

Joseph M.R. Covey (7492) (jcovey@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 Court-Appointed Receiver Jonathan O. Hafen

**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 \$500,000.

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 \$520,000 (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 may 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 17th day of November, 2022.

PARR BROWN GEE & LOVELESS, P.C.

/s/ Joseph M.R. Covey

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 November 17, 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:

Kristen R. Angelos UTAH FEDERAL DEFENDER OFFICE 46 W BROADWAY STE 110 SALT LAKE CITY, UT 84101 (801)524-4010 kris_angelos@fd.org	Walter F. Bugden BUGDEN & ISAACSON LLC 445 E 200 S STE 150 SALT LAKE CITY, UT 84111 (801)467-1700 wally@bilaw.net
Jennifer Juniper Chapin COMMODITY FUTURES TRADING COMMISSION 4900 MAIN ST STE 500 KANSAS CITY, MO 64112 (816)960-7746 jchapin@cftc.gov	P. Matthew Cox SNOW CHRISTENSEN & MARTINEAU 10 EXCHANGE PLACE 11TH FL PO BOX 45000 SALT LAKE CITY, UT 84145-5000 (801)521-9000 pmc@scmlaw.com
Andrew G. Deiss DEISS LAW PC 10 W 100 S STE 425 SALT LAKE CITY, UT 84101 (801)433-0226 adeiss@deisslaw.com	Sean N. Egan SOUTH TEMPLE TOWER STE 1505 136 E SOUTH TEMPLE SALT LAKE CITY, UT 84111-1139 (801)363-5181 (801)363-5184 (fax) seannegan@sneganlaw.com
Paula Woodland Faerber UTAH ATTORNEY GENERALS OFFICE 160 E 300 S 5TH FLOOR SALT LAKE CITY, UT 84114 (801)366-0248	Jacob L. Fannesbeck SMITH WASHBURN LLP 8 E BROADWAY STE 320 SALT LAKE CITY, UT 84111 (801)584-1800

pfaerber@agutah.gov Robert K. Hunt UTAH FEDERAL DEFENDER OFFICE 46 W BROADWAY SUITE 110 SALT LAKE CITY, UTAH 84101 (801)524-4010 robert_hunt@fd.org	jfonnesbeck@smithwashburn.com Jennifer R. Korb UTAH ATTORNEY GENERAL'S OFFICE 160 E 300 S 5TH FL SALT LAKE CITY, UT 84114 (801)366-0310 jkorb@agutah.gov
Thomas M. Melton UTAH ATTORNEY GENERAL'S OFFICE 160 E 300 S STE 500 SALT LAKE CITY, UT 84111 (801)366-0320 tmelton@agutah.gov	Corey Drew Riley DEISS LAW PC 10 W 100 S STE 425 SALT LAKE CITY, UT 84101 (801)433-0226 criley@deisslaw.com
John Robinson, Jr. DEISS LAW PC 10 W 100 S STE 425 SALT LAKE CITY, UT 84101 (801)433-0226 jrobinson@deisslaw.com	Thomas L. Simek COMMODITY FUTURES TRADING COMMISSION 4900 MAIN ST STE 500 KANSAS CITY, MO 64112 (816)960-7760 tsimek@cftc.gov
Jessica Stengel 46 W BROADWAY STE 110 SALT LAKE CITY, UT 84101 (801)524-4010 jessica_stengel@fd.org	Richard A. Van Wagoner SNOW CHRISTENSEN & MARTINEAU 10 EXCHANGE PLACE 11TH FL PO BOX 45000 SALT LAKE CITY, UT 84145-5000 (801)521-9000 rvanwagoner@scmlaw.com
D. Loren Washburn SMITH WASHBURN LLP 8 E BROADWAY STE 320 SALT LAKE CITY, UT 84111 (801)584-1800 lwashburn@smithwashburn.com	Steven T. Waterman DORSEY & WHITNEY LLP 111 S MAIN ST 21ST FL SALT LAKE CITY, UT 84111-2176 (801)933-7360 waterman.steven@dorsey.com
Brenda E. Weinberg DEISS LAW PC 10 W 100 S STE 425 SALT LAKE CITY, UT 84101 (801)933-226 bweinberg@deisslaw.com	Robert G. Wing UTAH ATTORNEY GENERAL'S OFFICE (160-5-140872) 160 E 300 S 5TH FLOOR PO BOX 140872 SALT LAKE CITY, UT 84114-0872 (801)599-6891 rwing@agutah.gov
Shaun L. Peck	

<p>Peck Hadfield Baxter & Moore 399 North Main Street, Suite 300 Logan, Utah 84321 (435)787-9700 speck@peckbaxter.com</p>	
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/s/ Joseph M.R. Covey

Exhibit A

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SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this “**Settlement Agreement**”), dated as of the 11th day of November, 2022, is entered into by and between Lynn and Darlene Goodsell (collectively the “**Goodsells**”) 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. Each of the Goodsells and the Receiver are 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. The Goodsells claim to have paid approximately \$1,000,000 to Receivership Defendants from approximately December 2008 through January 2018, with the understanding that those amounts would be used to purchase and store physical silver.

C. From approximately November 2014 through October 2018, the Goodsells collectively received a total of \$1,840,000.00 from Receivership Defendants.

D. On or about October 11, 2019, the Receiver and the Goodsells entered into a Tolling Agreement pursuant to which the statutes of limitation applicable to the Receiver’s claims (*i.e.*, claims to “claw-back” any amounts the Goodsells received from Receivership Defendants in excess of the total amount they paid to Receivership Defendants) against the Goodsells were tolled.

E. The Parties desire now to resolve all potential claims and disputes which now exist, or which may exist in the future regarding payments made by any of the Receivership Defendants to the Goodsells.

NOW THEREFORE, in consideration of the 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.** This Settlement Agreement is conditioned on and subject to approval by the Court in the lawsuit styled *Commodity Futures Trading Commission, et al. v. Rust Rare Coin Inc., et al.* No. 2:19-cv-892 (D. Utah Nov. 27, 2018) (the “**Lawsuit**”). The Receiver shall, within twenty-one (21) days of the last Party’s execution of this Settlement Agreement, draft

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and file a Motion with the Court seeking such approval. The “**Effective Date**” of this Settlement Agreement shall be the date on which both of the following have been accomplished: (i) the Court in the Lawsuit enters an order approving this Settlement Agreement and (ii) the Receiver receives the Settlement Payment. In the event the Court denies or otherwise fails or declines to grant the motion to approve this Settlement Agreement, this 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 the Goodsells related to the payments they received from Mr. Rust or any of the other Receivership Defendants, the Goodsells shall pay the Receiver Five Hundred Twenty Thousand Dollars (\$520,000.00) (the “**Settlement Payment**”) within forty-five (45) days of the execution of this Settlement Agreement. In the event the Court has not approved this Settlement Agreement within sixty (60) days after the Settlement Payment is received by the Receiver, the Goodsells shall have the right to request the return of the Settlement Payment and termination of this Settlement Agreement.

3. **The Goodsells’ Release.** To the maximum extent permitted by law, and except as provided below, each of the Goodsells, on behalf of themselves and their successors, assigns, attorneys, and representatives (the “**Goodsell Releasing Parties**”), hereby releases, acquits, discharges, and agrees to hold harmless the Receiver, 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 Goodsell Releasing Parties had, have, or may claim to have against the Rust Releasees, relating to the Silver Pool and/or any investment by the Goodsells therein. Each of the Goodsells, on behalf of themselves and the Goodsell Releasing Parties further covenants and agrees that he/she/it 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 Settlement Payment, on the Effective Date, the Receiver and his predecessors, successors, assignors, and assignees (the “**Receiver Releasing Parties**”) hereby release, acquit, discharge, and agree to hold harmless the Goodsell Releasing Parties from all Claims which the Receiver Releasing Parties had, have, or may claim to have against the Goodsell Releasing Parties related to the Silver Pool or any dealing with Rust Rare Coin, Inc. or Gaylen Rust, and/or any investment or distribution therefrom. The Receiver Releasing Parties further covenant and agree that they will refrain and forbear from commencing, instituting, prosecuting, or continuing, any lawsuit, action, claim, right, demand, cause of action, suit or other proceeding against the Goodsell 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 this Settlement Agreement through the Effective Date, including the negotiation,

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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.

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. **Jurisdiction.** The Parties specifically consent to the jurisdiction and power of the Utah federal district court (the "Court") to determine any dispute relating to this Settlement Agreement, including any claim for breach, and to the power and authority of the Court to enter a final judgment in connection therewith.

9. **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.

10. **Amendment.** This Settlement Agreement may not be modified except as mutually agreed to in a writing signed by all the Parties.

11. **Non-waiver.** No waiver, forfeiture or forbearance of or concerning any provision of this Settlement Agreement shall be deemed or shall constitute a waiver, forfeiture or forbearance of or concerning any of the other provisions hereof, or a continuing waiver, forfeiture or forbearance.

12. **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

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executing this Settlement Agreement except as expressly stated in this Settlement Agreement.

13. **Entire Agreement.** This Settlement Agreement contains the entire agreement and understanding among the Parties concerning the matters set forth herein and supersedes all prior or contemporaneous stipulations, negotiations, representations, understandings, agreements and discussions among the Parties or their respective counsel with respect to the subject matter of this Settlement Agreement. No other representations, covenants, undertakings, or other earlier or contemporaneous agreements respecting these matters may be deemed in any way to exist or bind any of the Parties. The Parties acknowledge that they have not executed this Settlement Agreement in reliance on any promise, representation, or warranty other than those contained in this Settlement Agreement.

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

15. **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.

16. **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.

17. **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.

18. **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.

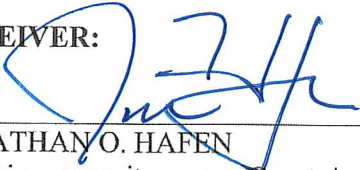
19. **Recitals.** The Recitals set forth above are incorporated herein as an integral part of this Settlement Agreement.

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

[Remainder of Page Intentionally Blank; Signature Page Follows.]

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RECEIVER:



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)

THE GOODSELLS:



LYNN GOODSELL, individually



DARLENE GOODSELL, individually

Exhibit B

Joseph M.R. Covey (7492) (jcovey@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 Court-Appointed Receiver Jonathan O. Hafen

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
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Sean D. Reyes

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JOSHUA DANIEL RUST, an individual

Defendants;

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Relief Defendants.

**ORDER GRANTING 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

Before the Court is a Motion to Approve Receiver’s Settlement Agreement with Lynn and Darlene Goodsell (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 A** is approved.

DATED this _____ day of _____, 2022.

UNITED STATES DISTRICT COURT

Honorable Tena Campbell
United States District Judge