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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.

**MOTION TO APPROVE RECEIVER'S
SETTLEMENT AGREEMENT WITH
LYNN AND DARLENE GOODSSELL**

Case No. 2:18-cv-892

Judge Tena Campbell

Magistrate Judge Dustin B. Pead

Jonathan O. Hafen, the Court-Appointed Receiver (the “Receiver”) for the assets of Rust Rare Coin Inc., Gaylen Dean Rust, Denise Gunderson Rust, Joshua Daniel Rust, Aleesha Rust Franklin, R Legacy Racing Inc., R Legacy Entertainment LLC, and R Legacy Investments LLC (collectively, the “Receivership Defendants”), respectfully requests the Court’s approval of his settlement agreement with Lynn and Darlene Goodsell (collectively, the “Goodsells”), as described below.

I. Background Information.

On November 27, 2018, the Court entered an Order Appointing Receiver and Staying Litigation (the “Order”). *See* ECF No. 54. Pursuant to paragraphs 18 and 19 of the Order, the Receiver was authorized to take immediate possession of all non-exempt personal property and real property of the Receivership Defendants, other than the personal residence and associated real property of the Rusts. *See id.*, ¶ 18. Paragraph 41 of the Order authorized the Receiver to compromise receivership claims that, in his discretion, are advisable or proper to recover Receivership Property. *See id.*, ¶ 41.

The Goodsells invested in one or more of the Receivership Defendants and, the Receiver contends, received disbursements substantially in excess of their investments. Pursuant to the authority granted by the Order, the Receiver negotiated a resolution of his claims against the Goodsells without the need for litigation. By this Motion, and consistent with the Order, the Receiver respectfully requests the Court’s approval of his settlement agreement with the Goodsells, which approval is a necessary predicate to the effectiveness of his settlement agreement with the Goodsells.

The Goodsells live and work in Cache County. They formerly owned and operated a company called Cache Valley Fire Extinguishers, Inc. The Goodsells and their company began

investing in the Rust Rare Coin silver pool in 2013. Over the years, from approximately 2015 through 2018, the Goodsells drew approximately \$1.85 million from the silver pool. Approximately \$800,000 of this amount was profit above what they had invested. The withdrawn funds were used to pay the Goodsells' living expenses and to buy personal property.

II. Proposed Settlement Agreement.

Following his appointment, the Receiver entered into a tolling agreement with the Goodsells on October 11, 2019. Since that time, the Goodsells have cooperated with the Receiver's counsel and have provided Verified Financial Statements along with backup documentation including tax returns and details of their assets. Counsel for the Receiver, the forensic accountants hired by the Receiver, and other experts consulted by the Receiver have reviewed the backup information provided the Goodsells. That information shows that the Goodsells assets, other than their home of over 40 years, commuter vehicles and retirement accounts, have a collective value of approximately \$250,000 to \$350,000.

The Receiver and the Goodsells have entered into a settlement agreement (the "Settlement Agreement"), subject to court approval, wherein the Goodsells have agreed to pay the Receivership Estate \$425,000 (the "Settlement Amount") in settlement of the Receiver's claims against them. A copy of the Settlement Agreement is attached hereto as **Exhibit A**.

The Receiver believes that the Settlement Agreement is in the best interest of the Receivership Estate in light of the value of the Goodsells' assets and their likely inability to pay significantly more than the Settlement Amount. The Receiver understands, in fact, that the Goodsells will have to borrow some or all of the funds to pay the Settlement Amount. The Receiver believes any attempt to recover more than the Settlement Amount through litigation against the Goodsells would not be cost effective. Thus, based on the representations and other

financial documentation received from the Goodsells regarding their financial circumstances, the Receiver believes that the Settlement Agreement with the Goodsells is in the best interest of the Receivership Estate.

Accordingly, the Receiver respectfully requests that the Court approve his Settlement Agreement with the Goodsells. A proposed Order is attached hereto as **Exhibit B**.

DATED this 18th day of April, 2022.

PARR BROWN GEE & LOVELESS, P.C.

/s/ Cynthia D. Love

Joseph M.R. Covey

Cynthia D. Love

Attorneys for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing **MOTION TO APPROVE RECEIVER'S SETTLEMENT AGREEMENT WITH LYNN AND DARLENE GOODSSELL** was (1) electronically filed with the Clerk of the Court through the CM/ECF system on April 18, 2022, which sent notice of the electronic filing to all counsel of record, (2) posted on the Receiver's website (rustrarecoinreceiver.com), and (3) emailed to all those on the Receiver's master mailing matrix as follows:

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/s/ Cynthia D. Love