IN THE SUPREME COURT OF THE STATE OF NEVADA

CLUB VISTA FINANCIAL SERVICES, L.L.C., a Nevada limited liability company, THARALDSON MOTELS II, INC., a North Dakota corporation; and GARY D. THARALDSON,

Petitioners,

VS.

THE EIGHTH JUDICIAL DISTRICT COURT FOR THE STATE OF NEVADA. IN AND FOR THE COUNTY OF CLARK, AND THE HONORABLE MARK R. DENTON, DISTRICT JUDGE,

Respondents.

and

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SCOTT FINANCIAL CORPORATION, A North Dakota corporation; BRADLEY J. SCOTT; BANK OF OKLAHOMA, N.A., a national bank; GEMSTONE DEVELOPMENT WEST, INC., a Nevada corporation; ASPHALT PRODUCTS CORPORATION, dba APCO CONSTRUCTION, a Nevada Corporation

Real Parties in Interest.

57784 Case No.:

> Electronically Filed Jun 06 2011 03:31 p.m. Tracie K. Lindeman Clerk of Supreme Court

MOTION TO STAY DISTRICT COURT PROCEEDINGS

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Attorneys for Petitioners

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Docket 57784 Document 2011-16558

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I. INTRODUCTION

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This motion requests stay relief under NRAP 8 due to the trial date currently set for July 6, 2011 in the District Court. Despite Plaintiffs' writ petition pending before this Court challenging the validity of jury trial waivers, the District Court refused to continue the non-jury trial date. In satisfaction of NRAP 8(a), Plaintiffs provide the Court with the affidavit of Terry A. Coffing regarding the District Court's denial of Plaintiffs' motion for stay and will supplement this motion with a written denial order once Defendants' counsel has prepared and filed the order.2

The Court should stay the District Court proceedings until after Plaintiffs' writ petition has been resolved because the object of this writ petition, dealing with how the trial itself should be conducted, will be defeated if a stay is not granted. Additionally, Defendants will not suffer any irreparable harm or serious injury if a stay is granted. Defendants' counterclaims seek only a monetary award of damages which does not present an issue of irreparable harm.³ Finally, Plaintiffs are likely to prevail on the merits The Court has already ordered of their writ petition pending before this Court. discretionary briefing for this original proceeding.⁴ And, the key arguments offered by the two responding parties, the Scott Defendants and Bank of Oklahoma ("BOK"), have already been implicitly or squarely rejected by this Court dealing with fraud as to an entire contract as being sufficient to prove fraud as to a particular provision within the

¹ The order setting civil non-jury trial and calendar call is attached as **Exhibit 1**.

² The affidavit of Terry A. Coffing regarding District Court's denial of Plaintiffs' motion for stay is attached as Exhibit 2.

See Dangberg Holdings Nev., LLC. v. Douglas County, 115 Nev. 129, 142, 978 P.2d 311, 319 (1999).

⁴ This Court's March 10, 2011 order directing answer is attached as **Exhibit 3**.

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contract, as well as a contract being void for all purposes once fraudulent inducement has been proven.⁵

Therefore, in weighing the factors of NRAP 8(c), this Court should stay the District Court proceedings until after the Court has had an opportunity to resolve the issues presented in Plaintiffs' writ petition.

II. LEGAL ARGUMENT

STANDARDS FOR GRANTING A STAY PENDING APPEAL. A.

1. NRAP 8 Considerations.

NRAP 8(a) provides that before moving for a stay in this Court, a party must generally seek a stay in the District Court. Plaintiffs satisfied this rule by first applying to the District Court for a stay.⁶ In determining whether to issue a stay of judgment or order, NRAP 8 outlines four factors for this Court to consider: (1) Whether the object of the appeal or writ petition will be defeated if the stay or injunction is denied; (2) Whether appellant/petitioner will suffer irreparable or serious injury if the stay or injunction is denied; (3) Whether the respondent/real party in interest will suffer irreparable or serious injury if the stay or injunction is granted; and (4) Whether appellant/petitioner is likely to prevail on the merits of the appeal.

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⁵ See Tuxedo Int'l Inc. v. Rosenberg, 127 Nev. Adv. Op. No. 2, at 10–11, n. 4 (Feb. 10, 2011) (stating that this Court disagrees with United States Supreme Court law on the presumption of contractual waivers in that it is not "good policy for Nevada regarding general forum selection clauses, as we do not believe, in reality, a party is likely to be defrauded only in the inclusion of a forum selection clause but not defrauded by the contract as a whole."); see also Havas v. Bernhard, 85 Nev. 627, 631, 461 P.2d 857, 859-860 (1969) (stating that a contract induced by fraud can be voided and rescinded, such that a contract no longer exists) (citing Bishop v. Stewart, 13 Nev. 25, 42 (1878); Friendly Irishman v. Ronnow, 74 Nev. 316, 330 P.2d 497 (1958); Lovato v. Catron, 20 N.M. 168, 148 P. 490 (1915); C.I.T. Corp. v. Panac, 25 Cal.2d 547, 154 P.2d 710 (1944)).

⁶ See Exhibit 2.

⁷ See Hansen v. Dist. Ct. ex rel. Cty. of Clark, 116 Nev. 650, 6 P.3d 982 (2000); see also Mikohn Gaming Corp. v. McCrea, 120 Nev. 248, 89 P.3d 36 (2004) (holding that while Page 2 of 10

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2. Stay Pending Appeal to Preserve the Status Quo.

The purpose of a stay of a district court order or judgment pending appeal is to preserve, not change, the status quo. ⁸ This case is currently set for a non-jury trial that will last at least three weeks. ⁹ However, the non-jury trial will address only issues that the District Court believes Plaintiffs have waived the right to a jury trial. ¹⁰ After this initial non-jury trial, the District Court plans to hold a subsequent jury trial addressing claims that the District Court believes Plaintiffs have not waived the right to a jury trial. ¹¹ Certainly, the issue of how jury trial waivers should be construed with the finding that factual issues exist in the context of fraudulent inducement as to the entire contract presents an issue of public importance. ¹² This Court has previously approved the resolution of important issues that have a bearing on the public. ¹³ Therefore, the Court should enter a stay of the District Court proceedings to maintain the status quo and to provide an opportunity for this Court to resolve the legal issues dealing with jury trial waivers in the context of fraudulent inducement.

no one factor is more important, "if one or two factors are especially strong, they may counterbalance other weak factors").

⁸ See <u>U.S. v. State of Mich.</u>, 505 F. Supp. 467 (W.D. Mich. 1980).

⁹ <u>See</u> Exhibit 1.

¹⁰ The District Court's order striking Plaintiffs' jury trial demand and bifurcating trial is attached as **Exhibit 4**.

¹¹ <u>Id.</u>

¹² The District Court orders maintaining that Plaintiffs' claims for constructive fraud and fraudulent concealment have not been disturbed are attached as **Exhibits 5**, 6, 7, 8 & 9.

¹³ Shuette v. Beazer Homes Holdings Corp., 124 P.3d 530 (Nev. 2005).

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В. PLAINTIFFS SATISFY THE NRAP 8(c) FACTORS FOR THIS COURT TO ENTER A STAY PENDING APPEAL.

1. The Object of Plaintiffs' Writ Petition Will Be Defeated and Plaintiffs Will Suffer Serious Injury if a Stay is Denied.

Very simply, if the status quo is not maintained, Plaintiffs will be at a severe disadvantage by having to proceed to trial without having the opportunity for this Court to review the correctness of the District Court's analysis of the jury trial waivers. Moreover, this issue presents a matter of first impression and of public importance, given the fundamental right to a jury trial, and the choice that each litigant must make when filing a lawsuit—whether to request a jury or not for trial. Plaintiffs' request to invalidate the jury trial waivers, or at least allow a preliminary jury 14 to decide the question of fraudulent inducement, will be lost if the non-jury trial on the substantive issues is allowed to proceed in the District Court. In that regard, Plaintiffs will also suffer serious injury or irreparable harm because not only will their constitutional right to a jury trial be lost, but the Defendants may obtain a judgment on their counterclaims with the District Court as the factfinder instead of the jury. Therefore, the Court should find that Plaintiffs satisfy the first two factors of NRAP 8(c).

Defendants Will Not Suffer Any Serious Injury if a Stay is 2. Granted.

Because this matter has not yet proceeded to a final judgment, Defendants have not obtained any monetary award against Plaintiffs for their counterclaims. As such, a stay will not cause Defendants to suffer any serious injury. And, the mere act of seeking review from this Court is categorically not classified as serious injury or irreparable

See, e.g., Federal Housecraft, Inc. v. Faria, 216 N.Y.S.2d 113, 114 (N.Y. App. Term 1961) ("[T]he party resisting the contract should be afforded the privilege of a preliminary trial by jury on the defense of fraud.").

harm.¹⁵ Defendants' counterclaims seek only a monetary award of damages which does not present an issue of irreparable harm.¹⁶ As such, the stay of this matter can be addressed in any final judgment by the accrual of prejudgment interest.¹⁷ And, the July 6, 2010 trial date comes at only two-and-a-half years since Plaintiffs filed their complaint.¹⁸

Moreover, the July 6, 2010 trial date was not based upon any exigent circumstances or irreparable harm that any of the Defendants will suffer. Furthermore, in a separate writ petition (Case No. 57641), arising from the same District Court case, this Court has stayed the depositions of Plaintiffs' counsel that were noticed by Defendants. Thus, the July 6, 2011 non-jury trial cannot go forward, in any event, unless Defendants are willing to concede the correctness of Plaintiffs' position in Case No. 57641 or waive their ability to take these depositions. So, a stay of the District Court proceedings will not cause any irreparable harm or serious injury to Defendants. Therefore, this Court should find that the third NRAP 8(c) factor weighs in favor of Plaintiffs.

¹⁵ See Hansen.

¹⁶ See <u>Dangberg Holdings Nev., LLC. v. Douglas County</u>, 115 Nev. 129, 142, 978 P.2d 311, 319 (1999).

¹⁷ <u>See Waddell v. L.V.R.V. Inc.</u>, 125 P.3d 1160 (Nev. 2006) (stating that the proper measure of delay for loss of use of funds is prejudgment or post-judgment interest).

Although none of Plaintiffs' claims or Defendants' counterclaims are currently in danger of violating the failure to prosecute rule of NRCP 41(e), a stay from this Court of the entire proceedings will not count against the 5 years in which claims need to be prosecuted. See Edwards v. Ghandour, 159 P.3d 1086 (Nev. 2007); Boren v. City of North Las Vegas, 98 Nev. 5, 638 P.2d 404 (1982); Rickard v. Montgomery Ward & Co., 120 Nev. 493, 96 P.3d 743 (2004).

¹⁹ The Scott Defendants' motion for a firm trial setting and the order granting the motion are respectively attached as **Exhibits 10 & 11**.

²⁰ This Court's March 3, 2011 order granting stay issued in Case No. 57641 is attached as **Exhibit 12**.

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3. Plaintiffs Are Likely to Prevail on the Merits of Their Writ Petition.

Plaintiffs are likely to prevail on the merits of their writ petition pending before The Court has already ordered discretionary briefing for this original proceeding.²¹ And, the key arguments offered by the Scott Defendants and BOK have already been implicitly or squarely rejected by this Court dealing with fraud as to an entire contract as being sufficient to prove fraud as to a particular provision within the contract, as well as a contract being void for all purposes once fraudulent inducement has been proven.²²

First, the Scott Defendants claim that the jurisprudence governing arbitration clauses should determine the outcome of the issues presented to the Court dealing with jury trial waivers. Specifically, the Scott Defendants argue that fraudulent inducement of the guaranties (which the District Court already found is present)²³ is insufficient to show fraudulent inducement of the jury trial waiver provisions themselves. However, this Court has already rejected a nearly identical argument with respect to forum selection clauses in contracts.²⁴ And, this Court's rejection of the distinction, parting ways with

²¹ See Exhibit 3.

²² See Tuxedo Int'l Inc. v. Rosenberg, 127 Nev. Adv. Op. No. 2, at 10–11, n. 4 (Feb. 10, 2011) (stating that this Court disagrees with United States Supreme Court law on the presumption of contractual waivers in that it is not "good policy for Nevada regarding general forum selection clauses, as we do not believe, in reality, a party is likely to be defrauded only in the inclusion of a forum selection clause but not defrauded by the contract as a whole."); see also Havas v. Bernhard, 85 Nev. 627, 631, 461 P.2d 857, 859-860 (1969) (stating that a contract induced by fraud can be voided and rescinded, such that a contract no longer exists) (citing Bishop v. Stewart, 13 Nev. 25, 42 (1878); Friendly Irishman v. Ronnow, 74 Nev. 316, 330 P.2d 497 (1958); Lovato v. Catron, 20 N.M. 168, 148 P. 490 (1915); C.I.T. Corp. v. Panac, 25 Cal.2d 547, 154 P.2d 710 (1944)).

²³ See Exhibits 5, 6, 7, 8 & 9.

²⁴ See Rosenberg.

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contrary federal decisions, was based upon authorities that associated forum selection clauses with arbitration provisions.²⁵ So, Plaintiffs are likely to prevail on this issue.

Second, BOK suggests that Plaintiffs have to separately prove that BOK participated in the fraudulent inducement of the guaranties containing the jury trial waivers. However, Nevada law unequivocally states that once a contract is invalidated by fraud, the contract is void as to all parties.²⁶ So, Plaintiffs are also likely to prevail on this issue as well. Therefore, based upon an analysis of the NRAP 8(c) factors, this Court should order a stay of the District Court proceedings pending the resolution of Plaintiffs' writ petition.

III. CONCLUSION

After weighing the four factors of NRAP 8(c), the Court should order a stay of the In particular, the object of Plaintiffs' writ petition District Court proceedings. challenging the validity of jury trial waivers in the context of fraudulent inducement of guaranties will be defeated if the July 6, 2011 non-jury trial is allowed to proceed. Such a trial would cause irreparable harm of serious injury to Plaintiffs because their constitutional right to a jury trial will be lost.

In contrast, Defendants will not suffer any irreparable harm or serious injury if a stay is granted. The current July 6, 2011 non-jury trial date was not based upon any exigent circumstances, and Defendants can potentially recover prejudgment interest on any judgment they obtain following a final judgment.

Finally, Plaintiffs are likely to prevail on the merits of their writ petition seeking to invalidate jury trial waivers in light of this Court's stated policy that parties are not likely to be defrauded by the inclusion of a particular provision in a contract and not defrauded

²⁵ Id., n. 4 (referencing Scherk v. Alberto-Culver Co., 417 U.S. 506, 519, n. 14 (1974)).

²⁶ See, e.g., Havas.

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by the contract as a whole. Therefore, Plaintiffs respectfully request that this Court grant this motion for stay of District Court proceedings.

Dated this 6th day of June, 2011.

MARQUIS AURBACH COFFING

By /s/ Terry A. Coffing, Esq.
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CERTIFICATE OF SERVICE

I hereby certify that the foregoing MOTION TO STAY DISTRICT COURT **PROCEEDINGS** was filed electronically with the Nevada Supreme Court on the 6th day of June, 2011. Electronic Service of the foregoing documents shall be made in accordance with the Master Service List as follows:

> Robert Eisenberg, Esa. Gwen Mullins, Esq. Matthew Carter, Esq. J. Randall Jones, Esq.

I further certify that I served a copy of these documents by mailing a true and correct copy thereof, postage prepaid, addressed to:

> The Honorable Mark R. Denton Eighth Judicial District Court, Dept. 13 Regional Justice Center 200 Lewis Avenue Las Vegas, NV 89155 Respondents

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/s/ Leah Dell Leah Dell, an employee of Marquis Aurbach Coffing

Exhibit "1"

Exhibit "1"

Exhibit "1"

Electronically Filed 02/28/2011 03:43:42 PM 1 0063 DISTRICT COURT 2 CLARK COUNTY, NEVADA CLERK OF THE COURT CLARK COUNTY, NEVADA CLERK OF THE COURT 3 CLUB VISTA FINANCIAL SERVICES, LLC, et 4 5 Plaintiff(s), 6 VS. CASE NO. A579963-B 7 DEPT. NO. XIII SCOTT FINANCIAL CORPORATION, et al., 8 Defendant(s). 9 10 AND ALL RELATED CLAIMS. 11 ORDER SETTING CIVIL NON-JURY TRIAL AND CALENDAR CALL 12 13 IT IS HEREBY ORDERED THAT: 14 A non-jury trial of the above-entitled case has been given a firm setting on a 15 three week stack to begin Wednesday, July 6, 2011 at 9:00 a.m., with a calendar call 16 on Monday, June 27, 2011 at 2:00 p.m. The actual date and time during the stack will 17 be determined at the calendar call. 18 All parties (attorneys and parties in proper person) MUST comply with ALL 19 20 REQUIREMENTS OF E.D.C.R. 2.67, except that the date for filing the Pre-Trial 21 Memorandum will be established at the calendar call. As to the Pre-trial Memorandum, 22 counsel should be particularly attentive to their exhibit lists and objections to exhibits, as 23 exhibits not listed or objections not made will not be admitted/allowed over objection based on non-compliance with the Rule's requirements. (Also, it is helpful to the Court when counsel list pertinent pre-trial motions and orders pertaining thereto if it is likely

that they will be focused on during trial.)

MARK R. DENTON DISTRICT JUDGE

DEPARTMENT THIRTEEN LAS VEGAS, NV 89155

All discovery deadlines, deadlines for filing dispositive motions and motions to amend the pleadings or add parties are controlled by the previously issued Scheduling Order and/or any amendments or subsequent orders.

Counsel are also directed to abide by EDCR 2.47 concerning the time for filing and noticing motions *in limine*. Except upon a showing of unforeseen extraordinary circumstances, the Court will not shorten time for the hearing of any such motions.

Failure of the designated trial attorney or any party appearing in proper person to appear for any court appearances or to comply with this Order will result in any of the following: (1) dismissal of the action; (2) default judgment; (3) monetary sanctions; (4) vacation of trial date; and/or any other appropriate remedy or sanction.

Counsel are directed to advise the Court promptly when the case settles or is otherwise resolved prior to trial.

DATED this 24 day of February, 2011.

MARK R. DENTON DISTRICT JUDGE

CERTIFICATE

I hereby certify that on or about the date filed, this document was eserved or a copy of this document was placed in the attorney's folder in the Clerk's Office or mailed to:

COOKSEY, TOOLEN, GAGE, DUFFY & WOOG

Attn: Martin A. Muckleroy, Esq.

MARQUIS & AURBACH Attn: Terry A. Coffing, Esq.

1 Martin A. Aronson, Esq. One E. Camelback Road, Suite 340 2 Phene: Carrellack Road, Suite 340 4 Phoenix, AZ 85012 3 John D. Clayman, Esq. 4 Old City Hall 124 E. Fourth Street 5 Tulsa, OK 74103 6 **LEWIS AND ROCA** 7 Attn: Jennifer K. Hostetler, Esq. 8 KEMP, JONES & COULTHARD Attn: J. Randall Jones, Esq. 9 10 **HOWARD & HOWARD** Attn: Robert L. Rosenthal, Esq. 11 **SMITH LAW OFFICE** 12 Attn: P. Kyle Smith, Esq. 13 LORRAINE TASHIRO 14 **Judicial Executive Assistant** Dept. No. XIII 15 16 17 18 19 20 21 22 23 24 25 26 27

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MARK R. DENTON DISTRICT JUDGE

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Exhibit "2"

Exhibit "2"

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IN THE SUPREME COURT OF THE STATE OF NEVADA

CLUB VISTA FINANCIAL SERVICES, L.L.C., a Nevada limited liability company, THARALDSON MOTELS II, INC., a North Dakota corporation; and GARY D. THARALDSON,

Petitioners,

VS.

THE EIGHTH JUDICIAL DISTRICT COURT FOR THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK, AND THE HONORABLE MARK R. DENTON, DISTRICT JUDGE,

Respondents.

and

SCOTT FINANCIAL CORPORATION, A North Dakota corporation; BRADLEY J. SCOTT; BANK OF OKLAHOMA, N.A., a national bank; GEMSTONE DEVELOPMENT WEST, INC., a Nevada corporation; ASPHALT PRODUCTS CORPORATION, dba APCO CONSTRUCTION, a Nevada Corporation

Real Parties in Interest.

Case No.: 57784

AFFIDAVIT OF TERRY A. COFFING REGARDING DISTRICT COURT'S DENIAL OF PLAINTIFFS' MOTION FOR STAY

Marquis Aurbach Coffing TERRY A. COFFING, ESQ. Nevada Bar No. 4949 MICAH S. ECHOLS, ESQ. Nevada Bar No. 8437 DAVID T. DUNCAN, ESQ. Nevada Bar No. 9546 10001 Park Run Drive Las Vegas, Nevada 89145

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STATE OF NEVADA)	
COUNTY OF CLARK)	SS

Terry A. Coffing, Esq., as counsel of record for Petitioners/Plaintiffs in the aboveentitled matter, being duly sworn, submits this Affidavit pursuant to NRAP 9(c).

- I am duly licensed to practice law in the State of Nevada and am a 1. shareholder with the law firm of Marquis Aurbach Coffing. I have personal knowledge of the facts stated herein, except for those stated upon information and belief and, as to those, I believe them to be true. I am competent to testify to the facts stated herein in a court of law.
- On Thursday, June 2, 2011, I attended a hearing before the Honorable Mark 2. R. Denton, District Court Judge in Case No. A579963 (Club Vista Financial Services LLC et al. v. Scott Financial Corp. et al.) which is the case from which this writ petition arises. Among the other motions heard on June 2, the District Court heard argument on Plaintiffs' motion for stay and denied the same.
- The District Court's denial of Plaintiffs' request for a stay was based upon 3. similar reasons that the Court previously denied a stay during the February 14, 2011 hearing. The minutes of the February 14, 2011 hearing are attached to this Affidavit. The minutes from the June 2 hearing are not yet available.
- Following the District Court's June 2, 2011 ruling from the bench denying 4. Plaintiffs' stay request, the Scott Defendants' counsel was given the task to prepare the written order, which is also not yet available. Moreover, the hearing transcript from the June 2, 2011 hearing is also not yet available.
- After contacting the Scott Defendants' counsel on Monday, June 6, 2011 to 5. check on the status of the order, I learned that the Scott Defendants' counsel was not available and is out of the office.

To avoid any further delay in presenting this motion to stay to this Court, 6. due to the absence of the written order of denial I have provided this Affidavit in accordance with NRAP 9(c) and will supplement Plaintiffs' motion to stay District Court proceedings with the written denial order, minutes, and/or transcript once they are available.

Dated this 6th day of June, 2011.

SUBSCRIBED and SWORN to before me this 6th day of June, 2011.



DISTRICT COURT CLARK COUNTY, NEVADA CLARK COUNTY, NEVADA

Business Court		COURT MINUTES		Febr	uary 14, 2011	
09A579963	Club Vista Financial Services LLC, Tharaldson Motels II Inc, et al vs Scott Financial Corp, Bradley Scott, et al					
February 14, 2011	9:00 AM	All Pending Motions (02-14-2011)	All Pending - Plaintiff's Motion to Stay and Continue Tria Motions Pending Resolution of Petition for Writ of			
HEARD BY:	Denton, M	Iark R.	COURT	ROOM:	RJC Courtroom 12A	

RECORDER:

COURT CLERK:

Cynthia Georgilas

Susan Burdette

PRINT DATE: 02/17/2011

Page 1 of 4

Minutes Date:

February 14, 2011

PARTIES PRESENT: PRESENT:

Aronson, Martin A. Attorney for Plaintiffs

Aronson, Martin A. Attorney for Plaintiffs

Clayman, John D. Attorney for Defendant Bank of Oklahoma, N.A.

Coffing, Terry A. Attorney for Plaintiffs

Gochnour, Wade B. Attorney for Defendant/Counter Cross Claimant

APCO Construction

Hostetler, Jennifer K.

Jones, Jon Randall

Attorney for Defendant Bank of Oklahoma, N.A.

Attorney for Defendants/Counter Claimants

Scott Financial Corporation and Bradley J Scott

Jones, Mark Merrill Attorney for Defendants/Counter Claimants

Scott Financial Corporation and Bradley J Scott

Muckleroy, Martin A. Smith, P. Kyle

Attorney for Plaintiffs
Attorney for Alex Edelstein

JOURNAL ENTRIES

As to Plaintiff's Motion to Stay and Continue Trial Pending Resolution of Petition for Writ of Mandamus: Mr. Coffing noted this is based on the Court's Decision to Bifurcate issues; noted the Writ Application will be on file no later than Thursday of this week; made statements as to the Writ and noted this is as to the issues of claim and proclusion; and argued that without a stay of this Court's decision and the pending trial date, there will not be any finality; he is compelled to file this motion before seeking a 27(E) motion before the Supreme Court; cited the Hansen factors; referred to another reason as to prevailing on the merits, and irreparable harm to the parties if the stay is denied.

Mr. Jones noted that Plaintiffs wanted a firm trial date; noted his clients rights will be deferred; read from the Court's decision; referred to the proclusion issue; and argued that in the bench trial, the Court will make a determination as to whether those issues will go to the Jury; his client has a fundamental constitutional right to have this non-jury trial heard; if a jury trial is heard first, his client will lose their rights to a bench trial; and argued there is no prejudice to Plaintiffs; and referred to prevailing on the merits.

Mr. Rosenthal joined in Mr. Jones' argument.

Mr. Coffing replied that this has been served in a timely manner; and requested a stay, the trial be continued so they may seek a Writ of Mandamus or Prohibition on the Decision the Court has made; and requested the Court gave him an opportunity to file a Writ to the Supreme Court so the issue may be decided.

COURT finds he does not see a reason to stay this case but agrees there should be a continuance to give Plaintiffs an opportunity to seek a Writ in the Supreme Court; noted this is set for non-jury trial; and ORDERED, motion to Stay DENIED; motion to Continue Trial GRANTED effective on proof of filing of the Writ; and since the Court is still proceeding under the bifurcation order, he will issue a new trial order for the Non-Jury portion, which will give Plaintiffs an opportunity file a Petition for a Writ; referred to the 24-page order issued by the Supreme Court on the Teriedo International vs Rosenberg case, which was denied last week as to the fraud in the inducement being an action as to whether the action is forum clause.

PRINT DATE: 02/17/2011 Page 2 of 4 Minutes Date: February 14, 2011

Mr. Jones stated this will have other implications on other aspects of this case; noted that any delay has implications as to whether they do try the case; and requested to be put on the next non-jury stack and noted they had a firm trial date for the Jury Trial. Court noted this was placed on the jury stack, and now that it is not going forward, he will give this firm date to jury cases. Further statements by Mr. Jones.

Court stated he set this for a bench trial in the near future. Mr. Jones stated that setting it in the near future is a relevant term. Court stated he will check with his JEA but expects it to be set in the next couple of months; and since he had given this a firm setting, he will give it preference. Further statements by Mr. Jones.

Mr. Coffing stated he will prepare the Order and have counsel review.

As to Defendant Bank of Oklahoma, N.A.'s Motion for Partial Summary Judgment on Plaintiffs' Ninth Claim for Relief (Acting in Concern/Civil Conspiracy) and Plaintiffs' Eighth Claim for Relief (Aiding and Abetting Breach of Fiduciary Duty): Mr. Clayman stated this motion is as to the Senior Debt Loan Agreement between Gemstone West and Scott Financial; referred to the critical provision of Article 3, and to Article 4 as to conditions precedent which are between borrowers and lenders; and argued there is no reference to Bank of Oklahoma; they only reviewed the draw request; there are no civil conspiracies; there are no claims with Gemstone and Bank of Oklahoma or with APCO and Bank of Oklahoma; and requested the Court review his analysis of the financial mistake of facts contained in Plaintiffs' Reply.

Mr. Jones joined in the motion as to the 9th claim, which is Acting in Conspiracy and Civil Conspiracy, and argued this is not a negligent claim.

Mr. Gochnour stated APCO also joined the motion.

Mr. Aronson lodged documents with the Court and counsel; and argued as to undisputed facts set forth in the documents; that the agreement could be tacit in the conspiracy and acting in concert or conspiracy of aiding and abetting; referred to the Senior Loan; and argued as to Scott Financial's motive; default; APCO's motivation; and profitable loan for Bank of Oklahoma; and noted the Court has already denied their motion; this is a request for reconsideration.

Mr. Gochnour stated all these things have nothing to do with APCO; APCO never had anything to do with this.

Following further arguments, COURT ORDERED, matter taken UNDER ADVISEMENT.

Court noted counsel do not need to attend the Pre Trial Conference this afternoon; if the proof showing that the Petition has been filed by Thursday February 17, the Court will, by minute order, reschedule the Pre Trial Conference. Mr. Coffing referred to the Motions in Limine that should be due today. Mr. Gochnour stated that if the trial date is being moved, the Motions in Limine's due date will be moved. Counsel concurred.

Mr. Jones stated this can be discussed Thursday.

COURT FURTHER ORDERED, remaining motions CONTINUED.

02-17-2011 9:00 AM Defendant/Counter Claimant Scott Financial Corporation's Motion for Summary Judgment on Breach of Contract Counterclaim ... Defendants/Counter

PRINT DATE: 02/17/2011 Page 3 of 4 Minutes Date: February 14, 2011

Claimants Scott Financial Corporation and Bradley J Scott's Motion for Summary Judgment Regarding Plaintiffs' Twelfth Claim for Relief (Negligence) ... Defendant Judgment Regarding Plaintiffs' Twelfth Claim for Relief (Negligence) ... Defendant Bank of Oklahoma, N.A.'s Motion for Partial Summary Judgment on Plaintiff's Twelfth Claim for Relief (Negligence) ... Plaintiffs' Motion for Partial Summary Judgment on Legal Consequences of Failure of Conditions Precedent to Funding Senior Loan ... Defendants/Cross Claimants Scott Financial Corporation and Bradley J Scott's Motion for Summary Judgment on Plaintiffs' Eleventh Claim ... Plaintiffs' Motion for Partial Summary Judgment Re: Bank of Oklahoma's Fraud and Negligent Misrepresentations Counterclaims

PRINT DATE: 02/17/2011 Page 4 of 4 Minutes Date: February 14, 2011

Exhibit "3"

Exhibit "3"

Exhibit "3"

IN THE SUPREME COURT OF THE STATE OF NEVADA

CLUB VISTA FINANCIAL SERVICES, LLC, A NEVADA LIMITED LIABILITY COMPANY; THARALDSON MOTELS II, INC., A NORTH DAKOTA CORPORATION; AND GARY D. THARALDSON, Petitioners.

vs.

THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK; AND THE HONORABLE MARK R. DENTON, DISTRICT JUDGE, Respondents,

and
SCOTT FINANCIAL CORPORATION, A
NORTH DAKOTA CORPORATION;
BRADLEY J. SCOTT; BANK OF
OKLAHOMA, N.A., A NATIONAL
BANK; GEMSTONE DEVELOPMENT
WEST, INC., A NEVADA
CORPORATION; AND ASPHALT
PRODUCTS CORP. D/B/A APCO
CONSTRUCTION, A NEVADA
CORPORATION,
Real Parties in Interest.

No. 57784

FILED

MAR 1 0 2011

CLERK OF SUPREME COURT
BY DEPUTY CLERK

ORDER DIRECTING ANSWER

This original petition for a writ of mandamus or prohibition challenges a district court order striking petitioners' jury demand as to certain claims and bifurcating the trial. Having reviewed the petition, it appears that petitioners have set forth issues of arguable merit and that petitioners may have no plain, speedy, and adequate remedy in the ordinary course of the law. Therefore, real parties in interest, on behalf of

SUPREME COURT OF NEVADA

(O) 1947A •

respondents, shall have 30 days from the date of this order within which to file an answer, including authorities, against issuance of the requested writ.

It is so ORDERED.

Dayles , C.J.

cc: Hon. Mark R. Denton, District Judge
Cooksey, Toolen, Gage, Duffy & Woog
Lemons, Grundy & Eisenberg
Marquis & Aurbach
Morrill & Aronson, P.L.C.
Frederic Dorwart Lawyers
Howard & Howard
Kemp, Jones & Coulthard, LLP
Lewis & Roca, LLP/Las Vegas
Patrick K. Smith

Exhibit "4"

Exhibit "4"

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Alun & Luinn
CLERK OF THE COURT

ORDG 1 J. RANDALL JONES, ESQ. (#1927) 2 jrj@kempjones.com MARK M. JONES, ESQ. (#267) 3 | mmj@kempjones.com MATTHEW S. CARTER, ESQ. (#9524) msc@kempjones.com KEMP, JONES & COULTHARD, LLP 3800 Howard Hughes Parkway Seventeenth Floor Las Vegas, Nevada 89169 Tel. (702) 385-6000 Attorneys for Scott Financial Corporation 7 and Bradley J. Scott

DISTRICT COURT

CLARK COUNTY, NEVADA

CLUB VISTA FINANCIAL SERVICES, L.L.C., a Nevada Limited Liability Company; THARALDSON MOTELS II, INC., a North Dakota corporation; and GARY D. THARALDSON,

Plaintiffs.

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SCOTT FINANCIAL CORPORATION, a North Dakota corporation; BRADLEY J. SCOTT; BANK OF OKLAHOMA, N.A., a national bank; GEMSTONE DEVELOPMENT WEST, INC., a Nevada corporation; ASPHALT PRODUCTS CORPORATION D/B/A APCO CONSTRUCTION, a Nevada corporation; DOES INDIVIDUALS 1-100; and ROE BUSINESS ENTITIES 1-100,

Defendants.

AND ALL RELATED MATTERS.

Case No.: A579963 Dept. No.: XIII

ORDER GRANTING MOTION (1) TO BIFURCATE TRIAL, (2) TO EXTEND TIME FOR FILING MOTIONS IN LIMINE, AND (3) RENEWED MOTION TO STRIKE JURY DEMAND, AND DENYING PLAINTIFFS' COUNTERMOTION UNDER RULE 39(c) FOR ADVISORY JURY ON ALL CLAIMS NOT TRIABLE OF RIGHT BY JURY

FEB & S 2011
DISTRICT COURT DEPT# 43

KEMP, JONES & COULTHARD, LLP 3800 Howard Hughes Parkway Seventeenth Floor Las Vegas, Nevada 89169 (702) 385-6000 Fax (702) 385-6001

This matter having first come before this Court on January 31, 2011, regarding Defendants/Counterclaimants Scott Financial Corporation, Bradley J. Scott, and Bank of Oklahoma, N.A.'s Motion (1) to Bifurcate Trial, and (2) to Extend Time for Filing Motions *in Limine*; and (3) Renewed Motion to Strike Jury Demand, with Joinder by Defendant APCO Construction, and on Plaintiffs' Counter-Motion under Rule 39(c) for Advisory Jury on All Claims Not Triable of Right

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by Jury, and the Court having reviewed the pleadings and papers on file herein, and having heard the arguments of counsel for Plaintiffs, Terry A. Coffing, Esq.; and of counsel for Defendants Scott Financial Corporation and Bradley J. Scott, J. Randall Jones, Esq.; Bank of Oklahoma, N.A., John Clayman, Esq., and Jennifer Hostetler, Esq.; APCO Construction, Gwen Rutar Mullins, Esq.; and Alex Edelstein, Kyle Smith, Esq.; and with good cause appearing and there being no just cause for delay,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

The Court determines that the conspicuous upper case jury waivers just above the signature lines for use by the obviously sophisticated Mr. Tharaldson are valid and enforceable as to all issues surrounding the validity and enforceability of the guaranties. Lowe Enterprises Residential Partners, L.P. v. Eighth Judicial District Court ex. rel. County of Clark, 118 Nev. 92, 100, 40 P.3d 405, 410 (2002). In this regard, the Court is not directed to any North Dakota case law to the effect that the right to a jury trial cannot be waived.

The Court has also determined that by bringing this action, the guarantor plaintiffs can hardly complain that the Court would attend to the guaranty issues first. The Court will thus try the guaranty issues first in a bench trial.

In making this decision, the Court notes that confusion and prejudice can best be avoided by such a bifurcation, and it believes that issues will likely be narrowed with concomitant judicial economy. Awada v. Shuffle Master, Inc, 123 Nev. 613, 624, 173 P.3d 707, 714 (2007).

Finally, any motions in limine that will pertain to the jury phase should be allowed at a later time than the deadlines now in force would otherwise permit.

In sum, Defendants' Motion and Joinder are GRANTED in all respects, and Plaintiffs' Counter-Motion is DENIED.

DATED this 2 day of February, 2011.

DISTRICT COURT JUDGE

KEMP, JONES & COULTHARD, LLP 3800 Howard Hughes Parkway Seventeenth Floor Las Vegas, Nevada 89169 (702) 385-6000 Fax (702) 385-6001

Submitted by: KEMP, JONES & COULTHARD, LLP MARK M. JONES, ESQ. (#1927)
MARK M. JONES, ESQ. (#267)
MATTHEW S. CARTER, ESQ. (#9524)
3800 Howard Hughes Parkway, Seventeenth Floor
Las Vegas, Nevada 89169
Attorneys for Defendants Scott Financial
Corporation and Bradley J. Scott

Exhibit "5"

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DISTRICT COURT

CLARK COUNTY, NEVADA

CLERK OF THE COURT

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MARK R. DENTON DISTRICT JUDGE

DEPARTMENT THIRTEEN LAS VEGAS, NV 89155

CLUB VISTA FINANCIAL SERVICES, L.L.C., a Nevada limited liability company; THARALDSON MOTELS II, INC., a North Dakota corporation; and GARY D. THARALDSON,

Plaintiff(s),

vs.

SCOTT FINANCIAL CORPORATION, a North Dakota corporation; BRADLEY J. SCOTT; BANK OF OKLAHOMA, N.A., a national bank; GEMSTONE DEVELOPMENT WEST, INC., a Nevada corporation; ASPHALT PRODUCTS CORPORATION D/B/A APCO CONSTRUCTION, a Nevada corporation,

Defendant(s).

CASE NO. A579963-B DEPT. NO. XIII

(Consolidated with A608563; A609288)

Date: January 20, 2011 Time: 9:00 a.m.

DECISION

THIS MATTER having come before the Court on January 20, 2011 for hearing on, inter alia, Defendant Bank of Oklahoma, N.A.'s Motion for Partial Summary Judgment on Plaintiffs' Third (Constructive Fraud), Seventh (Breach of Fiduciary Duty), and Eleventh (Breach of the Covenant of Good Faith and Fair Dealing) Claims for Relief and on Defendants/Cross-Claimants Scott Financial Corporation and Bradley J. Scott's Motion for Summary Judgment on Tharaldson's and Tharaldson Motels II Inc.'s Third and Seventh Claim for Relief, and for Partial Summary Judgment on their Eleventh Claim for Relief (Re Fiduciary Duty), and the Court, having considered the papers submitted in connection with

MARK R. DENTON DISTRICT JUDGE

DEPARTMENT THIRTEEN LAS VEGAS, NV 89155 such item(s) and heard the arguments made on behalf of the parties and then taken the matter under advisement for further consideration;

Given the number of motions that the Court is now hearing in this case and the time constraints involved and the need for prompt decisions in light of the quickly approaching trial date, the Court must be brief in announcing its rulings. It will thus look to counsel who are directed to submit proposed orders to fill in interstices consistent with briefing and argument that the Court has accepted in its rulings.

NOW, THEREFORE, the Court decides the submitted issues as follows:

A. Bank of Oklahoma's Motion.

The Court is persuaded that there are no genuine issues of material fact going to the subject causes of action and that Defendant is entitled to partial judgment as a matter of law relative thereto. Accordingly, the Motion is GRANTED.

- B. Scott Defendants' Motion.
- 1. The Court agrees that the Motion relative to the specific Plaintiffs against whom it is made is meritorious as to the Seventh Claim for Relief regarding breach of fiduciary duty, and the same is GRANTED IN PART as to that claim for relief against those Plaintiffs.
 - 2. However, in light of the past relationship between

those claims.

MARK R. DENTON DISTRICT JUDGE

DEPARTMENT THIRTEEN LAS VEGAS, NV 89155 the parties and the complexities of the transactions and statements made by Scott Defendants pertaining to such relationship, the Court cannot say that there are no genuine issues regarding the Third (constructive fraud) and Eleventh (breach of implied covenant of good faith and fair dealing) Claims for Relief, and the Motion is thus DENIED IN PART as to those claims.

C. Conclusion.

Counsel for Defendant Bank of Oklahoma is directed to submit a proposed order consistent with A. above.

Counsel for the Scott Defendants is directed to submit a proposed order consistent with B(1) above.

Counsel for Plaintiffs is directed to submit a proposed order consistent with B(2) above.

In addition, such proposed order should be submitted to opposing counsel for approval/disapproval. Instead of seeking to litigate any disapproval through correspondence directed to the Court or to counsel with copies to the Court, any such disapproval should be the subject of motion practice.

This Decision is a summary of the Court's analysis of the matter and sets forth the Court's intended disposition on the

.

subject, but it anticipates further order of the Court to make such disposition effective as an order or judgment.

DATED this

day

of January, 2011.

MARK R. DENFON DISTRICT JUDGE

CERTIFICATE

I hereby certify that on or about the date filed, this document was e-served or a copy of this document was placed in the attorney's folder in the Clerk's Office or mailed to:

COOKSEY, TOOLEN, GAGE, DUFFY & WOOG Attn: Martin A. Muckleroy, Esq.

Martin A. Aronson, Esq. One E. Camelback Road, Suite 340 Phoenix, AZ 85012

MARQUIS & AURBACH Attn: Terry A. Coffing, Esq.

John D. Clayman, Esq. Old City Hall 124 E. Fourth Street Tulsa, OK 74103

LEWIS AND ROCA

Attn: Jennifer K. Hostetler, Esq.

KEMP, JONES & COULTHARD

Attn: J. Randall Jones, Esq.

HOWARD & HOWARD

Attn: Robert L. Rosenthal, Esq.

SMITH LAW OFFICE

Attn: P. Kyle Smith, Esq.

LORRAINE TASHIRO

Judicial Executive Assistant

Dept. No. XIII

MARK R. DENTON DISTRICT JUDGE

DEPARTMENT THIRTEEN LAS VEGAS, NV 89155

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ORDG J. RANDALL JONES, ESQ. (#1927) jrj@kempjones.com MĀRK M. JONES, ESQ. (#267) mmj@kempjones.com MATTHEW S. CARTER, ESQ. (#9524) msc@kempjones.com KEMP, JONES & COULTHARD, LLP 3800 Howard Hughes Parkway Seventeenth Floor Las Vegas, Nevada 89169 6 Tel. (702) 385-6000 Attorneys for Scott Financial Corporation and Bradley J. Scott 8

CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

CLUB VISTA FINANCIAL SERVICES, L.L.C., a Nevada Limited Liability Company; THARALDSON MOTELS II, INC., a North Dakota corporation; and GARY D. THARALDSON,

Plaintiffs,

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800 Howard Hughes Parkway

SCOTT FINANCIAL CORPORATION, a North Dakota corporation; BRADLEY J. SCOTT; BANK OF OKLAHOMA, N.A., a national bank; GEMSTONE DEVELOPMENT WEST, INC., a Nevada corporation; ASPHALT PRODUCTS CORPORATION D/B/A APCO CONSTRUCTION, a Nevada corporation; DOES INDIVIDUALS 1-100; and ROE BUSINESS ENTITIES 1-100,

Defendants.

AND ALL RELATED MATTERS.

Case No.: A579963 Dept. No.: XIII

ORDER GRANTING IN PART SCOTT FINANCIAL CORPORATION AND BRADLEY J. SCOTT'S MOTION FOR SUMMARY JUDGMENT REGARDING PLAINTIFFS' FIRST, SECOND, AND THIRD CLAIMS FOR RELIEF

This matter having first come before this Court on January 20, 2011, regarding Defendant/Counterclaimant Scott Financial Corporation's and Defendant Bradley J. Scott's Motion for Summary Judgment Regarding Plaintiffs' First, Second, and Third Claims for Relief, the Court having reviewed the pleadings and papers on file herein, and having heard the arguments of counsel

DISTRICT COURT DEPT# 13 28

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for Plaintiffs, Martin A. Aronson, Esq., Martin Muckleroy, Esq., and Terry A. Coffing, Esq.; and of counsel for Defendants Scott Financial Corporation and Bradley J. Scott, J. Randall Jones, Esq.; Bank of Oklahoma, N.A., John Clayman, Esq., and Jennifer Hostetler, Esq.; APCO Construction, Gwen Rutar Mullins, Esq., and Alex Edelstein, Kyle Smith, Esq.; and with good cause appearing and there being no just cause for delay, the Court makes the following findings of fact and conclusions of law:

I.

FINDINGS OF FACT

- Only three people associated with Plaintiffs, apart from Plaintiffs' attorneys, have knowledge related to the project in this case: Gary Tharaldson, Ryan Kucker, and Kyle Newman. See Depo. of Gary Tharaldson at 299:18-301:6, and Depo. of Ryan Kucker at 339:8-340:3.
- Gary Tharaldson does not know the extent of alleged fraudulent representations. See Depo. of Gary Tharaldson at 30:20-32:3.
- Gary Tharaldson admits that he has no personal knowledge of fraud allegations. See id. at 3. 425:11-22.
- Gary Tharaldson did not provide any information to his attorneys about specific instances that he believed he was lied to with regard to the Manhattan West project. See id. at 1198:13-17.
- Kyle Newman has no knowledge of Brad Scott or Scott Financial Corporation committing fraud in connection with any project. See Depo. of Kyle Newman at 134:1-19.

Π.

CONCLUSIONS OF LAW

- There is no genuine issue of material fact going to affirmative fraudulent misrepresentations of either Scott Financial Corporation or Bradley J. Scott.
- There are genuine issues regarding concealment and constructive fraud given the relationship between Plaintiff Tharaldson and his entities and the Scott Defendants and the expectations that relationship may have engendered.

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Page 2 of 3

CONCLUSION 2 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Scott Financial Corporation 3 and Bradley J. Scott's Motion for Motion for Summary Judgment is GRANTED IN PART as to Plaintiffs First Claim for Relief. As to the Second and Third Claims for Relief, the Motion for 5 Summary Judgment is DENIED IN PART 6 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that a Judgment in favor of Scott Financial Corporation, and Bradley J. Scott and against Plaintiffs in hereby entered as to 8 Plaintiffs' First Claim for Relief of the First Amended Complaint. 9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that each of the Court's 10 KEMP, JONES & COULTHARD, LLP findings of fact is to be construed as a conclusion of law, and each of the Court's conclusion of law 11 is to be construed as a finding of fact, as may be necessary or appropriate to carry out this Order. 12 DATED this / / day of February, 2011. 13 14 DISTRICT COURT JUDGE 15 Submitted by: 16 KEMP, JONES & COULTHARD, LLP 18 19 JONES, ESQ. (#1927) MARK M. JONES, EŚQ. (#267) 20 MATTHEW S. CARTER, ESQ. (#9524) 3800 Howard Hughes Parkway, Seventeenth Floor 21 Las Vegas, Nevada 89169 Attorneys for Defendants Scott Financial 22 Corporation and Bradley J. Scott 23 24 25 26

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Page 3 of 3

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Exhibit "7"

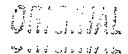
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Defendants.



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1 ORDR GRIFFITH H. HAYES, Esq. CLERK OF THE COURT 2 Nevada Bar No. 7374 MARTIN A. MUCKLEROY, ESQ. 3 Nevada Bar No. 009634 COOKSEY, TOOLEN, GAGE, DUFFY & WOOG 4 A Professional Corporation 3930 Howard Hughes Parkway, Suite 200 5 Las Vegas, Nevada 89169 Telephone: (702) 949-3100 6 Terry A. Coffing, Esq. 7 Nevada Bar No. 4949 MARQUES, AUERBACH & COFFING, P.C. 8 10001 Park Run Drive Las Vegas, Nevada 89145 9 K. LAYNE MORRILL, ESQ. 10 Arizona Bar No. 004591 MARTIN A. ARONSON, ESQ. Arizona Bar No. 009005 11 JOHN T. MOSHIER, ESQ. 12 Arizona Bar No. 007460 MORRILL & ARONSON, PLC 13 One E. Camelback Road, Suite 340 Phoenix, Arizona 85012 14 Telephone: (602) 263-8993 Attorneys For Plaintiffs 15 DISTRICT COURT 16 CLARK COUNTY, NEVADA 17 CLUB VISTA FINANCIAL SERVICES, Case No. A579963 L.L.C., a Nevada limited liability company; Department No. 13 THARALDSON MOTELS II, INC., a Consolidated With North Dakota corporation; and GARY D. Case No. A-10-609288-C THARALDSON. 20 Plaintiff's, ORDER DENYING IN PART THE 21 SCOTT DEFENDANTS' MOTION FOR v. SUMMARY JUDGMENT REGARDING 22 PLAINTIFFS' FIRST (FRAUD) SECOND (CONCEALMENT) AND THIRD (CONSTRUCTIVE FRAUD) CLAIMS FOR RELIEF ღ23 SCOTT FINANCIAL CORPORATION, a North Dakota corporation; BRADLEY J. . 产 24 SCOTT; BANK OF OKLAHOMA, N.A., a national bank; GEMSTONE
DEVELOPMENT WEST, INC., a Nevada
corporation; ASPHALT PRODUCTS CORPORATION D/B/A APCO CONSTRUCTION, a Nevada corporation; DOE INDIVIDUALS 1-100; and ROE BUSINESS ENTITIES 1-100,

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appearing,

AND RELATED COUNTERCLAIMS

2 3 CLUB VISTA FINANCIAL SERVICES. ., a Nevada limited liability company; THARALDSON MOTELS II, INC., a 4 North Dakota corporation; and GARY D. 5 THARALDSON, 6 Plaintiffs, 7 ٧. 8 ALEXANDER EDELSTEIN, an individual, 9 Defendant. 10 11 12 13 This matter having come before the Court on January 18, 2011 on Defendant Scott 14 Financial Corporation's and Defendant Bradley J. Scott's Motion For Summary Judgment 15 Regarding Plaintiffs' First (Fraud), Second (Concealment) and Third (Constructive Fraud) Claims 16 for Relief; and the Court, having considered the papers submitted in connection with such Motion 17 and heard oral arguments made on behalf of the parties and then taken the matter under advisement for further consideration; and the Court, having found there are genuine issues of 18 19 material fact regarding concealment and constructive fraud given the relationship between 20 Plaintiffs Club Vista Financial Services, LLC, Gary D. Tharaldson and Tharaldson Motels II, Inc., on the one hand, and Defendants Scott Financial Corporation and Bradley J. Scott, on the 21 other hand, and the expectations that relationship may have engendered; and good cause 22

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1	IT IS HEREBY ORDERED Defendant Scott Financial Corporation's and Defendant		
2	Bradley J. Scott's Motion For Summary Judgment Regarding Plaintiffs' First (Fraud), Second		
3	(Concealment) and Third (Constructive Fraud) Claims for Relief is DENIED as to Plaintiffs'		
4	Second and Third Claims for Relief.		
5	DATED this a day of February, 2011.		
6	IT IS SO ORDERED.		
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8	DISTRICT COURT JUDGE (1)/		
9	DISTRICT COOK! FODGE W		
10	Submitted by		
11	COOKSEY, TOOLSEN GAGE, DUFFY & WOOG		
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13			
14	By: MARTIN A. MUCKLBROY		
15	COOKSEY, TOOLSEN GAGE, DUFFY & WOOG 3920 Howard Hughes Parkway		
16	Suite 200 Las Vegas, Nevada 89169		
17	Terry A. Coffing, Esq.		
18	MARQUIS AUERBACH & COFFING, P.C. 10001 Park Run Drive		
19	Las Vegas, Nevada 89145		
20	MARTIN A. ARONSON		
21	JOHN T. MOSHIER MORRILL & ARONSON, PLC		
22	Admitted Pro Hac Vice One East Camelback Road, Suite 340		
23	Phoenix, Arizona 85012 Attorneys for Plaintiff ON ARD ARCHAR STRANGERS L. I. C.		
24	CLUB VISTA FINANCIAL SERVICES, L.L.C., THARALDSON MOTELS II, INC., and		
25	GARY D. THARALDSON		
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Exhibit "8"

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CLERK OF THE COURT

ORDR GRIFFITH H. HAYES, Esq. Nevada Bar No. 7374 MARTIN A. MUCKLEROY, ESQ. Nevada Bar No. 009634 COOKSEY, TOOLEN, GAGE, DUFFY & WOOG A Professional Corporation 3930 Howard Hughes Parkway, Suite 200 Las Vegas, Nevada 89169 Telephone: (702) 949-3100 Terry A. Coffing, Esq. Nevada Bar No. 4949 MARQUES, AUERBACH & COFFING, P.C. 10001 Park Run Drive Las Vegas, Nevada 89145 K. LAYNE MORRILL, ESO. Arizona Bar No. 004591 MARTIN A. ARONSON, ESQ. Arizona Bar No. 009005 JOHN T. MOSHIER, ESQ. Arizona Bar No. 007460 MORRILL & ARONSON, PLC One E. Camelback Road, Suite 340 Phoenix, Arizona 85012 Telephone: (602) 263-8993 Attorneys For Plaintiffs DISTRICT COURT CLARK COUNTY, NEVADA CLUB VISTA FINANCIAL SERVICES, L.L.C., a Nevada limited liability company;)
THARALDSON MOTELS II, INC., a
North Dakota corporation; and GARY D. THARALDSON, Plaintiffs. 写2 注 23 SCOTT FINANCIAL CORPORATION, a North Dakota corporation; BRADLEY J.

SCOTT; BANK OF OKLAHOMA, N.A., a)

national bank; GEMSTONE
DEVELOPMENT WEST, INC., a Nevada
corporation; ASPHALT PRODUCTS

CONSTRUCTION, a Nevada corporation; DOE INDIVIDUALS 1-100; and ROE

Defendants.

CORPORATION D/B/A APCO

BUSINESS ENTITIES 1-100.

Case No. A579963 Department No. 13 Consolidated With Case No. A-10-609288-C

ORDER DENYING, IN PART,
DEFENDANTS SCOTT FINANCIAL
CORPORATION AND BRADLEY J.
SCOTT'S MOTION FOR SUMMARY
JUDGMENT ON THARALDSON'S
AND THARALDSON MOTEL II,
INC.'S THIRD AND SEVENTH
CLAIMS FOR RELIEF, AND FOR
PARTIAL SUMMARY JUDGMENT ON
THEIR ELEVENTH CLAIM FOR
RELIEF (RE: FIDUCIARY DUTY)

TES 25 2011

12019-001 555

1 AND RELATED COUNTERCLAIMS 2 3 CLUB VISTA FINANCIAL SERVICES, .L.C., a Nevada limited liability company; THARALDSON MOTELS II, INC., a 4 North Dakota corporation; and GARY D. 5 THARALDSON, 6 Plaintiffs, 7 8 ALEXANDER EDELSTEIN, an individual, 9 Defendant. 10

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This matter having come before the Court on January 20, 2011, on Defendant Scott Financial Corporation's and Defendant Bradley J. Scott's Motion For Summary Judgment Regarding Tharaldson And Tharaldson Motels II, Inc.'s Third And Seventh Claims For Relief, And For Partial Summary Judgment On Their Eleventh Claim For Relief (Re; Fiduciary Duty); and the Court, having considered the papers submitted in connection with such Motion and heard oral arguments made on behalf of the parties and then taken the matter under advisement for further consideration; and the Court, having found that, in light of the past relationship between Plaintiffs Club Vista Financial Services, LLC, Gary D. Tharaldson and Tharaldson Motels II, Inc., on the one hand, and Defendants Scott Financial Corporation and Bradley J. Scott (collectively, "Scott Defendants"), on the other hand, and the complexities of the transactions and statements made by the Scott Defendants pertaining to such relationship, there are genuine issues of material fact regarding Plaintiffs' Third (constructive fraud) and Eleventh (breach of the implied covenant of good faith and fair dealing) Claims for Relief; and therefore, good cause appearing,

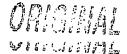
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IT IS HEREBY ORDERED Defendant Scott Financial Corporation's and Defendant 1 2 Bradley J. Scott's Motion For Summary Judgment Regarding Tharaldson And Tharaldson Motels II, Inc.'s Third And Seventh Claims For Relief, And For Partial Summary Judgment On Their 3 Eleventh Claim For Relief (Re: Fiduciary Duty) is DENIED as to Plaintiffs' Third and Eleventh 4 5 Claims for Relief. DATED this Ø day of February, 201 6 T IS SÓ ORDERED. 7 8 9 DISTRICT COURT JUDGE 10 11 Submitted by 12 COOKSEY, TOOLSEN GAGE, DUFFY & WOOG 13 14 15 MARTIN A. MUCKLEROY COOKSEY, TOOLSEN GAGE, DUFFY & WOOG 16 3920 Howard Hughes Parkway Suite 200 17 Las Vegas, Nevada 89169 18 Terry A. Coffing, Esq. MARQUIS AUERBACH & COFFING, P.C. 19 10001 Park Run Drive Las Vegas, Nevada 89145 20 MARTIN A. ARONSON 21 JOHN T. MOSHIER MORRILL & ARONSON, PLC 22 Admitted Pro Hac Vice One East Camelback Road, Suite 340 23 Phoenix, Arizona 85012 Attorneys for Plaintiff
CLUB VISTA FINANCIAL SERVICES, L.L.C., 24 THARALDSON MOTELS II, INC., and 25 GARY D. THARALDSON 26 27 28

Exhibit "9"

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ORDR 1 GRIFFITH H. HAYES, Esq. **CLERK OF THE COURT** Nevada Bar No. 7374 2 MARTIN A. MUCKLEROY, ESQ. Nevada Bar No. 009634 COOKSEY, TOOLEN, GAGE, DUFFY & WOOG 3 A Professional Corporation 4 3930 Howard Hughes Parkway, Suite 200 Las Vegas, Nevada 89169 5 Telephone: (702) 949-3100 6 Terry A. Coffing, Esq. Nevada Bar No. 4949 7 MARQUES, AUERBACH & COFFING, P.C. 10001 Park Run Drive 8 Las Vegas, Nevada 89145 9 K. LAYNE MORRILL, ESQ. Arizona Bar No. 004591 10 MARTIN A. ARONSON, ESO. Arizona Bar No. 009005 11 JOHN T. MOSHIER, ESQ. Arizona Bar No. 007460 MORRILL & ARONSON, PLC 12 One E. Camelback Road, Suite 340 13 Phoenix, Arizona 85012 Telephone: (602) 263-8993 14 Attorneys For Plaintiffs 15 DISTRICT COURT CLARK COUNTY, NEVADA 16 17 CLUB VISTA FINANCIAL SERVICES. Case No. A579963 L.L.C., a Nevada limited liability company; Department No. 13 THARALDSON MOTELS II, INC., a North Consolidated With Dakota corporation; and GARY D. Case No. A-10-609288-C THARALDSON. 19 20 Plaintiffs. ORDER GRANTING, IN PART, AND DENYING, IN PART, DEFENDANT ALEX **;2**1 EDELSTEIN'S MOTION FOR SUMMARY ## 1922 JUDGMENT (CASE NO. A609288) SCOTT FINANCIAL CORPORATION, a FEB 2.5 200 North Dakota corporation; BRADLEY J. SCOTT; BANK OF OKLAHOMA, N.A., a national bank; GEMSTONE DEVELOPMENT WEST, INC., a Nevada corporation; ASPHALT PRODUCTS CORPORATION [25 D/B/A APCO CONSTRUCTION, a Nevada corporation; DOE INDIVIDUALS 1-100; and *8*26 ROE BUSINESS ENTITIES 1-100, Defendants. 27 28 I

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1 AND RELATED COUNTERCLAIMS

CLUB VISTA FINANCIAL SERVICES, L.L.C., a Nevada limited liability company; THARALDSON MOTELS II, INC., a North Dakota corporation; and GARY D. THARALDSON,

Plaintiffs,

V

ALEXANDER EDELSTEIN, an individual,

Defendant.

ORDER GRANTING, IN PART, AND DENYING, IN PART, DEFENDANT ALEX EDELSTEIN'S MOTION FOR SUMMARY JUDGMENT (CASE NO. A609288)

This matter having come before the Court on January 27, 2011 on Defendant Alex Edelstein's Motion for Summary Judgment (Case No. A609288); and the Court, having considered the papers submitted in connection with such Motion and heard oral arguments made on behalf of the parties and then taken the matter under advisement for further consideration; and the Court having previously found there are no genuine issues of material fact regarding whether or not Plaintiff Tharaldson Motels II, Inc. ("TM2I"), acting through Plaintiff Gary D. Tharaldson, was fraudulently induced to execute the "TM2I Guaranty" by affirmative misrepresentations of fact; and, good cause appearing;

IT IS HEREBY ORDERED Defendant Alex Edelstein's Motion for Summary Judgment (Case No. A609288) against Plaintiff Club Vista Financial Services, LLC is DENIED;

IT IS FURTHER ORDERED Defendant Alex Edelstein's Motion for Summary Judgment (Case No. A609288) against Plaintiff Gary D. Tharaldson ("Tharaldson") is GRANTED only as to Plaintiff Tharaldson's Third Claim for Relief ("Aiding and Abetting Breach of Fiduciary Duty") and is DENIED as to Plaintiff Tharaldson's First (Fraudulent Misrepresentation), Second (Fraudulent Concealment/Fraudulent Omissions) and Fourth (Aiding and Abetting Misrepresentations and Omissions) Claims for Relief; and

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IT IS FURTHER ORDERED Defendant Alex Edelstein's Motion for Summary Judgment (Case 1 No. A609288) against Plaintiff Tharaldson Motels II, Inc. ("TM2I") is GRANTED only as to Plaintiff 2 TM2I's Third Claim for Relief ("Aiding and Abetting Breach of Fiduciary Duty") and is DENIED as to 3 Plaintiff TM2I's Second (Fraudulent Concealment/Fraudulent Omissions) and Fourth (Aiding and 4 5 Abetting Misrepresentations and Omissions) Claims for Relief. б day of February, 2011. DATED this IT IS'SO, ORDERED 8 9 COURT/JUDGE 10 11 Submitted by 12 COOKSEY, TOOLSEN GAGE, DUFFY & WOOG 13 14 15 MARTIN A. MUCKLEROY COOKSEY, TOOLSEN GAGE, DUFFY & WOOG 16 3920 Howard Hughes Parkway Suite 200 17 Las Vegas, Nevada 89169 18 Terry A. Coffing, Esq. MARQUIS AUERBACH & COFFING, P.C. 19 10001 Park Run Drive Las Vegas, Nevada 89145 20 MARTIN A. ARONSON 21 JOHN T. MOSHIER MORRILL & ARONSON, PLC 22 Admitted Pro Hac Vice One East Camelback Road, Suite 340 23 Phoenix, Arizona 85012 Attorneys for Plaintiff 24 CLUB VISTA FINANCIAL SERVICES, L.L.C., THARALDSON MOTELS II, INC., and 25 GARY D. THARALDSON 26 27 28

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J. RANDALL JONES, ESQ. (#1927) jrj@kempjones.com **CLERK OF THE COURT** MARK M. JONES, ESQ. (#267) mmj@kempjones.com MATTHEW S. CARTER, ESQ. (#9524) msc@kempjones.com 4 KEMP, JONES & COULTHARD, LLP 3800 Howard Hughes Parkway 5 Seventeenth Floor Las Vegas, Nevada 89169 Tel. (702) 385-6000 6 Attorneys for Scott Financial Corporation and Bradley J. Scott DISTRICT COURT 8 9 CLARK COUNTY, NEVADA 10 CLUB VISTA FINANCIAL SERVICES, Case No.: A579963 VES & COULTHARD, LLP Howard Hughes Parkway Dept. No.: XIII L.L.C., a Nevada Limited Liability Company; 11 THARALDSON MOTELS II, INC., a North Dakota corporation; and GARY D. 12 THARALDSON. 13 DEFENDANTS SCOTT FINANCIAL Plaintiffs, CORPORATION AND BRADLEY J. 14 SCOTT'S MOTION FOR FIRM TRIAL SETTING 15 SCOTT FINANCIAL CORPORATION, a North Dakota corporation; BRADLEY J. 16 October 5, 2009 SCOTT; BANK OF OKLAHOMA, N.A., a Hearing Date: Hearing Time: 9:00 a.m. national bank; GEMSTONE 17 DEVELOPMENT WEST, INC., a Nevada corporation; ASPHALT PRODUCTS 18 CORPORATION D/B/A APCO CONSTRUCTION, a Nevada corporation; 19 DOES INDIVIDUALS 1-100; and ROE BUSINESS ENTITIES 1-100, 20 Defendants. 21 22 COME NOW Defendants SCOTT FINANCIAL CORPORATION and BRADLEY J. 23 SCOTT (collectively hereinafter, "Scott"), by and through their attorneys of record, Kemp, Jones & Coulthard, LLP, and move this Court to set a firm trial date in the above-referenced matter. 25 This motion is made and based upon the attached Memorandum of Points and Authorities, 26 any attached exhibits, all pleadings and papers on file in this action, and any oral argument that this 27 28 111

	1	Court might entertain at the hearing on this motion.			
	2	Dated this 20th day of August, 200	9		
	3		Respectfully submitted,		
	4		KEMP, JONES & COULTHARD		
	5		Made May		
	6		J. RANDALL JONES, ESQ. (#1927)		
	7		MARK M. JONES, ESQ. (#267) MATTHEW S. CARTER, ESQ. (#9524) KEMP, JONES & COULTHARD, LLP		
	8		3800 Howard Hughes Parkway Seventeenth Floor		
	9		Las Vegas, Nevada 89169 Attorneys for Scott Financial Corporation		
	10		and Bradley J. Scott		
	11	NOT	ICE OF MOTION		
	12	TO: ALL PARTIES AND THEIR ATTORNEYS OF RECORD:			
1900-COF (201) VP.1	13	PLEASE TAKE NOTICE that the undersigned will bring the foregoing DEFENDANTS			
	14	SCOTT FINANCIAL CORPORATION AND BRADLEY J. SCOTT'S MOTION FOR FIRM			
	15	TRIAL SETTING on for hearing before the above-entitled Court on the 5th day of October, 2009,			
	16	at 9:00 a.m., or as soon thereafter as counsel may be heard.			
	17	Dated this 20th day of August, 200	9.		
	18		Respectfully submitted,		
	19		KEMP, JONES & COULTHARD		
	20				
	21		J.RANDALL JONES, ESQ. (#1927) MARK M. JONES, ESQ. (#267)		
	22	·	MATTHEW S. CARTER, ESQ. (#9524) KEMP, JONES & COULTHARD, LLP		
	23		3800 Howard Hughes Parkway Seventeenth Floor		
	24		Las Vegas, Nevada 89169 Attorneys for Scott Financial Corporation		
	25		and Bradley J. Scott		
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MEMORANDUM OF POINTS AND AUTHORITIES

"Setting trial dates and other matters done in the arrangement of a trial court's calendar is within the discretion of that Court. ..." Scott now comes before this Court to request a firm date for trial. A date certain is necessary in this case because of the large geographic distance between the parties, all of whom, with the sole exception of APCO Construction, reside outside of the state of Nevada. (Scott and the Plaintiffs are based in North Dakota, and Bank of Oklahoma is, obviously, based in Oklahoma.) Also, a vast majority of the witnesses in this matter may come from the banks participating in the subject Manhattan West loan, and none of those banks are based in Nevada. This distance, combined with the schedules of out-of-state counsel, percipient witnesses, and expert witnesses that will likely be retained by all parties, makes it nearly impossible to properly schedule trial testimony when the trial is on a three week stack, or can get bumped from the calendar at the last moment by a case with priority. Accordingly, Scott respectfully requests that this Court exercise its discretion and set a date certain for trial in this matter.

DATED this 20th day of August, 2009.

Respectfully submitted,

KEMP, JONES & COULTHARD

MDALL JONES, ESQ. (#1927) MARK M. JONES, ESQ. (#267)

MATTHEW S. CARTER, ESQ. (#9524) KEMP, JONES & COULTHARD, LLP

3800 Howard Hughes Parkway

Seventeenth Floor

Las Vegas, Nevada 89169

Attorneys for Scott Financial Corporation

and Bradley J. Scott

¹ Monroe, Ltd. v. Central Tel. Co. So. Nev. Div., 91 Nev. 450, 456, 538 P.2d 152, 156 (1975) (citing Close v. Second Judicial Dist., 76 Nev. 194, 314 P.2d 379 (1957)).

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CERTIFICATE OF MAILING

I hereby certify that on the 20th day of August, 2009, the foregoing DEFENDANTS SCOTT

SETTING was served on the following persons by mailing a copy thereof, first class mail, postage

FINANCIAL CORPORATION AND BRADLEY J. SCOTT'S MOTION FOR FIRM TRIAL

6 ALBRIGHT, STODDARD, WARNICK & ALBRIGHT 7 Mark Albright, Esq. D. Chris Albright, Esq. 8 Martin Muckleroy, Esq. 801 S. Rancho Drive, Suite D-4 9 Las Vegas, NV 89106 gma@albrightstoddard.com 10 dca@albrightstoddard.com mmuckleroy@albrightstoddard.com 11 Counsel for Plaintiffs

MORRILL & ARONSON, P.L.C. K. Layne Morrill, Esq. Martin A. Aronson, Esq. Stephanie L. Samuelson, Esq. 1 East Camelback Road, Suite 340 Phoenix, AZ 85012 lmorrill@maazlaw.com maronson@maazlaw.com ssamuelson@maazlaw.com Co-Counsel for Plaintiffs

HOWARD & HOWARD ATTORNEYS P.C. Gwen Rutar Mullins, Esq. 3800 Howard Hughes Parkway, 14th Floor Las Vegas, NV 89169 grm@h2law.com wbg@h2law.com kdp@h2law.com Counsel for Defendant APCO Construction and Asphalt Products Corporation

prepaid, and e-mailing to the e-mail addresses listed as follows:

LEWIS & ROCA
Von Heinz, Esq.
3993 Howard Hughes Pkwy., Suite 600
Las Vegas, Nevada 89169
vheinz@lrlaw.com
jvienneau@lrlaw.com
Local counsel for Bank of Oklahoma, N.A.

FREDERIC DORWART, LAWYERS John D. Clayman, Esq. Old City Hall 124 East Fourth Street Tulsa, OK 74103 jclayman@fdlaw.com Counsel for Bank of Oklahoma, N.A.

Gemstone Development West, Inc. c/o Alexander Edelstein, Resident Agent 10170 W. Tropicana Avenue, Suite 156-169 Las Vegas, NV 89147-8465 tami.cloudcrowd@gmail.com

An employee of Kemp, Jones & Coulthard

Exhibit "11"

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KEMP, JONES & COULTHARD, LLP

CLERK OF THE COUNT

NOV 06 2009

ORIGINAL

J. RANDALL JONES, ESQ. NDALL JONES, ESO. Nevada Bar No. 1927 MARK M. JONES, ESQ. Nevada Bar No. 267 MATTHEW S. CARTER, ESQ. Nevada Bar No. 9524 KEMP, JONES & COULTHARD, LLP 3800 Howard Hughes Parkway Seventeenth Floor Las Vegas, Nevada 89169 6 Tel. (702) 385-6000 Attorneys for Scott Financial Corporation and Bradley J. Scott

Ell ED FILED

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DISTRICT COURT

CLARK COUNTY, NEVADA

CLUB VISTA FINANCIAL SERVICES, L.L.C., a Nevada Limited Liability Company; THARALDSON MOTELS II, INC., a North Dakota corporation; and GARY D. THARALDSON,

A579963 Case No.: Dept. No.: XIII

Plaintiffs.

٧.

SCOTT FINANCIAL CORPORATION, a North Dakota corporation; BRADLEY J. SCOTT; BANK OF OKLAHOMA, N.A., a national bank; GEMSTONE DEVELOPMENT WEST, INC., a Nevada corporation; ASPHALT PRODUCTS CORPORATION D/B/A APCO CONSTRUCTION, a Nevada corporation; DOES INDIVIDUALS 1-100; and ROE **BUSINESS ENTITIES 1-100,**

ORDER GRANTING MOTION FOR FIRM TRIAL SETTING

> 09A579963 510771

Defendants.

AND ALL RELATED MATTERS.

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RECEIVED

This matter having first come before this Court on October 5, 2009, regarding Defendant/Counterclaimant Scott Financial Corporation's and Defendant Bradley J. Scott's Motion for Firm Trial Setting, the Court having reviewed the pleadings and papers on file herein, and having heard the arguments of counsel for Plaintiffs, Martin A. Aronson, Esq., and Mark Albright, Esq.; and of counsel for Defendants Scott Financial Corporation and Bradley J. Scott, J. Randall Jones, Esq.; Bank of Oklahoma, N.A., Von Heinz, Esq.; and APCO Construction, Gwen Rutar Mullins, Esq.;

and with good cause appearing and there being no just cause for delay, 1 | IT IS HERERY ORDERED ADDINGED AND DECREED that Scott Financial IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Scott Financial 2 Corporation's and Bradley J. Scott's Motion for Firm Trial Setting is GRANTED. The Court will 3 set a trial date by separate order of the Court. 4 DATED this 4 day of October, 2009. 5 6 DISTRICT COURT/JUDGE 7 Submitted by: 8 KEMP, JONES & COULTHARD, LLP 10 11 L JONES, ESQ. (#1927) MARK M. JONES, ESQ. (#267) MATTHEW S. CARTER, ESQ. (#9524) 3800 Howard Hughes Parkway, Seventeenth Floor Las Vegas, Nevada 89169 Attorneys for Defendants Scott Financial 14 Corporation and Bradley J. Scott 15 16 Approved as to form and content: 17 **MORRILL & ARONSON** 18 MARTIN A. ARONSON, ESQ. 19 (admitted pro hac vice) One E. Camelback Road, Suite 340 20 l Phoenix, AZ 85012 21 and 22 COOKSEY, TOOLEN, GAGE, DUFFY 23 & WOOG, APC 24 25 MARTIN MUCKELROY, ESQ. (#9632) 3930 Howard Hughes Parkway, Suite 200

Las Vegas, NV 89169

Attorneys for Plaintiffs

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Exhibit "12"

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IN THE SUPREME COURT OF THE STATE OF NEVADA

CLUB VISTA FINANCIAL
SERVICES, LLC., A NEVADA
LIMITED LIABILITY COMPANY;
THARALDSON MOTELS II, INC., A
NORTH DAKOTA CORPORATION;
AND GARY D. THARALDSON,
Petitioners,

VS.

THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK; AND THE HONORABLE MARK R. DENTON, DISTRICT JUDGE, Respondents

DISTRICT JUDGE,
Respondents,
and
SCOTT FINANCIAL
CORPORATION, A NORTH
DAKOTA CORPORATION;
BRADLEY J. SCOTT; BANK OF
OKLAHOMA, N.A., A NATIONAL
BANK; GEMSTONE
DEVELOPMENT WEST, INC., A
NEVADA CORPORATION; AND
ASPHALT PRODUCTS CORP.
D/B/A APCO CONSTRUCTION, A
NEVADA CORPORATION,
Real Parties in Interest.

No. 57641

FILED

MAR 0 3 2011

CLERK OF SUPREME COURT
BY DEPUTY CLERK

ORDER GRANTING STAY

On January 31, 2011, we granted a temporary stay of counsel's depositions, pending receipt and consideration of any opposition and reply to the stay motion. Having considered real parties in interest's opposition and petitioners' reply, we conclude that a stay is warranted.

SUPREME COURT OF NEVADA NRAP 8(c). Accordingly, the depositions are stayed pending further order of this court.

It is so ORDERED.

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cc: Hon. Mark R. Denton, District Judge
Cooksey, Toolen, Gage, Duffy & Woog
Lemons, Grundy & Eisenberg
Marquis & Aurbach
Morrill & Aronson, P.L.C.
Frederic Dorwart Lawyers
Howard & Howard
Kemp, Jones & Coulthard, LLP
Lewis & Roca, LLP/Las Vegas
Patrick K. Smith
Eighth District Court Clerk