

CLAIMS REGISTRY INSTRUCTIONS

Commodity Futures Trading Commission, et al. v.
Rust Rare Coin, Inc., et al.

United States District Court for the District of
Utah Case No. 2:18-cv-892

March 27, 2023

YOU HAVE RECEIVED THIS CLAIMS REGISTRY BECAUSE YOU HAVE SUBMITTED A CLAIM FOR PAYMENT FROM THE RECEIVERSHIP ESTATE. THIS CLAIMS REGISTRY MAY DISALLOW, EXPUNGE AND/OR MODIFY YOUR CLAIM. CLAIMANTS RECEIVING THIS CLAIMS REGISTRY SHOULD CAREFULLY REVIEW IT AND LOCATE THEIR CLAIM ON SCHEDULE 1 ATTACHED. IF YOU DISAGREE WITH THE PROPOSED TREATMENT OF YOUR CLAIM, YOU MUST FILE A RESPONSE WITH THE RECEIVER BY THE RESPONSE DEADLINE OF MAY 17, 2023 FOLLOWING THE INSTRUCTIONS SET FORTH HEREIN. IF YOU AGREE WITH THE TREATMENT OF YOUR CLAIM, NO FURTHER ACTION IS REQUIRED.

DO NOT FILE A RESPONSE WITH THE COURT.

The following Master Claims Registry (the “Claims Registry”) is a complete list of all claims (“Claims”) for payment submitted to the court-appointed Receiver, Jonathan O. Hafen (the “Receiver”). The Claims Registry contains the claim number assigned by the Receiver, the name of the claimant (“Claimant”), the self-reported amount claimed, the allowed amount of the Claim as determined by the Receiver based on the books and records of the Receivership Defendants,¹ the percent recovery, the classification of each claim, and—if applicable—an explanation of the Receiver’s determination and objections to all or part of the Claim (“Receiver’s Explanation”).

¹ The “Receivership Defendants” include Rust Rare Coin, Inc., Gaylen Dean Rust, Denise G. Rust, Joshua D. Rust, Aleesha Rust Franklin, R Legacy Racing Inc., R Legacy Entertainment LLC, R Legacy Investments LLC, Torque Entertainment LLC, The Writer’s Den LLC, Den of Music, Alrighty Den, Den What Music, and the following dba’s of R Legacy Entertainment LLC: Huge Studios, Sage and Thistle, Yourldsmusic.com, Legacy Studio, The Brick Room, Refinement Records, Big Door Entertainment, Hugesound Music International, Hugesound Music Unlimited, Sage and Thistle Collective, S&T Collective, Yourledsradio.com, Sate and Thistle Rentals, R Music Store, Sputnik, Bid Door Video, Sage and Thistle Events, Hugesound Post Production, Big Door Network, Positive Music and Downloads, Inspire My Life, Sounds of Zion Music, Musician’s Toolkit, Torque Media, Soundcheck, Big Door Booking, Huge Sound, Chance Thomas Music, Hugesound Music Worldwide, and Denise Entertainment Rust.

The Receiver's determination² and any objections are based on the claim form and supporting documentation that you previously submitted, the investigation conducted by the Receiver into the Receivership Defendants' records, and various rulings made by the Court. You have an opportunity to challenge the Receiver's determination with respect to your Claim by submitting a response ("Response"). Please carefully review the prior rulings of the Court, which are included in this packet, when crafting your Response. After you have submitted a Response, the Receiver will endeavor to resolve any remaining disputes through an informal reconciliation process. If the reconciliation process fails to fully resolve all disputes between you and the Receiver regarding your Claim, you will have the opportunity to challenge the Receiver's determination before the Court.

If you do not submit a complete Response to the Receiver's determination within the allowed time, the Receiver's determination of your Claim as reflected in the Claims Registry will be deemed final and binding as to that Claim. We encourage you to seek professional legal or tax counsel before responding to the Receiver or submitting a Response.

Your Response must be completed and sent to the Receiver, according to the below mailing instructions, so that it is *received* by the Receiver no later than Midnight (M.T.), May 17, 2023 (the "Bar Date").

Please read these Claims Registry Instructions in their entirety and provide all requested information.

BACKGROUND

The Receiver operates under the supervision of the Court. All significant actions of the Receiver are approved by the Court after a Motion is filed and all interested parties have an opportunity to object. Many Motions have been filed by the Receiver in this case. This process is important because it ensures that interested parties have input in the administration of the Receivership Estate and that it is administered fairly.

Since his appointment, the Receiver has identified and taken control of the receivership assets, abandoned assets that have no value, and is in the process of liquidating the remaining assets for cash. A Plan of Distribution has been submitted by the Receiver outlining how that cash will be distributed to pay allowed Claims.

A court-approved process was implemented to determine which Claims are allowed. The Claim Form that you previously submitted was the first step in that process. The Claim Form and instructions were mailed and emailed to all known Claimants. The Receiver received over six hundred Claims, which have now been reviewed. Throughout this process the Receiver has asked for the Court's input, and the Court has issued rulings to guide the Receiver's analysis of the Claims. Pursuant to those rulings and based on previously communicated

² Two Claims—CL0052 and CL0290—were analyzed by the conflicts receiver, Wayne Klein.

standards and instructions, the Receiver has reviewed all Claims and now publishes a Claims Registry. This Claims Registry outlines which Claims will be accepted in full and which have been objected to by the Receiver, either in whole or in part, and provides an explanation for the Receiver's treatment of each Claim.

If you, as a Claimant, dispute the Receiver's treatment of your Claim, you now have an opportunity to Respond to the Receiver's Claim determination. **You must submit a Response to the Receiver by the Bar Date in order for your Response to be considered.** Upon receipt of a Response, the Receiver will review the information in the Response and supporting documents and compare it to the records of the Receivership Defendants. The Receiver will then take one of the following actions: (i) accept the Response as adequately addressing the Receiver's concerns and accept your Claim amount as originally filed, in accordance with the Response, or (ii) contact you, as the Claimant, and attempt to resolve any remaining disagreement between you and the Receiver informally. If this informal process is unsuccessful, the Receiver will request a hearing from the Court and will submit to the Court all documents you submitted to the Receiver and all documents supporting the Receiver's analysis. You will be given prior written notice of the date and time of the hearing. At the hearing or thereafter, the Court will make a final determination regarding the treatment of your Claim, and the Claims Registry will be updated to reflect the Court's decision.

At this time, it is not possible to determine when distributions to pay Claims will be made, the amount that will be available for distribution, or the amount that will be distributed to each class of Claim.

The Receiver maintains a public website at <http://rustrarecoinreceiver.com> which contains more detailed information about the receivership and is updated regularly to report new developments. You are encouraged to visit the Receiver's website for updates.

INSTRUCTIONS FOR CLAIMANTS

1. General:

- a. Review the Claims Registry and find your name and claim number.³
- b. Next to every Claim there will be a "Claimed Amount" and an "Allowed Amount." The "Claimed Amount" is the self-reported amount sought by the Claimant as reflected in the submitted claim form. The "Allowed Amount" reflects the amount of the Claim the Receiver has determined to be valid and

³ The following claims are listed twice on the Claims Registry because they consist of two claim classes or have an employee and investor portion:

- CL0024 – Hartwell Farm Inc.
- CL0207 – Sotiriou Investment Group, L.C.
- CL0372 – Bedell Conboy dba Bedell's Training Stable
- CL0380 – Mark W. Nelson
- CL0387 – Michael James Greene

allowable based on the books and records of Receivership Defendants and the evidence submitted by the Claimant. If these numbers are the same, and the Receiver's explanation states "Allowed as submitted," your Claim has been fully accepted and there is no need for further action on your part. If your claim has been fully accepted but there is an explanation associated, carefully review the explanation as you may want to Respond to the Receiver's determination.

- c. The "Percent Recovery" reflects the payments paid to the Claimant as a percentage of their total investment contributions as determined by the Receiver based on the books and records of Receivership Defendants and the evidence submitted by the Claimant for purposes of determining distributions under the Court's previously approved rising tide analysis. The percent recovery will change if additional evidence of investments or distributions is received and accepted by the Receiver. The percent recovery may also change if the Court determines to include monies recovered through a separate lawsuit connected to the Ponzi scheme including the *Gregory* class action lawsuit or a separate lawsuit against third-parties, as a recovery by Claimants.
- d. The "Claim Class" reflects the classification of each Claim for the purpose of determining a priority for distribution under the Court's previously approved distribution plan. The relevant classes of claims are as follows:
 - Class 1: Administrative Claim – claim for actual and necessary expenses of administering the Receivership Estate
 - Class 2: Government Tax Claim – claim for taxes owed to a governmental body
 - Class 4: Investor and Unsecured Claims – claim for parties that invested money with Receivership Defendants or employees, customers, vendors, contractors, or other unsecured creditors
 - Class 6: Insider/Subordinated Claim – claim determined by the Receiver to be subordinated as compelled by equity
- e. The "Explanation of Receiver's Claim Determination" outlines the specific basis for the Receiver's determination and includes, when applicable, the Receiver's objections to each Claim as submitted.

2. Submitting a Response:

- a. If the Claimed Amount and the Allowed Amount are different, it means that the Receiver has made a determination or objection in whole or in part to your Claim. You will find the reason for the Receiver's determination and associated

objection(s) listed in the column labeled “Explanation of Receiver’s Claim Determination.”

- b. Carefully read the Receiver’s explanation for his treatment of your Claim.
- c. If you would like to contest the Receiver’s determination and associated objections, you must submit a Response.
- d. A Response consists of a fully filled out Response Form (attached hereto) and any additional documentation or supporting evidence you intend to use to support your Response.
- e. You must include any additional documentation or evidence on which you intend to rely with your Response.
- f. The Response must address each ground upon which the Receiver has objected to your Claim.
- g. Fully fill out the Response Form and submit it, along with any additional supporting evidence.
- h. You must complete and sign the Response Form and submit it to the Receiver so that it is *received* no later than **Midnight (M.T.), May 17, 2023 (the “Bar Date”)**. Responses must be submitted to the Receiver as set forth in Section 5 below, and Responses received after the Bar Date will not be considered.

3. After your Submission:

- a. After your Response has been submitted to the Receiver, the Receiver⁴ or his team will confirm receipt of your additional materials and will either (1) amend the Claims Registry and accept your original claimed amount or (2) contact you and endeavor to reach a consensual resolution regarding your Claim.
- b. If a resolution cannot be reached, the Receiver will ask the Court to schedule a hearing to make a final determination of your allowed Claim. You will receive prior written notice of any hearing. The Receiver will submit to the Court your Response and other documents you have provided the Receiver related to your Claim.

Please note that materials not received by the Receiver prior to the Bar Date will not be submitted to the Court for consideration.

INSTRUCTIONS FOR SUBMITTING THE COMPLETED RESPONSE FORM:

4. Submitting the Form: The completed and signed Response Form, including additional documentation, must be submitted so that it is *received* by the Receiver on or prior to

⁴ The Conflicts Receiver, Wayne Klein, will analyze any response regarding the two claims assigned to him: CL0052 and CL0290.

Midnight (M.T.) on the Bar Date of May 17, 2023. *Do not file your Response with the Court.*

5. Method of Submission: Your Response may be submitted to the Receiver by email at: rustclaims@parrbrown.com; or submitted via U.S. Mail, overnight mail, or hand delivery addressed to the following: Parr Brown Gee & Loveless, Attn: Rust Rare Coin Response Form, 101 South 200 East, Suite 700, Salt Lake City, Utah 84111.
6. Keep a Copy: You should retain a complete copy of your Response Form and any supporting documents sent to the Receiver, along with proof of the submission date.

POST-SUBMISSION PROCEDURES:

7. Notices: To conserve costs and speed communications, the Receiver will communicate with you about your Response and the objection reconciliation process via email. If you do not include an email address in the Response Form, the Receiver will send notices via U.S. Mail. Information about the status of the objection reconciliations process will be posted at <http://rustrarecoinreceiver.com>.
8. Procedures: Upon submission of your Response Form to the Receiver, you can expect the following:
 - a. Confirmation of Receipt: The Receiver will confirm that he has received your Response Form, including additional documentation.
 - b. Response Review: The Receiver will review your Response and determine whether your Response sufficiently addresses the Receiver's concerns, in which case the Receiver will notify you that he has accepted your Claim as originally filed.
 - c. Reconciliation Process: If, after review of your Response, the Receiver determines that a dispute remains between you and the Receiver regarding the proper treatment of your Claim, the Receiver or his team will notify you to discuss resolution of the dispute.
 - d. Hearings: If the reconciliation process is unsuccessful, the Receiver will submit all materials relied upon by the Receiver, including your initial Claim Form and your complete Response, to the Court and request a hearing for the Court to make a final determination with respect to your Claim. Please note that only materials received by the Receiver prior to the Bar Date will be submitted to the Court by the Receiver for the hearing.