

FILED

JAN 10 2017

Clerk, U.S. District Court
District Of Montana
Helena

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
BUTTE DIVISION**

In re

YELLOWSTONE MOUNTAIN
CLUB, LLC,

Debtor

BRIAN A. GLASSER, SUCCESSOR
TRUSTEE OF THE YELLOWSTONE
CLUB LIQUIDATING TRUST,

Plaintiff,

vs

TIMOTHY L. BLIXSETH, CASA 20
LLC, TAMARINDO LLC, JOHN
DOES 1-100, and XYZ CORP. 1-100,

Defendants.

Case No. 08-61570-11
Adversary No. 09-00064

No. CV 13-68-BU-SEH

ORDER

This Adversary Proceeding was filed in the United States Bankruptcy Court

for the District of Montana on September 2, 2009, and transferred to the United States District Court for the District of Montana on September 10, 2013.¹

On July 17, 2015, Plaintiff Brian A. Glasser, as Trustee of the Yellowstone Club Liquidating Trust (the “Trust”), moved for orders to show cause against Jessica F. Blixseth,² JTB, LLC,³ and the Marital Estate of Timothy L. and Jessica F. Blixseth,⁴ among others, why a contempt judgment should not be entered against them relating to the disposition of sale proceeds from the Tamarindo Resort.

On July 21, 2015, the Court issued Orders to Show Cause directed to Jessica F. Blixseth, JTB, LLC, and the Marital Estate of Timothy L. and Jessica F. Blixseth.⁵

A Response and Motion to Vacate the Order to Show Cause for Jessica Blixseth, JTB LLC, Kawish, LLC, Western Air & Water, LLC, and the Marital Community⁶ was filed by Jessica Blixseth on August 21, 2015. On January 7,

¹ Doc. 1.

² Doc. 201.

³ Doc. 213.

⁴ Doc. 215.

⁵ Docs. 259, 260 and 263.

⁶ Doc. 302.

2016, Jessica Blixseth filed a Supplemental Motion to Vacate Order to Show Cause.⁷ On January 21, 2016, the Trust filed its Opposition to Jessica Blixseth's Supplemental Motion to Vacate Order to Show Cause.⁸ On February 2, 2016, Jessica Blixseth filed her reply in support of her Motion to Vacate Order to Show Cause.⁹

On February 19, 2016, this Court issued its Opinion and Order stating, *inter alia*, that Timothy L. Blixseth “continues to have the capacity and ability to do what is necessary to purge himself of the ongoing contempt and could, if he chose to do so, comply with the Court’s prior orders”¹⁰ and that he “remains in civil contempt.”¹¹

On March 4, 2016, Timothy L. Blixseth filed a Notice of Appeal of this Court’s February 19, 2016, Opinion and Order.¹² On May 13, 2016, Timothy L. Blixseth filed a separate Notice of Appeal¹³ of this Court’s February 3, 2014,

⁷ Doc. 404.

⁸ Doc. 412.

⁹ Doc. 422.

¹⁰ Doc. 429 at 17.

¹¹ Doc. 429 at 19.

¹² Doc. 430.

¹³ Doc. 451.

Order,¹⁴ the April 6, 2016, Judgment,¹⁵ and the April 14, 2016, Order of Dismissal.¹⁶ The appeals were consolidated¹⁷ and remain pending.

On October 20, 2016, the Trust obtained a \$9.4 million jury verdict and judgment against Jessica Blixseth, now known as Jessica Elizabeth Ferguson, JTB, LLC, and the marital community of Jessica and Timothy Blixseth with respect to the transfers of Western Air & Water LLC and Kawish LLC to JTB, LLC and/or Jessica Blixseth.¹⁸ That judgment has been settled and the Trust has agreed “to release Ms. Blixseth, JTB, and the marital estate from all claims against them, including the claims the trust brought in connection with its motion for orders to show cause in this matter.”¹⁹

On December 20, 2016, the Trust moved “for entry of an order of this Court withdrawing the orders to show cause against them, namely Docs. 259, 260, and 263.”²⁰ Counsel for Jessica E. Ferguson, formerly known as Jessica Blixseth, and

¹⁴ Doc. 65.

¹⁵ Doc. 437.

¹⁶ Doc. 440.

¹⁷ Doc. 458 (consolidating appeal Nos. 16-35194 and 16-35405).

¹⁸ See Doc. 462 at 3; see also *Glasser v. Blixseth*, No. 2:14-cv-01576-RAJ (W.D. Wash., Oct. 20, 2016), ECF No. 292.

¹⁹ Doc. 462 at 3.


²⁰ Doc. 462 at 3.

Western Pacific Timber, LLC have consented to the request.²¹ Counsel for the remaining Defendants did not respond to the Trust's L.R. 7.1 request.

ORDERED:

The Trust's Motion for Order Withdrawing Orders to Show Cause Against Jessica F. Blixseth, JTB, LLC, and the Marital Estate of Timothy L. and Jessica F. Blixseth²² is DENIED without prejudice to renewal, if appropriate, upon final resolution and disposition of all issues in consolidated appeal Nos. 16-35194 and 16-35405.

DATED this 10th day of January, 2017.


SAM E. HADDON
United States District Judge

²¹ Docs. 462, 463.

²² Doc. 462.