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## Yellowstone Trustee Sues Blixseth's Wife Over Missing Assets

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The trustee in charge of collecting more than \$300 million lost in the bankruptcy of Timothy Blixseth's Yellowstone Club ski resort has sued the former billionaire's wife, Jessica, accusing her of holding assets including a luxury yacht that Blixseth fraudulently transferred into her control.

Attorney Brian Glasser filed the suit today in federal court in Seattle, where Blixseth has a home. The lawsuit accuses him of moving his assets along a string of private corporations in order to avoid paying a \$41 million judgment a Montana court ordered against him in December 2012. The final resting place for at least \$25 million worth of those assets including the 156-foot yacht "[The Piano Bar](#)," Glasser says, is JTB, LLC, a [Washington](#) corporation [controlled by Jessica T. Blixseth](#).

Glasser has been pursuing Blixseth since the onetime Forbes 400 member put the Yellowstone Club — whose members and investors included [Bill Gates](#) and champion bicyclist Greg LeMond— in bankruptcy in 2008. According to later findings by the judge overseeing the case, Blixseth borrowed \$375 million from banks led by Credit Suisse and almost immediately moved \$209 million of the proceeds into his own accounts. Before filing for bankruptcy, he attempted to insulate himself against the debt by transferring liability to his then-wife, Edra, in exchange for title to the doomed club. A federal judge later said Blixseth was guilty of an "elaborate fraudulent scheme of self-dealing" and [ordered him to repay \\$219 million](#).

In the lawsuit filed today, Glasser accuses Blixseth of attempting to do the same thing with his new wife. Most of the assets he bought with the \$200 million in loan proceeds were believed to be held in a Nevada corporation called Desert Ranch LLLP that owned a Washington subsidiary, Western Air & Water LLC, that owned "Piano Bar," a Citation jet and a smaller yacht, "The

Piano Bar Too.” After learning of the transfer, Glasser won the \$41 million judgment declaring them fraudulent transfers designed to evade repaying the debt.

Blixseth later testified under oath he transferred Western Air & Water to his wife, although Glasser says they actually went to the limited-liability corporation she controls.

So far Glasser has had trouble collecting much from Blixseth, who has mounted fierce counterattacks in courts across the West. The West Virginia lawyer [even offered a bounty to anyone who can help him find assets to seize](#), such as the proceeds from selling a Mexican resort called Tamarindo that he was ordered by the judge in Montana to turn over to his creditors. Blixseth claims he lost \$26 million on the transaction, but has refused to turn over even the \$13.8 million he says he got for the ill-fated resort.

The Ninth Circuit Court of Appeals last week [upheld \\$13.8 million in sanctions against Blixseth](#), rejecting his argument he should be able to avoid paying them or posting an equivalent bond until all of his appeals are exhausted.

Glasser, in the lawsuit today, says the Blixseths sold “The Piano Bar Too” but “continue to employ 1The Piano Bar’ yacht for their own use and enjoyment. They weren’t immediately available for comment.

The search for Blixseth’s assets might be a fruitless task, given the expense of unraveling nested chains of LLCs and the enormous legal bills Blixseth is paying to delay his creditors. Glasser is working on contingency and estimated his cash costs so far at more than \$1.5 million. He’s recovered a few million dollars by seizing a French chateau and other assets but not a dime from Blixseth himself.