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**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,
DENISE GUNDERSON RUST, an individual,
JOSHUA DANIEL RUST, an individual

Defendants;

and

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.

**ORDER GRANTING MOTION TO
APPROVE RECEIVER'S
SETTLEMENT AGREEMENT WITH
KARA BRIMLEY**

Case No. 2:18-cv-892

Judge Tena Campbell

Magistrate Judge Dustin B. Pead

Before the Court is a Motion to Approve Receiver's Settlement Agreement with Kara Brimley (the "Motion"), submitted by Jonathan O. Hafen in his capacity as the Court-Appointed Receiver (the "Receiver") for Rust Rare Coin Inc., Gaylen Dean Rust, R Legacy Racing Inc., R Legacy Entertainment LLC, R Legacy Investments LLC, Denise Gunderson Rust, and Joshua Daniel Rust.

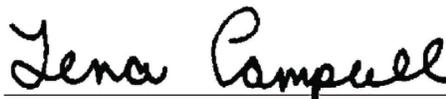
Based on the Motion and for good cause appearing,

IT IS HEREBY ORDERED that:

1. The Motion is GRANTED; and
2. The Settlement Agreement attached to the Motion as Exhibit B is approved.

DATED this 22nd day of September, 2022.

UNITED STATES DISTRICT COURT



Honorable Tena Campbell
United States District Judge

Exhibit B

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SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this “**Settlement Agreement**”), dated as of July 13, 2022 (the “**Execution Date**”), is entered into by and between Kara Brimley (“**Brimley**”) on the one hand, and Jonathan O. Hafen, solely in his capacity as Court-Appointed Receiver (the “**Receiver**”) for the assets of Rust Rare Coin Inc., Gaylen Dean Rust, R Legacy Racing Inc., R Legacy Entertainment LLC, R Legacy Investments LLC, Denise Gunderson Rust, and Joshua Daniel Rust (collectively, the “**Receivership Defendants**”), on the other hand. Brimley and the Receiver are each referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

A. Since at least 2008, Receivership Defendants have operated a fraudulent silver investment pool (the “**Silver Pool**”) in the manner of a classic Ponzi scheme through which investors were told that their funds would be used to purchase and trade physical silver. Instead, Receivership Defendants used funds from new investors to pay exorbitant returns to existing investors and to fund Receivership Defendants’ other business ventures.

B. Brimley invested monies with the Receivership Defendants and received net disbursements above her investment in the amount of \$53,850.00.

C. On April 14, 2021, in Civil Case Number 2:19-cv-00875-TC, the United States District Court, District of Utah entered Judgment (the “**Judgment**”) against Brimley in the amount of \$53,850.00.

D. The Receiver has determined that Brimley has demonstrated a financial inability to repay the entire Judgment amount, based on financial information provided by Brimley.

E. The Parties desire now to resolve all potential claims and disputes which now exist, or which may exist in the future regarding the Judgment against Brimley.

NOW THEREFORE, in consideration of the mutual representations, warranties, covenants, and agreements contained herein, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and upon and subject to the terms and the conditions hereinafter set forth, the Parties do hereby agree as follows:

AGREEMENT

1. **Court Approval; Best Efforts.** This Settlement Agreement is conditioned on and subject to the Court’s entry of an order in the underlying action approving this Settlement Agreement. The Receiver shall, within fifteen (15) days of the last Party’s execution of this Settlement Agreement, draft and file a Motion with the Court seeking such approval. The Parties each agree to use their best efforts to secure Court approval of this Settlement Agreement in accordance with applicable law. The “**Effective Date**” of this Settlement Agreement shall be the date on which the Court in the Lawsuit enters an order approving this Settlement Agreement. In the event the Court denies the motion to approve this Settlement Agreement, the agreement shall be void and of no effect.

2. **Settlement Payment.** In full satisfaction of all claims the Receiver may have now or in the future against Brimley related to the payments she received from Mr. Rust or any of the other Receivership Defendants, Brimley shall pay the Receiver Twenty Thousand Dollars (\$20,000) within 10 days (the “**Settlement Payment**”) of the execution of this Settlement Agreement. Payment shall be sent to:

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Jonathan Hafen as Receiver for Rust Rare Coin
Parr Brown Gee & Loveless, P.C.
101 South 200 East, Suite 700
Salt Lake City, Utah 84111

This payment will be in full satisfaction of all claims the Receiver may have now or in the future against Brimley related to the Judgment. If the Receiver is unable to obtain court approval of the Settlement Agreement, the Settlement Payment will be refunded promptly by the Receiver to Brimley.

3. **Brimley's Release.** To the maximum extent permitted by law, and except as provided below, Brimley, on behalf of herself and her successors, assigns, attorneys, and representatives (the "**Brimley Releasing Parties**"), hereby releases, acquits, discharges, and agrees to hold harmless the Receiver, the Receivership, the Receivership Defendants, and the receivership estate, their affiliates, predecessors, successors, assignors, and assignees (the "**Rust Releasees**") from any and all claims, liabilities, damages, charges, demands, grievances, lawsuits, suits, and causes of action of any kind or nature whatsoever, whether direct or indirect, liquidated or unliquidated, known or unknown, currently accrued or which may hereafter accrue (hereinafter, "**Claim**"), which the Brimley Releasing Parties had, have, or may claim to have against the Rust Releasees, relating to the Silver Pool and/or any investment by Brimley therein. Brimley, on behalf of herself and the Brimley Releasing Parties, further covenants and agrees that she will refrain and forbear from commencing, instituting, prosecuting, or continuing, any lawsuit, action, claim, right, demand, cause of action, suit or other proceeding (including filing any further claim) against the Receiver, the Receivership Defendants, and the receivership estate. Any claims to enforce rights, obligations, and duties arising out of this Settlement Agreement are excepted from this release.

4. **Receiver Release.** To the maximum extent permitted by law, and in consideration of the receipt of the Settlement Payment, on the Effective Date, the Receiver and its predecessors, successors, assignors, and assignees (the "**Receiver Releasing Parties**") hereby release, acquit, discharge, and agree to hold harmless the Brimley Releasing Parties from all Claims which the Receiver Releasing Parties had, have, or may claim to have against the Brimley Releasing Parties related to the Silver Pool or anything dealing with Rust Rare Coin, Inc. or Gaylen Rust, and/or any investment distribution therefrom. The receiver Releasing Parties further covenant and agree that they will refrain and forbear from commencing, instituting, prosecuting, or continuing, and lawsuit, action, claim, right, demand, cause of action, suit or other proceeding against the Brimley Releasing Parties. Any claims to enforce rights, obligations, and duties arising out of this Settlement Agreement are excepted from this release.

5. **Attorney Fees.** Each Party shall bear his or her own attorney's fees and costs in connection with the Settlement Agreement through the Effective Date, including negotiation, documentation, execution, delivery, and performance of this Settlement Agreement. Notwithstanding the preceding sentence, should any action, suit or proceeding be commenced by any Party to this Settlement Agreement to enforce any provision hereof, the prevailing Party shall be entitled to recover reasonable attorneys' fees, all costs (whether denominated as such in 28 U.S.C. § 1920), and expert expenses incurred in said action, suit or proceeding including any appeal.

6. **Non-Assignment.** Each Party represents and warrants to all of the other Parties and each of them, that it has not assigned or transferred any of the claims or interests addressed in this Settlement Agreement. Each Party agrees to defend and indemnify all of the other Parties and each of them against any claim based upon, arising out of, or arising in connection with any such alleged or actual assignment or transfer.

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7. **Opportunity for Consultation with Counsel.** The Parties represent and warrant that they have each been given adequate time and notice of their right to retain and consult an attorney regarding their rights and obligations under this Settlement Agreement and the effect of this Settlement Agreement on any rights or purported rights previously held by either of the Parties.

8. **Neutral Interpretation.** This Settlement Agreement is the product of joint negotiations. If there is ever any dispute over any term or provision of this Settlement Agreement, any ambiguity is not to be interpreted more strongly in favor of either Party.

9. **Mutual Representations and Warranties.** Each Party represents and warrants to the other as follows:

a. The person executing this Settlement Agreement has the full legal right, power, and authority to do so. This Settlement Agreement creates valid and binding obligations enforceable against each Party in accordance with its terms.

b. Except as expressly stated in this Settlement Agreement, neither Party has made any statement or representation to the other Party regarding the facts relied upon by them in entering into this Settlement Agreement, and no Party hereto has relied upon any statement, representation, or promise of any other person or entity in executing this Settlement Agreement except as expressly stated in this Settlement Agreement.

10. **Entire Agreement.** This Settlement Agreement embodies the entire understanding and agreement of the Parties with respect to the subject matter hereof. Any and all prior correspondence, conversation, or memoranda are merged herein and replaced hereby. This Settlement Agreement may not be modified or amended, except in a writing signed by all Parties.

11. **No Unnamed Third-Party Beneficiaries.** There are not unnamed third-party beneficiaries to this Settlement Agreement.

12. **Severability.** If any part, term, or provision of this Settlement Agreement is held by a court of competent jurisdiction to be invalid, illegal, unenforceable or otherwise in conflict with law, this Settlement Agreement shall be construed and enforced as if it did not contain the particular part, term, or provisions held to be invalid.

13. **Counterparts.** This Settlement Agreement may be executed in one or more counterparts, all of which when attached together shall constitute a single, complete Settlement Agreement. It is further agreed that none of the provisions contained herein shall be deemed to have any effect upon any party, until this Settlement Agreement has been duly executed by all of the Parties.

14. **Further Cooperation.** Except as otherwise provided herein, the Parties hereto shall execute, acknowledge, and deliver or cause to be executed, acknowledged, or delivered in a timely manner all such further instruments and documents as may be reasonably necessary or reasonably desirable to effectuate the terms and provisions of this Settlement Agreement.

15. **Enforceability; Interpretation.** The validity, enforcement, interpretation, and performance of this Settlement Agreement shall be governed by Utah law without regard to any conflicts or choice of laws principles, and all parties consent to the exclusive jurisdiction of the State or Federal courts located in Salt Lake County, Utah, for the adjudication of any matters that arise from or relate in any way to this Settlement Agreement.

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IN WITNESS WHEREOF, this Settlement Agreement has been executed as of the date set forth above.



JONATHAN O. HAFEN

In his capacity as Court-Appointed Receiver for the Receivership Defendants in *Commodity Futures Trading Commission v. Rust Rare Coin, Inc.*, No. 2:19-cv-892 (D. Utah Nov. 27, 2018)



Kara Brimley