

Joseph M.R. Covey (7492) (jcovvey@parrbrown.com)  
Jeffery A. Balls (12437) (jballs@parrbrown.com)  
PARR BROWN GEE & LOVELESS, P.C.  
101 South 200 East, Suite 700  
Salt Lake City, Utah 84111-3105  
Telephone: (801) 532-7840

*Attorneys for Court-Appointed Receiver Jonathan O. Hafen*

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UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH  
CENTRAL DIVISION

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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,  
GAYLEN DEAN RUST, an individual,  
DENISE GUNDERSON RUST, an individual,  
and 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  
TYLER THURGOOD

Case No. 2:18-cv-892

Judge Tena Campbell

Magistrate Judge Dustin B. Pead

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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 Tyler Thurgood ("Thurgood"), 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.

Thurgood invested in one or more of the Receivership Defendants and, the Receiver contends, received disbursements in excess of their investments. Pursuant to the authority granted by the Order, the Receiver negotiated a resolution of his claims against Thurgood. By this Motion, and consistent with the Order, the Receiver respectfully requests the Court's approval of his settlement agreement with Thurgood, which approval is a necessary predicate to the effectiveness of his settlement agreement with Thurgood.

Thurgood began investing in the Rust Rare Coin silver pool in 2014. Over the years, from approximately 2014 through 2018, Thurgood invested \$112,000 with Rust Rare Coin and

received \$252,106.50 in draws from the silver pool. Approximately \$140,106.50 of this amount was profit above what Thurgood had invested.

II. Proposed Settlement Agreement.

Following his appointment, the Receiver filed a lawsuit against Thurgood. Thurgood has cooperated with the Receiver's counsel and provided Verified Financial Statements along with backup documentation including tax returns and details of his assets. Counsel for the Receiver has reviewed the backup information provided by Thurgood. Counsel for the Receiver conducted a bankruptcy analysis of the amount the Receiver would obtain if Thurgood filed bankruptcy. Based on that analysis, the Receiver would recover approximately \$45,000.00 in a bankruptcy.

The Receiver and Thurgood entered into a settlement agreement (the "Settlement Agreement"), subject to court approval, wherein Thurgood has agreed to pay the Receivership Estate \$45,000 (the "Settlement Amount") in settlement of the Receiver's claims against him. A copy of the Settlement Agreement is attached hereto as Exhibit A. Thurgood has made the payment to the Receiver.

The Receiver believes that the Settlement Agreement is in the best interest of the Receivership Estate in light of the value of Thurgood's assets and his inability to pay significantly more than the Settlement Amount. The Receiver understands, in fact, that Thurgood borrowed 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 Thurgood would not be cost effective. Thus, based on the representations and other financial documentation received from Thurgood regarding his financial circumstances, the Receiver

believes that the Settlement Agreement with Thurgood is in the best interest of the Receivership Estate.

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

DATED this 13<sup>th</sup> day of November, 2023.

PARR BROWN GEE & LOVELESS, P.C.

/s/ Jeffery A. Balls  
Joseph M.R. Covey  
Jeffery A. Balls  
*Attorneys for Receiver*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing MOTION TO APPROVE RECEIVER'S SETTLEMENT AGREEMENT WITH TYLER THURGOOD was (1) electronically filed with the Clerk of the Court through the CM/ECF system on November 13, 2023, which sent notice of the electronic filing to all counsel of record and (2) posted on the Receiver's website (rustrarecoinreceiver.com).

*/s/ Wendy V. Tuckett*

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