land	17371008	\$1,995	\$1,795
Tract C, Surreal Subdivision, Unit 5	Land	17371018	\$1,995	\$1,895

If all 6 are awarded a 10% discount is offered, 3 week turn time: \$20,673 or 6 week turn time: \$15,453

The intended client will need to be specifically named. The intended user(s) will also need to be specifically named. The intended use shall be spelled out specifically. The quoted prices above are for the use of the appropriate court appointed entity to determine acceptable listing and/or accepting price for each property in liquidation. Liquidation values shall be given for all marketing times found to be above 12 months. At no point will the reports be disclosed or utilized in the marketing process, nor shall they be furnished for mortgage financing. They are not intended to be used in litigation as evidence of value or other purposes. If another use is desired or required, it shall be disclosed and the quote may need adjustment.

An engagement fee shall be due prior to schedule of inspections. For this engagement, the fee shall be 65% of the chosen appraisal reports. If the courts are unable through policy to pay engagement fees in advance of services, the fees above shall be adjusted. The closest available inspection dates shall be determined once the engagement fee has been received, and the completion dates set as indicated above following inspections. It shall be assumed by the appraiser that little to no information will be provided outside what is available in public records, and the occupants/current owners shall be deemed



uncooperative. Upon completion of the reports, a draft copy of the completed reports shall be provided in electronic format to the email provided by the client as proof of completion. The draft reports shall have "DRAFT" watermarked and the value conclusions will be redacted. Once final payment of the balance is received, the final signed copies shall be sent to the client. No further services, such as testimony or expert witness will be warranted outside of specific engagement contracts. Please indicate if these services are required so the fee schedule can be adjusted. Rikrland Valuation Services is also available to review other appraisal reports if necessary for the court/receiver entities. Please contact our office for engagement of these services. Please find my resume attached behind this cover letter.

Lydia W. Larson

Lydia W. Larson, MAI

Certified General Real Estate Appraiser (AK)

MAI Designated Senior Commercial Real Estate Appraiser (Appraisal Institute)

Senior Appraising Partner

Rikrland Valuation Services, LLC

Rikrland Valuation Services, LLC
907-335-5000

Alaskan Appraisers Appraising Alaskan Properties
Offices in Kenai & Mat-Su

Lydia W. Larson, MAI

Senior Appraising Partner

Lydia@RikrlandVS.com



GENERAL EDUCATION

University of Alaska, Anchorage: Bachelor of Arts – *Economics*

DESIGNATIONS

Appraisal Institute: MAI Designation #488273

CERTIFICATIONS & LICENSES

State of Alaska: Certified General Real Estate Appraiser #APRG657

BUSINESS EXPERIENCE

Rikrland Valuation Services, LLC
Black-Smith, Bethard and Carlson, LLC
Larson Appraisal Services, LLC
West Coast Bank – Real Estate Services
Totten & Company
Black-Smith & Richards

Senior Appraising Partner, 2015 – present
Certified/Senior Fee Appraiser, 2006 – 2016
Chief Executive Member/Appraiser, 2009-2013
Assistant Vice President, 2010-2013
Senior Fee Appraiser, 2008-2009
Appraisal Trainee, 2004-2006



APPRAISAL EXPERTISE

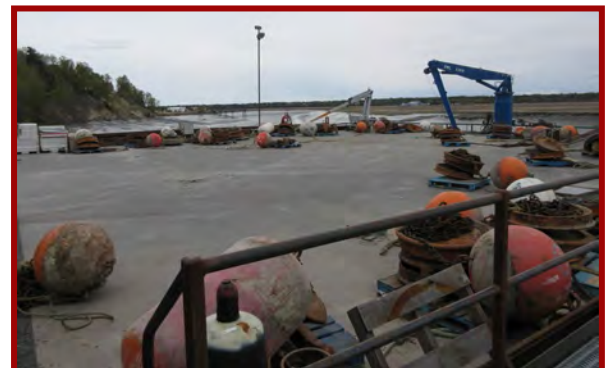
- Fee Simple Market Value Appraisals
- Appraisal Review, All Types
- Easements and Condemnation
- Leased Fee, Leasehold, Sub-leasehold interests
- Remote, Recreational & Alaska Native/Tribal lands
- Railroad properties
- Agriculture, Timber, Mineral components (*Surface & Sub-surface value components*)
- Non-economic Factors of complex valuations
- Special Use: Airport, Tourism, Senior & Low-income housing
- Property Donation & Land Exchange
- Market Studies
- Business Going Concern/Blue Sky Valuations
- Highest & Best Use Analysis and Determinations
- Green - Office, Industrial & Retail
- Single & Multi-Family Residential
- Proposed Construction
- DOT Right of way
- Residential Subdivisions
- Appraisal Consulting for Litigation & Testimony

REPRESENTATIVE CLIENTS

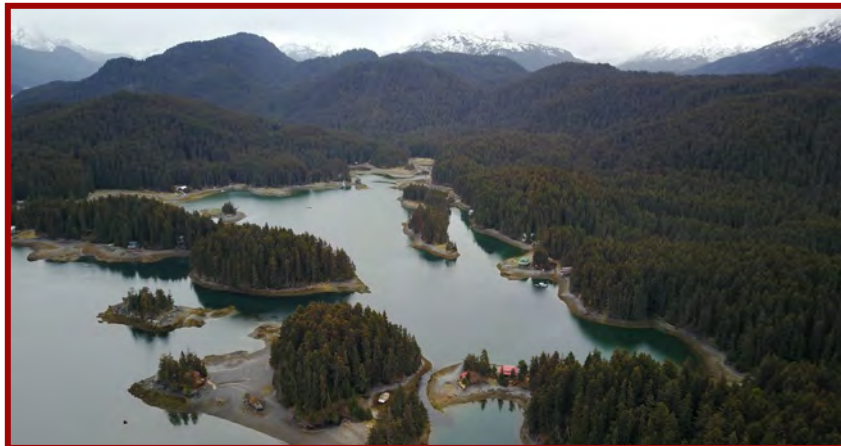
- Bureau of Land Management
- Department of Transportation
- U.S. Department of Agriculture
- Farm Service Agency
- Alaska Native/Tribal Corporations
- Commercial & residential developers
- National and local banks
- Alaska Department of Natural Resources
- Kenai Peninsula Borough
- Private Investors
- State of Alaska
- Alaska Railroad Corp.
- Federal Housing Authority / HUD
- Trust Organizations (Land & Conservation)
- Various regional housing authorities
- Utility companies
- Investment Firms
- Attorneys and Accountants
- City of Anchorage
- U.S. Army Corps of Engineers

NOTABLE APPRAISAL VALUATIONS

- **Kenai River Brewery**
Kenai
- **Kassiks Brewery**
Nikiski
- **Skagway Brewery**
Skagway
- **Alaska Brewery Expansion**
Juneau
- **AVCP Office Building**
Bethel
- **Nat'uh Office Building & Transportation Center Complex**
Anchorage
- **Xerox Office Building (Geico)**
Anchorage
- **AHFC Teacher, First Responder, & Healthcare Housing**
Hooper Bay
New Stuyahok
Togiak
Illiamna
- **Independent Living Facility**
Soldotna
Sterling
- **Low-income Housing Apartment Complex**
Seward
Ninilchik
Anchorage
- **Arctic Chiropractic Medical Offices**
Palmer
Valdez
Unalaska
- **The Surgery Center of Fairbanks**
Fairbanks
- **Seldovia Medical Clinic Expansion**
Seldovia
- **Kenai Peninsula Orthopedics (KPO) Medical Office**
Soldotna
- **Peninsula Pathology Laboratory & Medical Office**
Soldotna
- **City Hall**
Anchorage
- **The Gear Shed (Redden Marine)**
Homer
- **Ron's Honda**
Soldotna
- **Sherwin Williams**
Soldotna
- **Johnson's Tire (Napa Auto)**
Soldotna
- **Fix-it Auto Repair Building**
Soldotna
- **Apple Bus Barn**
Homer
- **K-Mart / Home Depot Building**
Anchorage



- **Snug Harbor Seafoods**
Kasilof / Cohoe
- **Seaport Airlines**
Juneau
- **Anchor River Inn**
Anchor Point
- **Thorn's Lounge**
Seward
- **Burger King (Starbucks)**
Eagle River
- **Saltwater Lodge**
Seward
- **Lone Moose Lodge Cabins & RV Campground**
Soldotna
- **Holiday Inn Express (Harbor 360 Hotel)**
Seward
- **Great Alaska Lumberjack Show Auditorium & Retail**
Ketchikan
- **Post Office & Apartments**
Auke Bay
- **Washington Street Apartment Complex**
Ketchikan
- **State of Alaska Mental Health TLO Parcels**
All Southcentral Alaska



APPRAISAL EDUCATION

Appraisal Institute Coursework

Uniform Appraisal Standards for Federal Land Acquisitions/Yellowbook, 2018
Solving Land Valuation Puzzles, 2018
Condemnation Appraising: Principles & Applications, 2016
USPAP Update, 2015, 2017, 2018
Fundamentals of Separating Real Property, Personal Property & Intangible Assets, 2012
Appraisal Curriculum Overview – General, 2011
Uniform Appraisal Dataset from Fannie Mae & Freddie Mac, 2011
2010 FIRREA Guidelines – Appraisal Institute & ABA, 2010
Valuing Green Commercial Buildings, Appraisal Institute, 2010
Analyzing Operating Expenses, Appraisal Institute, 2010
Appraising Distressed Commercial Real Estate, Appraisal Institute, 2010
National Uniform Standards of Professional Appraisal Practices (USPAP), 2009
Course 550 – Advanced Applications, Designation course, 2008
Course 540 – Report Writing & Valuation Analysis, Designation course, 2008
Course 520 – Advanced Sales & Cost Approaches, Designation course, 2008
Course 600 - Income Valuation of Small, Mixed-Use Properties, 2007
Cool Tools: New Technology for Real Estate Appraisers seminar, 2006
Course 410 – Business Practices and Ethics, 2006
Course 520 – Highest & Best Use and Market Analysis, 2006
Course 510 – Advanced Income Capitalization, 2006, 2015

NON-PROFIT AND VOLUNTEER POSITIONS

Great Land Missions	Secretary/Board Member, 2013 – present
Junior Achievement	Business Volunteer, 2016 -- present
Great Land Veteran Services	Spouse Support Counselor, 2014 – present

AFFILIATIONS

- Appraisal Institute Member #488273
 - MAI Designated
- Alaska Chapter, *Appraisal Institute*
 - Member 2006 – present
 - Vice President 2018, 2019
- Chamber of Commerce
 - Kenai, 2013 – present
 - Wasilla, 2019 – present
 - Soldotna, 2015 –2018



Tools of the Trade. Appraising Remote & Rural Properties by Land, Air, & Sea





February 5,2019

Ash Churchill, Realtor
Kachemak Group Real Estate
320 W Pioneer Ave. #100,
Homer,Alaska 99603

I have reviewed the properties and would be able to perform appraisals on the properties with the following fees and turn-around times....please let me know if you have any further questions and if you would like us to get files setup. We would require 50% down and the balance upon completion. I will not be able to piecemeal the reports, the bid is for completion of all reports only, not one or two. Thank you, Clint

(1) 1121 Seabreeze Ct, Homer, AK 99603 - B&B - commercial property

General Purpose Form Style Appraisal Report (similar to what a bank would order for a home) --
- \$3,000 - 1 month +/-

(2) 3657 Main Street, Homer, AK 99603 (Forget Me Not Healing business) - commercial property

Restricted Use Narrative Style Appraisal Report --- \$4,000 - 1 month +/-

(3) 5 and 7 acre parcels and the residence located at 65299 Diamond Ridge Rd., Homer, AK 99603 - residential property

home - General Purpose Form Style Appraisal Report (similar to what a bank would order) --- \$2,000 - 1 month +/-

(4) 5 and 7 acre parcels – Address to follow - Homer, AK 99603 - assumed residential lots

lots - vacant land form reports - assumed residential lots within the immediate area --- \$1,500 / report - 1 month +/-

(5) 4025 Homer Spit Rd. - Homer, AK 99603 – building only

form report -- \$2,500 - 1 month +/-

Respectfully Submitted,

Clint H. A. Lentfer, MBA
Owner, Alaska Appraisal & Consulting Group, LLC
203 W. 15th Ave. Suite 206, Anchorage, AK 99501
907.677.7701 / clint@akacg.com

