

FREQUENTLY ASKED QUESTIONS:

What is this case about and who are the parties?

The defendants in this action—Gaylen Rust, Denise Rust, Joshua Rust, and Rust Rare Coin, Inc.—have been sued by the Commodity Futures Trading Commission (“CFTC”) and the Utah Division of Securities (“DOS”). The lawsuit alleges that the defendants engaged in a Ponzi scheme whereby they defrauded investors out of more than \$200 million. A copy of the lawsuit is available on the Receiver’s website: rustrarecoinreceiver.com. In addition to the named defendants, the lawsuit also alleges that certain individuals and entities—identified as “Relief Defendants”—received funds derived from the Ponzi scheme.

Will the defendants face criminal charges?

The current suit is a civil matter, not criminal. Any determination as to whether criminal charges will be filed will be made by the appropriate law enforcement authorities. The Receiver has no control over whether criminal charges are pursued but will, of course, cooperate with law enforcement in every way. If we learn that criminal charges have been filed, we will send out an update to the mailing list and will post an update to the website.

What is the Receiver’s role?

The Receiver is not a party to the litigation between the Defendants and the CFTC and DOS. Instead, the Receiver is a court-appointed neutral party who is charged with locating, securing, and liquidating assets for the ultimate benefit of the receivership estate. In addition to asset recovery, the Receiver will pursue all reasonable legal avenues to recover investor funds, including litigation as appropriate.

Once the Receiver has recovered assets, the Receiver will initiate a claims process whereby investors and others will have an opportunity to make claims for repayment. The Receiver will send notice of the claims process, along with detailed instructions to each investor or other claimant we can identify. At that time, we will ask those intending to make a claim to submit documentation showing the amount of their claim for repayment. Please note, this claims process will be for anyone with a claim, not only investors.

Once the claims process is complete, the Receiver will evaluate the range of claims and will make a recommendation to the Court about how to most fairly distribute the recovered assets. There will be an opportunity for public comments on the proposed distribution formula. After the comment period, the Court will determine the most equitable way to distribute the assets. The Receiver will distribute the assets according to the Court’s instructions.

What is the investor questionnaire and why is it being sent?

The Receiver has sent an investor questionnaire to all investors for whom we have contact information. This questionnaire is part of the investigation and asset identification process. Please note, this is not part of the claims process, which will come later. The forensic accountants assisting

the Receiver need the information contained in responses to the questionnaire to conduct their analysis. Please complete the questionnaire in as much detail as you can.

Does Brinks have any silver bullion?

According to Brinks, no silver bullion was ever stored in relation to this matter.

How much of my investment will I get back?

It is impossible to determine at this time what percentage of investments will be recovered. The Receiver is committed to recovering as much as possible for benefit of all claimants. Ultimately, the Court will determine the most equitable way to distribute the assets recovered.

What if I received more money than I invested?

Generally speaking, any gains above and beyond the amount invested are considered fraudulent transfers and are subject to claw back. Because the funds received were, in actuality, funds from other defrauded investors, Courts have uniformly held that any “profits” received above the amount invested must be returned to the Receivership Estate. This analysis is the same no matter when you invested. If you fall in this category and would like to discuss options for returning such funds, please contact the Receiver.

How long will this process take?

Unfortunately, this process can take some time. Asset recovery will include liquidation of real estate and personal property, as well as potential claw back lawsuits to recover funds from third parties. We anticipate that we are several months away from initiating a claims process and obtaining Court approval of a distribution formula.

Subject to the Court’s approval, the Receiver would like to begin making interim distributions as soon as possible. The Receiver does not want to wait to distribute assets until the case is totally resolved, which could take years. Rather, the Receiver hopes to be able to make distributions of assets then recovered while continuing to pursue additional assets.

Do I need a lawyer or tax professional?

We recognize that many investors have questions about various legal issues, including legal issues concerning the tax implications of this lawsuit. Because of his position as court-appointed neutral, Mr. Hafen cannot provide legal or tax advice to any particular investor. We encourage anyone with legal questions to contact independent legal counsel or a qualified tax specialist.

That said, the Receiver plans to make the claims process as straightforward as possible and provide detailed instructions about how to submit a claim. Our goal is to allow claimants to make claims for repayment without necessitating the assistance of counsel.

Will my insurance cover any part of my losses?

We encourage you to examine all possible avenues for recovery, including any insurance policies. Although we cannot provide legal advice, we are aware that some investors have had some initial success in making claims for theft-loss through their homeowner's insurance. If you believe you may have coverage under one or more of your insurance policies, we encourage you to consult with independent legal counsel.

How does the recently filed lawsuit against Zions Bank affect this case?

Generally speaking, the Receiver is only allowed to pursue claims belonging to the receivership and will aggressively pursue all such claims if it makes sense to do so. However, we do not have legal authority to pursue claims that belong to individual investors. To the extent individual investors—or investors as a group—have claims against third parties, those investors are free to pursue those claims independently of the receivership. We encourage anyone who believes they have such an independent claim to consult with legal counsel.

We are aware that a group of investors has filed a federal class action lawsuit against Zions Bank, alleging that Zions Bank aided and abetted the investment scheme. Because that class action seeks to recover for claims belonging to the investors rather than the Receiver, we are not involved in that lawsuit, although it is clearly related to the receivership and we will closely monitor all of the filings in that suit.

What if I was not an investor, but I believe I am owed money?

The claims process described above will include claims from investors and any other claimant who believes they are owed money. Ultimately, the Court will determine the most equitable way to distribute the assets collected by the Receiver to all claimants. As with investors, please make sure you locate and preserve all documentation of your claim for payment. Once we initiate the claims process, you will be able to submit documents to substantiate your claim. To the extent you have insurance policies that may cover some or all of your losses, we encourage you to consult with independent legal counsel to assess your claim. Additionally, it is always advisable to consult with qualified tax professionals to determine whether you may be able to claim any losses on tax returns.