

Federal Jury Finds Resort Owner and Ex-Wife Tried To Defraud Creditors

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Former luxury resort owner's ex-wife accepted title to property worth nearly \$10 million in order to shield it from Yellowstone Mountain Club creditors, jury finds.

A federal jury found that Timothy Blixseth and his ex-wife, Jessica Blixseth, transferred property worth \$9.3 million in order to shield those assets from creditors of Yellowstone Mountain Club, an ultra-luxury resort in Montana. Another asset worth \$600,000 was transferred to Jessica Blixseth's mother in order to shield it from creditors, though the jury found she accepted the assets in good faith.

Timothy Blixseth turned over operation of the Yellowstone Club in Montana to his ex-wife after transferring much of a \$375 million Credit Suisse loan from the club to himself. Several court rulings have found that Blixseth violated his fiduciary duties to the Yellowstone Club and that the settlement with his wife was an attempt to defraud his creditors.

"We are grateful to the jury who saw past Mrs. Blixseth's claims of ignorance and instead decided that Jessica Blixseth actually intended to further her husband's unlawful scheme to outrun his creditors when she took title to the companies owning a plane, two yachts and a mansion," said Brian Glasser, of Bailey Glasser's Washington, D.C., office, who is serving as trustee for the creditors.

Mr. Blixseth's actions left the club with few remaining assets that could repay the Credit Suisse loan, dooming the club to fail, courts have found. So far, courts have levied more than \$520 million in judgments. But Blixseth has hidden his assets and refused to pay. He was recently released pending appeal after 14 months in jail on a contempt charge for refusing to account for \$13.8 million in proceeds from the sale of a property in Mexico.

Bailey Glasser attorneys Kevin Barrett, Ora Nwabueze, and Russell Soloway tried the case.

Media Coverage:

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