

EXHIBIT 8

EXHIBIT 8

COPY

RECEIVED
9/11/13

1 NEO
2 THE DICKERSON LAW GROUP
3 ROBERT P. DICKERSON, ESQ.
4 Nevada Bar No. 000945
5 KATHERINE L. PROVOST, ESQ.
6 Nevada Bar No. 008414
7 JOSEF M. KARACSONYI, ESQ.
8 Nevada Bar No. 010634
9 1745 Village Center Circle
10 Las Vegas, Nevada 89134
11 Telephone: (702) 388-8600
12 Facsimile: (702) 388-0210
13 Email: info@dickersonlawgroup.com
14 Attorneys for LYNITA SUE NELSON

DISTRICT COURT
FAMILY DIVISION

CLARK COUNTY, NEVADA

11 ERIC L. NELSON,

12 Plaintiff/Counterdefendant,

13 v.

14 LYNITA SUE NELSON

15 Defendant/Counterclaimant.

CASE NO. D-09-411537-D
DEPT NO. "O"

16
17 ERIC L. NELSON NEVADA TRUST
18 dated May 30, 2001, and LSN NEVADA
19 TRUST dated May 30, 2001,

20 Necessary Parties (joined in this
21 action pursuant to Stipulation and
22 Order entered on August 9, 2011)

NOTICE OF ENTRY OF
INJUNCTIONS FROM
SEPTEMBER 4, 2013 HEARING

1
2 LANA MARTIN, as Distribution Trustee
3 of the ERIC L. NELSON NEVADA
TRUST dated May 30, 2001,

4 Necessary Party (joined in this
5 action pursuant to Stipulation and
6 Order entered on August 9, 2011)/
Purported Counterclaimant and
Crossclaimant,

7 v.

8 LYNITA SUE NELSON and ERIC
NELSON,

9 Purported Cross-Defendant and
10 Counterdefendant,

11 LYNITA SUE NELSON,

12 Counterclaimant, Cross-Claimant,
13 and/or Third Party Plaintiff,

14 v.

15 ERIC L. NELSON, individually, and as
16 the Investment Trustee of the ERIC L.
NELSON NEVADA TRUST dated May
17 30, 2001; the ERIC L. NELSON
NEVADA TRUST dated May 30, 2001;
18 LANA MARTIN, individually, and as the
current and/or former Distribution
Trustee of the ERIC L. NELSON
19 NEVADA TRUST dated May 30, 2001,
and as the former Distribution Trustee of
20 the LSN NEVADA TRUST dated May
30, 2001; NOLA HARBER, individually,
21 and as the current and/or former
Distribution Trustee of the ERIC L.
NELSON NEVADA TRUST dated May
22 30, 2001, and as the current and/or
former Distribution Trustee of the LSN
23 NEVADA TRUST dated May 30, 2001;
ROCHELLE McGOWAN, individually;
24 JOAN B. RAMOS, individually; and
DOES I through X,

25
26 Counterdefendants, and/or
27 Cross-Defendants, and/or
Third Party Defendants.

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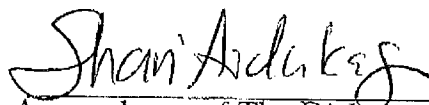
By Josef Karacsonyi
ROBERT P. DICKERSON, ESQ.
Nevada Bar No. 000945
KATHERINE L. PROVOST, ESQ.
Nevada Bar No. 008414
JOSEF M. KARACSONYI, ESQ.
Nevada Bar No. 10634
1745 Village Center Circle
Las Vegas, Nevada 89134
Attorneys for Defendant

1 CERTIFICATE OF MAILING

2 I HEREBY CERTIFY that I am this date depositing a true and correct copy of
3 the attached **NOTICE OF ENTRY OF INJUNCTIONS FROM SEPTEMBER 4,**
4 **2013 HEARING**, in the U.S. Mail, postage prepaid to the following at their last
5 known addresses, on the 10th day of September, 2013:

6
7 RHONDA K. FORSBERG, ESQ.
LAW OFFICE OF RADFORD J. SMITH, CHTD.
8 64 N. Pecos Road, #700
Henderson, Nevada 89074
9 Attorneys for Plaintiff

10 MARK A. SOLOMON, ESQ.
11 SOLOMON, DWIGGINS, FREER & MORSE, LTD.
9060 W. Cheyenne Avenue
12 Las Vegas, Nevada 89129
Attorneys for Distribution Trustee of the ELN Trust

13
14 
15 An employee of The Dickerson Law Group

ORDR

ROBERT P. DICKERSON, ESQ.

JOSEF M. KARÁCSONYI, ESQ.

1745 Village Center Circle

Telephone: (702) 388-8600

Email: info@dickersonlawgroup.com

Attorneys for LYNITA SUE NELSON

CLARK COUNTY, NEVADA

Plaintiff/Counterdefendant,

LYNITA SUE NELSON,

Defendant/Counterclaimant.

DEPT NO. "O"

ERIC L. NELSON NEVADA TRUST
dated May 30, 2001, and LSN NEVADA
TRUST dated May 30, 2001,

Necessary Parties (joined in this action pursuant to Stipulation and Order entered on August 9, 2011)

LANA MARTIN, as Distribution Trustee of
the ERIC L. NELSON NEVADA TRUST
dated May 30, 2001,

Necessary Party (joined in this action

1 pursuant to Stipulation and Order)
2 entered on August 9, 2011)/ Purported)
3 Counterclaimant and Crossclaimant,)

4 v.)

5 LYNITA SUE NELSON and ERIC)
6 NELSON,)

7 Purported Cross-Defendant and)
8 Counterdefendant)

9 LYNITA SUE NELSON,)

10 Counterclaimant, Cross-Claimant,)
11 and/or Third Party Plaintiff,)

12 v.)

13 ERIC L. NELSON, individually and as the)
14 Investment Trustee of the ERIC L. NELSON)
15 NEVADA TRUST dated May 30, 2001; the)
16 ERIC L. NELSON NEVADA TRUST dated)
17 May 30, 2001; LANA MARTIN, individually,)
18 and as the current and/or former Distribution)
19 Trustee of the ERIC L. NELSON NEVADA)
20 TRUST dated May 30, 2001, and as the)
21 former Distribution Trustee of the LSN)
22 NEVADA TRUST dated May 30, 2001);)

20 Counterdefendant, and/or)
21 Cross-Defendants, and/or)
22 Third Party Defendants.)
23)

24 INJUNCTIONS FROM SEPTEMBER 4, 2013 HEARING

25 This matter coming on for hearing on this 4th day of September, 2013, before
26 the Honorable Frank P. Sullivan; ROBERT P. DICKERSON, ESQ., KATHERINE L.
27 PROVOST, ESQ., and JOSEF M. KARACSONYI, ESQ., of THE DICKERSON LAW
28 GROUP, appearing on behalf of Defendant, LYNITA NELSON ("Lynita"), and

1 Defendant being present; RHONDA K. FORSBERG, ESQ., of RADFORD J. SMITH,
2 CHTD., appearing on behalf of Plaintiff, ERIC NELSON ("Eric"), and Plaintiff being
3 present; and JEFFREY P. LUSZECK, ESQ., of SOLOMON, DWIGGINS, & FREER,
4 LTD., appearing on behalf of the Distribution Trustee of the ERIC L. NELSON
5 NEVADA TRUST ("ELN Trust"). The Court having reviewed and analyzed the
6 pleadings and papers on file herein, having researched the issues presently before the
7 Court, and having heard the arguments of counsel and the parties, and good cause
8 appearing therefore,

9 THE COURT HEREBY ORDERS that the request for a Charging Order against
10 any distributions from the ELN Trust to Eric is DENIED WITHOUT PREJUDICE at
11 this time, as the Court wants to perform additional research regarding same and may
12 impose such a Charging Order in the future.

13 IT IS FURTHER ORDERED that the request for a receiver over the ELN Trust
14 is DENIED.

15 IT IS FURTHER ORDERED that the requests for injunctive relief over the
16 properties awarded to Lynita in the Decree of Divorce are GRANTED pursuant to
17 NRCp 62(c) and NRS 33.010, as further set forth below.

18 IT IS FURTHER ORDERED that the injunction over the \$1,032,742.00
19 awarded to Lynita in the Decree of Divorce, and the \$35,258.00 ordered to be paid to
20 the Court appointed expert, Larry Bertsch, in the Decree of Divorce, previously
21 enjoined in David Stephens, Esq.'s trust account, is hereby RESTORED. The ELN
22 Trust shall transfer the \$1,032,742.00 and the \$35,258.00 (for a total of
23 \$1,068,000.00) into a blocked, interest bearing bank account by no later than Friday,
24 September 6, 2013 at 5:00 p.m. The parties shall attempt to reach an agreement on
25 the specific bank account in which such funds are to be enjoined, but absent an
26 agreement the Court will make such decision via a telephone conference with the
27 parties' counsel. In the event no agreement has been reached or decision issued by the
28 Friday, September 6, 2013, 5:00 p.m. deadline, the ELN Trust shall transfer said funds

1 temporarily into a separate, blocked bank account of its choosing by such deadline, and
2 provide documentation to the other parties evidencing that the monies have been
3 transferred as Ordered.

4 IT IS FURTHER ORDERED that the ELN Trust is enjoined from, and shall not,
5 encumber, sell, dispose of, liquidate, pledge as security, or make any other disposition
6 of the following assets awarded to Lynita, in whole or in part, in the Court's Decree of
7 Divorce until further Order of the Court:

8 (1) the promissory notes on the property located at 5220 E. Russell Road, Las
9 Vegas, Nevada 89122 (commonly referred to during these proceedings as the "Russell
10 Road Property");

11 (2) the JB Ramos Trust Note;

12 (3) the Grotta 16.67% interest;

13 (4) the Emerald Bay Mississippi property;

14 (5) all Mississippi Properties awarded to Lynita in the Decree of Divorce,
15 including, but not necessarily limited to, the properties described in Exhibit 1,
16 attached hereto;

17 (6) the "Lindell Property" located at 3611 S. Lindell Road, Las Vegas, Nevada
18 89103;

19 (7) Banone, LLC, and the rental properties owned by Banone, LLC and
20 awarded to Lynita in the Decree of Divorce; and

21 (8) any and all other property held by the ELN Trust not specifically
22 referenced above which was awarded to Lynita in the Decree of Divorce.

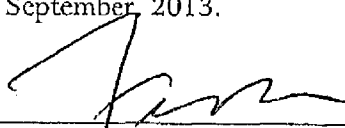
23 If the ELN Trust has "leveraged" any of the aforementioned properties since the entry
24 of the Decree of Divorce as stated by its Investment Trustee, Eric, in Open Court, it
25 is ORDERED to immediately take steps to remove or undo any such "leveraging" or
26 encumbrances, and to ensure that title to said properties is clean and clear.

27 ...

28 ...

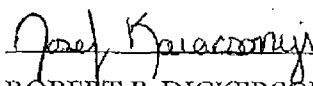
1 IT IS FURTHER ORDERED that the ELN Trust's request for a stay of the
2 Injunctions contained herein is DENIED.

3 DATED this 6th day of September, 2013.

4
5 
6 DISTRICT COURT JUDGE

7
8 Submitted by:

9 THE DICKERSON LAW GROUP

10
11 By 
12 ROBERT P. DICKERSON, ESQ.
13 Nevada Bar No. 000945
14 KATHERINE L. PROVOST, ESQ.
15 Nevada Bar No. 008414
16 JOSEF M. KARACSONYI, ESQ.
17 Nevada Bar No. 010634
18 1745 Village Center Circle
19 Las Vegas, Nevada 89134
20 Attorneys for Defendant

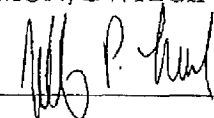
Approved as to Form and Content:

LAW OFFICE OF RADFORD J.
SMITH, CHTD.

By _____
RHONDA K. FORSBERG, ESQ.
Nevada Bar No. 009557
64 N. Pecos Road #700
Henderson, Nevada 89074
Attorneys for Plaintiff

19 Approved as to Form and Content:

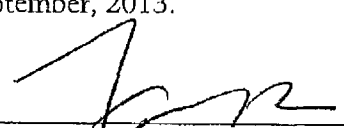
20 SOLOMON, DWIGGINS & FREER LTD.

21
22 By 
23 MARK A. SOLOMON, ESQ.
24 Nevada Bar No. 000418
25 JEFFREY P. LUSZECK, ESQ.
26 Nevada Bar No. 009619
27 9060 W. Cheyenne Avenue
28 Las Vegas, Nevada 89129
Attorneys for the ELN Trust

→ distribution Trustee of

1 IT IS FURTHER ORDERED that the ELN Trust's request for a stay of the
2 Injunctions contained herein is DENIED.

3 DATED this 6th day of September, 2013.

4
5 
6 DISTRICT COURT JUDGE

7
8 Submitted by:

9 THE DICKERSON LAW GROUP

10
11 By _____

12 ROBERT P. DICKERSON, ESQ.
13 Nevada Bar No. 000945
14 KATHERINE L. PROVOST, ESQ.
15 Nevada Bar No. 008414
16 JOSEF M. KARACSONYI, ESQ.
17 Nevada Bar No. 010634
18 1745 Village Center Circle
19 Las Vegas, Nevada 89134
20 Attorneys for Defendant

Approved as to Form and Content:

LAW OFFICE OF RADFORD J.
SMITH, CHFD.

11 By _____

12 RHONDA K. FORSBERG, ESQ.
13 Nevada Bar No. 009557
14 64 N. Pecos Road #700
15 Henderson, Nevada 89074
16 Attorneys for Plaintiff

19 Approved as to Form and Content:

20 SOLOMON, DWIGGINS & FREER LTD.

21
22 By _____

23 MARK A. SOLOMON, ESQ.
24 Nevada Bar No. 000418
25 JEFFREY P. LUSZECK, ESQ.
26 Nevada Bar No. 009619
27 9060 W. Cheyenne Avenue
28 Las Vegas, Nevada 89129
Attorneys for the ELN Trust

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EXHIBIT 1

The following described real property situated in the Hancock County, Mississippi, and being more particularly described as follows:

PARCEL 1: All of Blocks 88, 89, 90, 91, 105, 107, 108, 109 and 115, GULFVIEW SUBDIVISION, Hancock County, Mississippi, as per the official plat of said subdivision on file in the office of the Clerk of the Chancery Court of Hancock County, Mississippi.

PARCEL 2: Lots 1 through 14, inclusive, Block 106, GULFVIEW SUBDIVISION, Hancock County, Mississippi, as per the official plat of said subdivision on file in the office of the Clerk of the Chancery Court of Hancock County, Mississippi.

PARCEL 3: All of Block 110, GULFVIEW SUBDIVISION, Hancock County, Mississippi, as per the official plat of said subdivision on file in the office of the Clerk of the Chancery Court of Hancock County, Mississippi; LESS AND EXCEPT that part of said Block previously conveyed by Grace A. Ortte, by deed dated January 12, 1952 and recorded in Book I-9, Page 133 and deed dated August 7, 1978 and recorded in Book AA-26, Page 487, Deed Records of Hancock County, Mississippi.

PARCEL 4: All of Block 111, GULFVIEW SUBDIVISION, Hancock County, Mississippi, as per the official plat of said subdivision on file in the office of the Clerk of the Chancery Court of Hancock County, Mississippi; LESS AND EXCEPT that part of said Block previously conveyed by Grace A. Ortte, by deed dated January 12, 1952 and recorded in Book I-9, Page 133 and deed dated April 22, 1954, and recorded in Book J-8, page 495, Deed Records of Hancock County, Mississippi.

PARCEL 5: All of Block 112, lying Northwest of Beach Boulevard in GULFVIEW SUBDIVISION, Hancock County, Mississippi, as per the official plat of said subdivision on file in the office of the Clerk of the Chancery Court of Hancock County, Mississippi; LESS AND EXCEPT that part previously conveyed by Grace A. Ortte to N.S. Hunt, by deed dated March 16, 1960 and recorded in Book M-7, Page 91, Deed Records of Hancock County, Mississippi.

PARCEL 6: All that part of Block 113, lying Northwesterly of Beach Boulevard, GULFVIEW SUBDIVISION, Hancock County, Mississippi, as per the official plat of said subdivision on file in the office of the Clerk of the Chancery Court of Hancock County, Mississippi.

PARCEL 7: All of the right, title and interest in and to all alleyways, streets and avenues which have been previously abandoned by governmental action or which have been abandoned by implication.

1 PARCEL 8: All of the right, title and interest, including riparian rights, in and to any
2 property lying East and Southeast of Beach Boulevard and East and Southeast of any
3 of parcels of property described above.

4 Together with all and singular the rights, privileges, improvements and
5 appurtenances to the same belonging or in any wise appertaining.

6 All right, title and interest in and to the following described property located
7 in Hancock County, Mississippi, and being more particularly described as follows, to-
8 wit:

9 PARCEL 1: A parcel of land situated in part of Blocks 105 and 112, GULFVIEW
10 SUBDIVISION, Hancock County, Mississippi, and being more fully described as
11 follows:

12 Commencing at the intersection of the North right of way of Lakeshore Road with the
13 Northwestern right of way of Beach Boulevard; thence North 23 degrees 37 minutes
14 44 seconds along the Northwestern right of way of Beach Boulevard, 545.00 feet to
15 a point, said point being the place of beginning; thence South 23 degrees 37 minutes
16 44 seconds West along fence line 89.60 feet to a fence corner; thence North 65 degrees
17 58 minutes 44 seconds West along fence line 146.30 feet to a fence corner; thence
18 North 22 degrees 24 minutes 59 seconds East along fence line 169.29 feet to a fence
19 corner; thence South 64 degrees 09 minutes 25 seconds East along a fence line 150.00
20 feet to a point on the Northwestern right of way of Beach Boulevard; thence South 32
21 degrees 37 minutes 44 seconds West along the Northwestern right of way of Beach
22 Boulevard and a fence line 75 feet to the place of beginning. Containing 24,703 square
23 feet of land, more or less. LESS AND EXCEPT that portion previously conveyed to
24 Norman Du'Rapau on September 2, 1971, and recorded in Book W-9, Page 271, Deed
25 Records of Hancock County, Mississippi.

26 PARCEL 2: All that part of Lots 12, 21, 22 and 23, Block 104, GULFVIEW
27 SUBDIVISION not previously sold.

28 PARCEL 3: All of the Lots, Blocks and Abandoned Streets in Gulfview Subdivision
whether or not correctly described above which are bounded on the North by the
North line of Section 20, Township 9 South, Range 14 West; on the West by the West
line of Section 20, Township 9 South, Range 14 West; on the South by Central
Avenue; and on the East or Southeast by Beach Boulevard.

Together with all and singular the rights, privileges, improvements and
appurtenances to the same belonging or in any wise appertaining, and including
riparian and/or littoral rights adjacent to the above described property.

EXHIBIT 7

EXHIBIT 7

Inst #: 201311010001148

Fees: \$19.00 N/C Fee: \$0.00

RPTT: \$4227.90 Ex: #

11/01/2013 11:34:27 AM

Receipt #: 1829701

Requestor:

CHICAGO TITLE LAS VEGAS

Recorded By: SAO Pgs: 4

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN: 163-10-803-015

Affix R.P.T.T. \$4,227.90

WHEN RECORDED MAIL TO and MAIL TAX
STATEMENT TO:

STEFAN NATHAN CHOCK
7065 PALMYRA AVENUE
LAS VEGAS, NV 89117

ESCROW NO: 13042142-149-CK

GRANT, BARGAIN, SALE DEED

THIS INDENTURE WITNESSETH: That

Lynita Sue Nelson, Trustee of the Nelson Trust u/a/d July 13, 1993

in consideration of \$10.00 and other valuable consideration, the receipt of which is hereby
acknowledged, do hereby Grant, Bargain, Sell and Convey to

Stefan Nathan Chock, An Unmarried Man

all that real property situated in the County of Clark, State of Nevada, bounded and described as
follows:

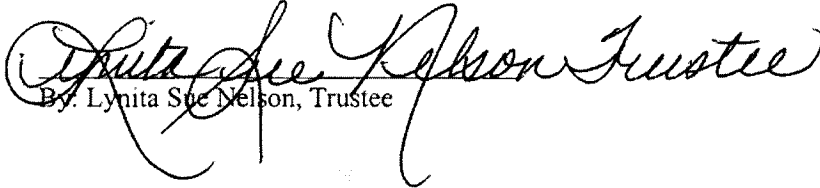
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Subject to: 1. Taxes for the current fiscal year, paid current.
 2. Conditions, covenants, restrictions, reservations, rights, rights of way and
 easements now of record, if any.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging
or in anywise appertaining.

Witness my/our hand(s) this 30th day of October, 2013.

The Nelson Trust u/a/d July 13, 1993

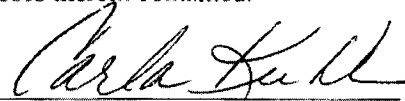

By: Lynita Sue Nelson, Trustee

Lynita Sue Nelson, Trustee

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this October 30, 2013
appeared before me, a Notary Public,

Lynita Sue Nelson
personally known or proven to me to
be the person(s) whose name(s) is/are
subscribed to the above instrument,
who acknowledged that he/she/they
executed the instrument for the
purposes therein contained.


Notary Public Carla Kuhl

My commission expires: 4-14-14

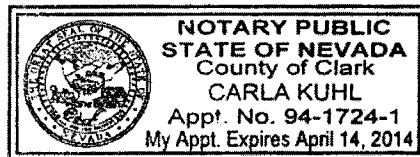


EXHIBIT A
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER (SE 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 10, TOWNSHIP 21 SOUTH, RANGE 60 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

PARCEL THREE (3) OF THE CERTAIN PARCEL MAP ON FILE IN FILE 46, PAGE 43, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH THAT PORTION OF PALMYRA AVENUE LYING ADJACENT AND NORTHERLY OF SAID LAND AS VACATED BY THE BOARD OF COMMISSIONERS OF CLARK COUNTY, NEVADA IN AN ORDER OF VACATION RECORDED JANUARY 28, 1994, IN BOOK 940128 AS DOCUMENT NO. 01280 AND RE-RECORDED JULY 8, 1994, IN BOOK 940708 AS DOCUMENT NO. 00922 OF OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

APN: 163-10-803-015

**STATE OF NEVADA
DECLARATION OF VALUE FORM**

1. Assessor Parcel Number(s)

a) 163-10-803-015

b)

c)

2. Type of Property:

- a) ☐ Vacant Land b) ☒ Single Fam. Res.
c) ☐ Condo/Twnhse d) ☐ 2-4 Plex
e) ☐ Apt. Bldg. f) ☐ Comm'l/Ind'l
g) ☐ Agricultural h) ☐ Mobile Home
i) ☐ Other _____

FOR RECORDER'S OPTIONAL USE ONLY

Book: _____ Page: _____

Date of Recording: _____

Notes: _____

3. Total Value/Sales Price of Property:

\$829,000.00

Deed in Lieu of Foreclosure Only (value of property):

()

Transfer Tax Value:

\$829,000.00

Real Property Transfer Tax Due:

\$4,227.90

4. If Exemption Claimed:

a. Transfer Tax Exemption, per NRS 375.090, Section: _____

b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: 100%

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month.

Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature *Lynita Sue Nelson Trust* Capacity Grantor

Signature _____ Capacity Grantee

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name Lynita Sue Nelson Trust
Address: 3316 Chesterbrook Ct.
City, St., Zip: Las Vegas, NV 89135

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: Stefan Nathan Chock
Address: 7065 Palmyra Avenue
City, St., Zip: Las Vegas, NV 89117

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)

Print Name: Chicago Title of Nevada, Inc.
Address: 3100 W. Sahara Ave.
City/State/Zip: Las Vegas, NV 89102

Escrow #: 13042142-149

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT 6

EXHIBIT 6

Bank of America**Cashier's Check****No. 004249654**

Notice to Purchaser - In the event this check is lost, misplaced or stolen, a stop statement and 90-day waiting period will be required prior to replacement. This check should be negotiated within 90 days.

Date **August 29, 2013**

91-1700221

Banking Center **ST. JO. #00000000****00000000000000000000****1111 621829**
Remailer (Purchased By)

28-14-3774B 09-2005

Pay **TO THE ORDER OF NELSON COMPANIES**
To The Order Of **1111 621829**
\$30,000.00****Bank of America, N.A.
Phoenix, AZ**VOID AFTER 90 DAYS****Non-Negotiable**

Authorized Signature

Customer Copy
Retain For Your Records

252563581

BANCHE LLC 3815 LEBLANC RD LAS VEGAS, NV 89103 (702) 386-9600		CITY NATIONAL BANK 2700 BROADWAY LAS VEGAS, NEVADA 89109 (702) 390-1120		L 3039
PAY TO THE ORDER OF Lyntia Nelson 7065 Palmyra Avenue Las Vegas, NV 89117		DATE Aug 6, 2013	AMOUNT ***\$2,000.37	
Two Thousand Eight Hundred Sixty-Six and 37/100 DOLLARS				
Memo: 303, Linde, Jan-2013/LANE				
000030394 612015066 36305127000				
01897897 80282213				
11/09/13 2013 1000 00000000 2013 1000 00000000 1-00000000				
01897897 80282213				


BARONE LLC 2811 KIMMEL ST LAS VEGAS, NV 89102 702-336-1000		CITY NATIONAL BANK TRUST DEPARTMENT 1500 LAS VEGAS BLVD LAS VEGAS, NV 89102		3042
PAY TO THE ORDER OF Seven Hundred and 00/100 Dollars		DATE Aug 13, 2013		AMOUNT *****5700.00
FROM Lyndia Nelson 1065 Palmyra Avenue Las Vegas, NV 89117		SIGNATURE 		
MEMO: add monies owed Lindell LSNT *00301428 151220160614 3631532740*				
MICR LINE @1001 0150 8900 08/23/13 2811 KIMMEL ST LAS VEGAS NV 89102				

EXHIBIT 5

EXHIBIT 5

1 RPLY
2 THE DICKERSON LAW GROUP
3 ROBERT P. DICKERSON, ESQ.
4 Nevada Bar No. 000945
5 KATHERINE L. PROVOST, ESQ.
6 Nevada Bar No. 008414
7 1745 Village Center Circle
8 Las Vegas, Nevada 89134
9 Telephone: (702) 388-8600
10 Facsimile: (702) 388-0210
11 Email: info@dickersonlawgroup.com
12 Attorneys for LYNITA SUE NELSON

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EIGHTH JUDICIAL DISTRICT COURT
FAMILY DIVISION

CLARK COUNTY, NEVADA

ERIC L. NELSON,
Plaintiff/Counterdefendant,

v.

LYNITA SUE NELSON,
Defendant/Counterclaimant.

CASE NO. D-09-411537-D
DEPT NO. "O"

ERIC L. NELSON NEVADA TRUST
dated May 30, 2001, and LSN NEVADA
TRUST dated May 30, 2001,

Necessary Parties (joined in this
action pursuant to Stipulation and
Order entered on August 9, 2011)

LANA MARTIN, as Distribution Trustee of
the ERIC L. NELSON NEVADA TRUST
dated May 30, 2001,

Necessary Party (joined in this action
pursuant to Stipulation and Order
entered on August 9, 2011)/ Purported
Counterclaimant and Crossclaimant,

v.

LYNITA SUE NELSON and ERIC
NELSON,

Purported Cross-Defendant and
Counterdefendant,

1 LYNITA SUE NELSON,
2 Counterclaimant, Cross-Claimant,
3 and/or Third Party Plaintiff,
4 v.
5 ERIC L. NELSON, individually and as the
6 Investment Trustee of the ERIC L. NELSON
7 NEVADA TRUST dated May 30, 2001; the
8 ERIC L. NELSON NEVADA TRUST dated
9 May 30, 2001; LANA MARTIN, individually,
10 and as the current and/or former Distribution
11 Trustee of the ERIC L. NELSON NEVADA
12 TRUST dated May 30, 2001, and as the
13 former Distribution Trustee of the LSN
14 NEVADA TRUST dated May 30, 2001);
15 Counterdefendant, and/or
16 Cross-Defendants, and/or
17 Third Party Defendants.

18
19 **RESPONSE TO COURT ORDERED ACCOUNTINGS**
20 **PROVIDED BY ERIC NELSON**

21 COMES NOW Defendant, LYNITA SUE NELSON ("Lynita"), by and through
22 her attorneys, ROBERT P. DICKERSON, ESQ., and KATHERINE L. PROVOST,
23 ESQ., of THE DICKERSON LAW GROUP, and hereby files this Response to the
24 Court ordered accountings provided by Eric Nelson on August 9, 2013 (Lindell
25 Professional Plaza) and August 16, 2013 (Revised Lindell Professional Plaza and
26 Banone, LLC). As Lynita is unaware of whether Eric has provided this Court with a
27 copy of his accountings, the same as provided to her, have been attached to this
28 Response as **Exhibits A, B, and C**. In addition, though not ordered by the Court,
because Lynita collected certain rental income from Banone, LLC properties and the
Lindell Professional Plaza during the June 1, 2013 through August 30, 2013 time
period she has attached an accounting of the income she collected and the expenses
paid by Lynita (including back-up documentation) for such properties during the same
period of time. Lynita's accounting is attached as **Exhibit D**.

1 With respect to Eric's Banone, LLC accounting, Lynita has the following
2 concerns following her review of the revised August 12, 2013 accounting:

3 A. Income Discrepancies - None at this time.

4 B. Expense Discrepancies

5 (1) Lynita disputes the deduction and allocation of wages toward
6 administrative/accounting/operating - Labor costs (\$2,757.51) and the
7 deduction and allocation of wages toward maintenance - Labor costs
8 (\$4,350.00) as stated on the accounting until such time as she is provided
9 with the general ledger for the payment of wages as well as any other
10 documentation which would support the stated expenses. Such
11 documentation is required to confirm from which entity the stated
12 expenses were actually paid, to whom, and the reasonableness of such
13 expenses. Further, there appears to be no legitimate basis for
14 maintenance - Labor costs as there has been minimal repairs and/or
15 maintenance to the Banone, LLC properties and the actual costs of any
16 maintenance and repairs has additionally been deducted as an expense.

17 By way of letter to Eric's and the ELN Trust's counsel dated August 30, 2013,
18 the general ledger for the payment of wages as well as any other documentation which would
19 support the stated wage expenses for each business entity together with the general ledger for
20 the insurance costs which Eric has deducted from the Lindell Road income has been requested.

21 A copy of the referenced letter is attached as **Exhibit E**.

22 Dated this 30th day of August, 2013.

23 THE DICKERSON LAW GROUP


24
25 By 
26 ROBERT P. DICKERSON, ESQ.
27 Nevada Bar No. 000945
28 KATHERINE L. PROVOST, ESQ.
Nevada Bar No. 008414
1745 Village Center Circle
Las Vegas, Nevada 89134
Attorneys for Defendant

Exhibit “D”

Nelson vs Nelson
Banone LLC & Lindell Property
Monthly Income & Expenses by Property
June through August 2013

Banone LLC							
Address	Estimated Monthly Rental Amount ⁽¹⁾	Actual June income/expenses by LSN		Actual July income/expenses by LSN		Actual August income/expenses by LSN	
		Income	Expenses	Income	Expenses	Income	Expenses
4412 Baxter, LV, NV	\$350	\$0	\$0.00	\$700	\$0.00	\$700	\$0
3301 Terra Bella Dr, LV, NV	\$1,200	\$0	\$0.00	\$1,200	\$0.00	\$0	\$0
4601 Concord Village, LV, NV	\$950	\$925	\$0.00	\$925	\$0.00	\$0	\$0
5113 Churchill Ave, LV, NV	\$900	\$0	\$0.00	\$900	\$0.00	\$0	(\$320)
6304 Guadalupe Ave, LV, NV	\$800	\$0	\$0.00	\$800	\$0.00	\$0	\$0
5314 Clover Blossom Court, N LV, NV	\$1,000	\$0	\$0.00	\$0	\$0.00	\$0	\$0
1301 Heather Ridge, N LV, NV	\$1,200	\$0	\$0.00	\$0	\$0.00	\$0	\$0
6213 Anaconda, LV, NV	\$1,100	\$0	\$0.00	\$0	\$0.00	\$0	\$0
1608 Rusty Ridge Lane, Henderson NV ⁽³⁾	\$0	\$0	\$0.00	\$0	\$0.00	\$0	\$0
4133 Compass Rose Way, LV, NV	\$1,000	\$0	\$0.00	\$0	\$0.00	\$0	\$0
4612 Sawyer Ave, LV, NV	\$1,000	\$0	\$0.00	\$0	\$0.00	\$0	\$0
4820 Marnell Dr, LV, NV	\$800	\$0	\$0.00	\$0	(\$85.00)	\$0	\$0
6301 Cambria Ave, LV, NV	\$1,000	\$0	\$0.00	\$0	\$0.00	\$0	\$0
Total Rents	\$11,300	\$925	\$0.00	\$4,525	(\$85.00)	\$700	(\$320)
Gross Income	\$11,300	\$925.00		\$4,525.00		\$700.00	
Total Expenses		\$0.00		(\$85.00)		(\$320.00)	
Net Income		\$925.00		\$4,440.00		\$380.00	

Lindell Property							
Address	Estimated Monthly Rental Amount ⁽²⁾	Actual June income/expenses by LSN		Actual July income/expenses by LSN		Actual August income/expenses by LSN	
		Income	Expenses	Income	Expenses	Income	Expenses
Suites #101 & #102 - Dr. Stock		\$0	(\$112.03)	\$0	\$0.00	\$0	\$0
Suite #103 - Empty		\$0		\$0	\$0.00	\$0	\$0
Suite #104 - Empty		\$0		\$0	\$0.00	\$0	\$0
Suite #105 - Apex Properties		\$0		\$0	\$0.00	\$0	\$0
Suite #106 - Nguyen Lan		\$0		\$0	\$0.00	\$0	\$0
Suites #107 & #108 - New Life Mission		\$0		\$2,500	\$0.00	\$0	\$0
Suite #201 - Dynasty Development Group		\$0		\$0	\$0.00	\$0	\$0
Total Rents	\$10,000	\$0	(\$112.03)	\$2,500	\$0.00	\$0	\$0
Gross Income	\$10,000	\$0.00		\$2,500.00		\$0.00	
Total Expenses		(\$112.03)		\$0.00		\$0.00	
Net Income		(\$112.03)		\$2,500.00		\$0.00	

(1) Information per Larry Bertsch Report - Defendant's Exhibit GGGGG

(2) Total rents per Final Decree of Divorce filed 6/3/13. Information located on page 36 line 25.

(3) Estimated monthly rental income not provided.

(4) In the month of June, tenant made a rental payment of \$1,800; however, they put a stop payment on the check.

(5) Monthly rent is \$3,000. For the month of July, there was an agreement made that the tenant would pay \$2,500 upfront with the remaining \$500 made up each week, which he has not yet done. On 6/25/13, there was a letter from tenant requesting rent be reduced to \$2,500 which was not accepted and rent was to remain at \$3,000.

Banone LLC
Income

VILMA NEYRA
4412 BAXTER PL
LAS VEGAS, NV 89107-4292

91-104/21

182

PAY TO THE
ORDER OF

LSN Nevada Trust

DATE 7-27-13

\$ 700.00

DATE

11/11/13

usbank

All of US serving you™

MEMO

Pay de house

Vilma Neyra

⑆121201694⑆ 153753146148⑆0107

VILMA NEYRA
4412 BAXTER PL
LAS VEGAS, NV 89107-4252

03/12/13

109

PAY TO THE
ORDER OF

L S N Nevada Trust
Seven Hundred

\$ 700

DOLLARS

usbank

All of us serving you

MEMO

rent

[Signature]

⑆121201694⑆ 15375314614610109

The Dickerson Law Group

DATE 7/2/13 NO. 484180

ADDRESS 3301 N. Terry Bella

2007


FSR

ACCOUNT		HOW PAID?	
AMT. OF ACCOUNT	<input checked="" type="checkbox"/>	CASH	
AMT. PAID		CHECK	
BALANCE DUE		MONEY ORDER	

C2005 DEFORM © 8L810

P93111-2

15408801041: 50100716275411

Bank of America 		Customer Receipt
<p>All items are credited subject to verification, collection, and conditions of the Rules and Regulations of this Bank and as otherwise provided by law. Payments are accepted when credit is applied to outstanding balances and not upon issuance of this receipt. Transactions received after the Bank's posted cut-off time or Saturday, Sunday, and Bank Holidays, are dated and considered received as of the next business day.</p> <p>Please retain this receipt until you receive your account statement.</p> <p>Thank you for banking with Bank of America. Save time with fast, reliable deposits, withdrawals, transfers and more at thousands of convenient ATM locations.</p>		
06/03/2013 09:34 NNV T00040 R540880133 Acct# *****2754 CC.0007918 Tlr 00005		
Total Deposit To CHK		\$925.00
Available Now		\$925.00
Member FDIC 95-14-2005B 10-2012		

**WESTERN MONEY
UNION ORDER**

THE FOLLOWING CONTAINS A FINE WATERMARK AND IS NOT TO BE REPRODUCED
WESTERN UNION FINANCIAL SERVICES INC. - ISSUER
Provides at Wells Fargo Bank Grand Junction - Durango, CO, Grand Junction, Colorado
Englewood, Colorado



ISSUED BY
NOT GOOD OVER \$500.

PAY EXACTLY
PAY TO THE ORDER OF
FIFTY HUNDRED TWENTY-FIVE DOLLARS AND NO CENTS

PAYMENT FOR/ACCT. #

4601 Colorado Springs Address 14-725672008

14-725672008

**WESTERN MONEY
UNION ORDER**

THE FOLLOWING CONTAINS A FINE WATERMARK AND IS NOT TO BE REPRODUCED
WESTERN UNION FINANCIAL SERVICES INC. - ISSUER
Provides at Wells Fargo Bank Grand Junction - Durango, CO, Grand Junction, Colorado
Englewood, Colorado



ISSUED BY
NOT GOOD OVER \$500.

PAY EXACTLY
PAY TO THE ORDER OF
FIVE HUNDRED DOLLARS AND NO CENTS

PAYMENT FOR/ACCT. #

4601 Colorado Springs Address 14-725672007

14-725672007

BANONE, LLC

jramos@enivcorp.com
Joan Ramos

MOVE IN/MOVE OUT FORM

Resident's Name: Tanet Scherer
Property Address: 4601 Concord Village

Move-In Date: 6-1-11
Move-Out Date: _____

MASTER BEDROOM

Walls/Ceiling	ok
Floors	ok
Windows	Damaged - glued
Screens	No Screens
Window Covering	yes
Light Fixture	no

BATHROOM

Walls/Ceiling	ok
Floors	ok
Light Fixture	ok
Sink	ok
Toilet	ok
Tub/Shower	ok
Medicine Cabinet	ok
Window	Damage
Window Covering	yes ok
Exhaust Fan	ok
Towel Racks	none

BEDROOM 1

Walls/Ceiling	Smells like cigars
Floors	ok
Windows	Can't open
Screens	no Screens
Window Covering	✓
Light Fixture	no

BATHROOM

Walls/Ceiling	✓
Floors	✓
Light Fixture	✓
Sink	✓
Toilet	✓
Tub/Shower	✓
Medicine Cabinet	✓
Window	Damage
Window Covering	none
Exhaust Fan	✓
Towel Racks	none

BEDROOM 2

Walls/Ceiling	ok
Floors	ok
Windows	Can't open
Screens	none
Window Covering	none
Light Fixture	no

BEDROOM N/A

Walls/Ceiling	
Floors	
Windows	
Screens	
Window Covering	
Light Fixture	

OTHER

Washer/Dryer	✓
Closet Doors	

BANONE, LLC

MOVE IN/MOVE OUT FORM (Continued)

LIVING ROOM

Walls/Ceiling	ok
Floors	good
Light Fixture	ok
Windows	✓ Damage to lock
Window Covering	✓
Screens	no screens
Fire Place	Dirty but ok

SERVICE EQUIPMENT

Air Conditioner	good
Heater	?

UTILITY AREA

Floors	ok
Walls/Ceiling	✓
Washer/Dryer	none

DINING ROOM/AREA

Walls/Ceiling	ok
Floors	ok
Light Fixture	ok
Windows	ok
Screens	none
Window Covering	ok

GARAGE/STORAGE

Floors	✓
Walls/Ceilings	✓
Light Fixture	✓
Windows	✓
Screens	none

KITCHEN

Walls/Ceiling	✓
Floors	✓
Windows	✓
Screens	none
Window Covering	✓
Light Fixture	✓
Sink	✓
Cabinets	✓
Range & Oven	✓
Refrigerator	no
Dishwasher	✓
Garbage Disposal	✓

EXTERIOR

Walls	ok
Trim	ok

LAWN/LANDSCAPE

good

MISCELLANEOUS

Door Opener	1 opener
Keys	2 keys

The undersigned acknowledges that the above is the condition of the Property on moving in.

Resident: [Signature]

Resident: _____

Management: _____

The undersigned acknowledges that the above is the condition of the Property on vacating the premises.

Resident: [Signature]

Resident: [Signature]

Management: _____

BANONE, LLC

February 12, 2013

Janet Sherer
4601 Concord Village
Las Vegas, NV 89108

RE: Confirmation of residency and lease agreement – Concord Village.

Dear Ms. Sherer:

According to your lease at 4601 Concord Village, Las Vegas, NV 89108 and dated June 1, 2010 and ending on May 31, 2013 the following persons are listed as occupants and are permitted to reside on the property.

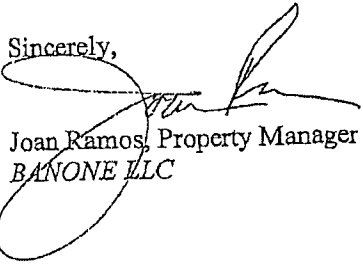
1. Janet Sherer
2. Micahel Barnes
3. Adam Sherer
4. Joshua Barnes
5. Katie Barnes

The rent due per month is \$925 due and payable by the 1st of every month. This does not include late fees that may accrue after such date.

Please contact me should you need further details of your lease. I may be reached at 702-362-3030 Ext 5.

Thank you.

Sincerely,



Joan Ramos, Property Manager
BANONE LLC

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO VIEW

WESTERN UNION	MONEY ORDER	WESTERN UNION FINANCIAL SERVICES INC. - ISSUER <small>Payable at Wells Fargo Bank Grand Junction - Downtown, N.A., Grand Junction, Colorado</small> <small>Englewood, Colorado</small>
----------------------	--------------------	---

14-609659403

A 724397 D 070813
T 1942 02
146096594033 L 000000 \$ 150.00

PAY EXACTLY ONE HUNDRED FIFTY DOLLARS AND NO CENTS

PAY TO THE ORDER OF

PAYMENT FOR/ACCT. # *Rent*

5113 Church St. Las Vegas NV 89107 *Norma Freedman*
PURCHASER'S ADDRESS PURCHASER'S SIGNATURE

⑆102100400⑆ 40146096594033⑈

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO VIEW

WESTERN UNION	MONEY ORDER	WESTERN UNION FINANCIAL SERVICES INC. - ISSUER <small>Payable at Wells Fargo Bank Grand Junction - Downtown, N.A., Grand Junction, Colorado</small> <small>Englewood, Colorado</small>
----------------------	--------------------	---

14-609659402

A 724397 D 070813
T 1941 02
146096594024 L 000000 \$ 750.00

PAY EXACTLY SEVEN HUNDRED FIFTY DOLLARS AND NO CENTS

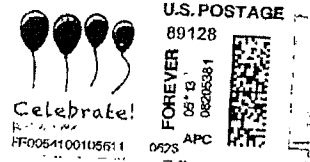
PAY TO THE ORDER OF

PAYMENT FOR/ACCT. # *Rent*

5113 Church St. Las Vegas NV 89107 *Norma Freedman*
PURCHASER'S ADDRESS PURCHASER'S SIGNATURE

⑆102100400⑆ 40146096594024⑈

6304 Guadalupe ave.
Las Vegas NV. 89108



LSN. Nevada Trust
c/o The Dickerson Law
Group.
1745 Village Center Circle
Las Vegas NV 89134

Valid Money Order includes: 1. Heat sensitive, red stop sign AND 2. MoneyGram image visible on the other side when held at an angle or rubbed with coin.

MoneyGram
Money Order

07/11/2013

10358056357
MONEY ORDER

PAY EXACTLY *\$300.00*****
THREE HUNDRED **
DOLLARS 00 CENTS

71965204120001
056060 192143357

MONEY ORDER NUMBER
R103580563570
CALL 1-800-542-3550 TO VERIFY

PAY TO THE ORDER OF LSN. Nevada Trust
ADDRESS c/o The Dickerson Law Group
CITY Las Vegas
STATE NV
ZIP 89134

STOP SIGN

⑆091916187⑆1035 80563570⑈ 90

Valid Money Order includes: 1. Heat sensitive, red stop sign AND 2. MoneyGram image visible on the other side when held at an angle or rubbed with coin.

MoneyGram
Money Order

07/11/2013

10358056356
MONEY ORDER

PAY EXACTLY *\$500.00*****
FIVE HUNDRED ***
DOLLARS 00 CENTS

71965204120001
056060 192143356

MONEY ORDER NUMBER
R103580563560
CALL 1-800-542-3550 TO VERIFY

PAY TO THE ORDER OF LSN. Nevada Trust
ADDRESS c/o The Dickerson Law Group
CITY Las Vegas
STATE NV
ZIP 89134

STOP SIGN

⑆091916187⑆1035 80563560⑈ 90

EXHIBIT 4

EXHIBIT 4

EXHIBIT B1

2009 through 2012 Consolidated Totals

Source & Application of Rental/Interest Income		2009 - 2012 Total	2009 Total	2010 Total	2011 Total	3 1/2 Months of 2012
Sources						
Rental & Interest Income						
	Banone Houses	1,394,207.57	392,456.43	494,626.47	382,208.40	124,916.27
	Lindell	341,971.35	115,096.00	91,527.35	110,148.00	25,200.00
	Note Interest Income	259,633.80	142,126.49	63,529.03	44,183.35	9,794.93
	Arnold Rent	14,235.19	4,594.70	2,662.88	5,254.46	1,723.15
	RV Park	42,793.09	38,158.09	-	4,635.00	-
	Total Rental & Interest Income	2,052,841.00	692,431.71	652,345.73	546,429.21	161,634.35
Applications						
Rental Expenses						
	Rental Expenses	499,578.90	329,361.92	78,484.28	69,265.81	22,466.89
	Taxes	379,870.15	142,497.18	130,794.78	64,369.94	42,208.25
	Lindell Expenses	71,204.27	33,545.67	24,014.40	8,758.25	4,885.95
	HOA Fees	34,028.77	14,755.49	14,926.08	3,815.20	532.00
	Insurance	43,336.38	24,745.37	17,023.35	1,567.66	-
	Total Rental Expenses	1,028,018.47	544,905.63	265,242.89	147,776.86	70,093.09
	Income/Loss, for Rental/Interest	1,024,822.53	147,526.08	387,102.84	398,652.35	91,541.26
Source & Application of Other Income & Expenses						
Sources						
	Related Individuals	419,598.83	267,092.56	24,169.27	116,670.00	11,667.00
	Sale of Real Estate	6,250,616.46	3,702,030.75	2,086,354.10	352,231.61	110,000.00
	Silver Slipper & Hideaway Income	456,349.27	163,805.29	155,952.85	97,044.01	39,547.12
	Redemption of CD	2,504,535.34	2,504,535.34	-	-	-
	Eric Nelson	1,060,095.59	998,800.00	60,795.59	300.00	200.00
	Other Income	3,188,929.11	2,800,405.97	180,422.24	12,214.65	195,886.25
	Total Sources of Income	13,880,124.60	10,436,669.91	2,507,694.05	578,460.27	357,300.37
Applications						
	Investments	9,104,348.77	8,846,467.56	257,881.21	-	-
	Professionals	809,107.32	72,569.44	303,058.66	423,479.22	10,000.00
	Oasis Baptist Church (Russell Road) (Asset)	380,813.99	-	-	380,813.99	-
	Eric Nelson Draws and Expenses	697,476.29	200,884.69	256,218.51	193,953.55	46,419.54
	Children Expenses	407,392.13	100,902.35	145,566.83	139,363.15	21,559.80
	Related Individuals	3,900,115.29	1,336,784.69	2,382,495.36	117,988.04	62,847.20
	Company Operating Expenses	594,500.72	305,645.18	136,299.39	128,352.91	24,203.24
	Bella Kathryn Improvements & Expenses (Eric's Residence)	1,839,494.79	402,000.00	1,257,047.67	99,866.64	80,580.48
	Credit Cards	37,329.59	15,373.37	-	11,000.00	10,956.22
	Wyoming Downs (Asset)	80,800.00	-	-	76,000.00	4,800.00
	Other Individuals	502,173.52	298,793.02	105,160.27	64,907.11	33,313.12
	Soris Enterprises & Larsen Company	443,672.85	199,600.00	179,558.72	63,719.13	795.00
	Health/Life Insurance	75,189.41	11,952.01	14,899.85	40,850.45	7,487.10
	Lynita Nelson	89,517.12	65,505.94	13,003.58	10,763.60	244.00
	Vehicles	26,321.26	10,290.42	5,903.00	8,479.48	1,648.36
	Toler Marine, Inc	3,000.00	-	-	3,000.00	-
	Other Expenses	28,723.94	23,195.99	3,027.95	-	2,500.00
	Total Applications	19,019,976.99	11,889,964.66	5,060,121.00	1,762,537.27	307,354.06
	Income/(Loss) for Other Income & Expenses	(5,139,852.39)	(1,453,294.75)	(2,552,426.95)	(1,184,077.00)	49,946.31
Investment Account & Line of Credit						
	Deposits from Line of Credit & Mellon Account	7,918,202.04	3,640,000.00	2,997,368.17	1,032,000.00	248,833.87
	Payments towards Line of Credit & Mellon Account	6,250,000.00	4,950,000.00	1,050,000.00	250,000.00	-
	Net Deposits/(Payments)	1,668,202.04	(1,310,000.00)	1,947,368.17	782,000.00	248,833.87
	Net Cash Surplus/(Deficit) for All Sources	(2,446,827.82)	(2,615,768.67)	(217,955.94)	(3,424.65)	390,321.44

EXHIBIT 3

EXHIBIT 3

1 **NOTC**

Larry L. Bertsch, CPA, CFF

2 Nicholas S Miller, CFE, CSAR

LARRY L BERTSCH, CPA & ASSOCIATES

3 265 East Warm Springs Rd., Suite 104

Las Vegas, Nevada 89119

4 Telephone: (702) 471-7223

Facsimile: (702) 471-7225

5 *Forensic Accountants*

6
7 **DISTRICT COURT**

8 **CLARK COUNTY, NEVADA**

9 ERIC L. NELSON,

10 Plaintiff,

11 v.

12 LYNITA SUE NELSON,

13 Defendant.

Case No. D-09-411537-D


Dept. O

14
15 **NOTICE OF FILING INCOME AND EXPENSE REPORTS FOR LYNITA NELSON FOR**
16 **THE PERIOD OF JANUARY 1, 2011 THROUGH MARCH 31, 2012**

17 LARRY L. BERTSCH and NICHOLAS MILLER, FORENSIC ACCOUNTANTS hereby file
18 the Income and Expense Report for Lynita Nelson for the Period of January 1, 2011 Through March
19 31, 2012. Said report is attached hereto as **Exhibit 1**.

20 Dated this 1st day of May, 2012.

21 **LARRY L BERTSCH, CPA & ASSOCIATES**

22
23
24 
Larry L. Bertsch, CPA, CFF

Nicholas S Miller, CFE, CSAR

25 265 East Warm Springs Rd., Suite 104

26 Las Vegas, Nevada 89119

27 *Forensic Accountants*

CERTIFICATE OF MAILING

I certify that on the 1st day of May, 2012, I mailed a copy of the NOTICE OF FILING INCOME AND EXPENSE REPORTS FOR LYNITA NELSON FOR THE PERIOD OF JANUARY 1, 2011 THROUGH MARCH 31, 2012 to the following at their last known address, by depositing the same in the United States Mail, in Las Vegas, Nevada, first class postage prepaid and addressed as follows:

Rhonda K. Forsberg, Esq.
IVEY FORSBERG & DOUGLAS
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An employee of Larry L. Bertsch, CPA & Associates

EXHIBIT 1

Source and Application of Funds
For
Lynita Nelson

From January 1, 2011 through March 31, 2012

District Court Family Division

Clark County, Nevada

Case Number: D-09-411537-D

Department O

Report Date: May 1, 2012

Prepared by:

Larry L. Bertsch, CPA, CFF

&

Nicholas Miller, CFE, CSAR, MBA

Lynita Nelson

EXHIBIT A indicates the annual Sources and Applications of case by Lynita Nelson from 2009 through 2012. Amounts in 2012 are subject to change as Forensic Accountants are missing various statements and documents.

EXHIBIT B indicates the monthly Sources and Applications of case by Lynita Nelson for 2011.

EXHIBIT C indicates the monthly Sources and Applications of case by Lynita Nelson for the first three months of 2012. Totals are subject to change as Forensic Accountants are missing various statements and documents.

Forensic Accountants reserve the right to update this report and accompanying schedules upon the production of additional documentation and/or information.

EXHIBIT A

	Jan - Dec 09	Jan - Dec 10	Jan - Dec 11	Jan - Dec 12	TOTAL
Income					
Dividend Income	121.35	51.81	234.68	34.59	442.43
Income Tax Refund	-	-	30,741.05	-	30,741.05
Sale of Investment	317,604.65	876,000.00	484,930.00	150,000.00	1,828,534.65
Unknown Deposit	219,210.56	2,000.00	10,249.95	-	231,460.51
Total Income	536,936.56	878,051.81	526,155.68	150,034.59	2,091,178.64
	536,936.56	878,051.81	526,155.68	150,034.59	2,091,178.64
Expense					
Bank of America	3,172.60	370.98	448.43	-	3,992.01
Bank Service Charge	586.40	930.59	2,304.73	88.00	3,909.72
Cash Withdrawal	185,717.45	39,218.21	5,412.50	1,406.00	231,754.16
Children Payments					
Amanda	-	-	-	115.00	115.00
Aubrey Nelson	328.36	-	-	-	328.36
Carli Nelson	536.00	13,213.72	5,854.00	879.00	20,482.72
Erica Nelson	20.00	94.97	830.00	-	944.97
Garett Nelson	542.10	1,598.40	2,438.71	-	4,579.21
General Items	1,105.59	5,928.59	18,760.11	6,208.38	32,002.67
Total Children Payments	2,532.05	20,835.68	27,882.82	7,202.38	58,452.93
Community Assets					
Taxes	1,380.00	1,549.80	5,127.44	-	8,057.24
Total Community Assets	1,380.00	1,549.80	5,127.44	-	8,057.24
FIA Card Services	3,259.68	1,519.01	-	-	4,778.69
Housing Expenses					
Alarm	377.55	445.45	479.40	119.85	1,422.25
Improvements	14,757.34	33,990.90	1,785.36	-	50,533.60
Lawn Service	8,237.42	22,870.99	16,169.74	1,679.14	48,957.29
Maintenance	3,207.47	14,759.63	25,080.74	2,204.59	45,252.43
Other	5,954.32	4,257.41	743.58	1,084.81	12,040.12
Pest Control	520.00	480.00	520.00	120.00	1,640.00
Pool	3,542.11	3,187.43	1,636.82	758.68	9,125.04
Taxes	13,863.16	5,586.40	5,757.25	-	25,206.81
Utilities	16,290.08	15,746.30	19,008.78	3,724.10	54,769.26
Total Housing Expenses	66,749.45	101,324.51	71,181.67	9,691.17	248,946.80
Interest Expense	929.19	273.08	1,706.54	-	2,908.81
Medical	9,235.82	22,516.25	10,779.12	5,310.94	47,842.13
Payments to Individuals					
Allen Weiss	3,910.00	-	-	-	3,910.00
Total Payments to Individuals	3,910.00	-	-	-	3,910.00

Total Personal Expenses	110,940.47	217,840.22	171,186.55	42,834.60	542,801.84
Professionals					
Anthem Forensics	7,941.00	59,665.50	3,250.50	842.50	71,699.50
Boyce and Gianni LLP	-	1,800.00	700.00	-	2,500.00
Bradshaw Smith & Co (CPA)	-	1,980.00	1,875.00	-	3,855.00
DeBecker Investigations, Inc.	-	-	3,700.00	-	3,700.00
Dukes Dukes Keating	-	5,000.00	18,515.63	-	23,515.63
Jeffrey Burr & Associates	948.00	-	2,062.50	-	3,010.50
Ladner Appraisal Group	-	2,600.00	-	-	2,600.00
Margaret Johanson (Counselor)	1,870.00	2,750.00	2,370.00	1,270.00	8,260.00
Melissa Attanasio	-	57,442.50	27,637.50	6,650.00	91,730.00
Reed Van Boerum	-	14,040.00	-	-	14,040.00
Robert Gaston	-	4,600.00	-	-	4,600.00
Rogers & Haldeman	1,500.00	1,225.00	-	-	2,725.00
The Dickerson Law Group	67,174.20	254,722.09	193,432.40	79,370.90	594,699.59
Total Professionals	79,433.20	405,825.09	253,543.53	88,133.40	826,935.22
Total Expense	467,846.31	812,203.42	549,573.33	154,666.49	1,984,289.55

EXHIBIT B

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Income													
Dividend Income	21.91	15.50	16.19	16.78	19.46	19.34	21.70	25.19	22.43	21.71	21.24	13.23	234.68
Income Tax Refund	-	-	-	-	-	-	30,741.05	-	-	-	-	-	30,741.05
Sale of Investment	50,000.00	-	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	25,000.00	25,000.00	34,930.00	50,000.00	50,000.00	484,930.00
Unknown Deposit	-	-	-	-	-	-	249.95	5,000.00	-	-	-	5,000.00	10,249.95
Total Income	50,021.91	15.50	50,016.19	50,016.78	50,019.46	50,019.34	81,012.70	30,025.19	25,022.43	34,951.71	50,021.24	55,013.23	526,155.68
Expense	50,021.91	15.50	50,016.19	50,016.78	50,019.46	50,019.34	81,012.70	30,025.19	25,022.43	34,951.71	50,021.24	55,013.23	526,155.68
Bank of America	364.33	-	-	-	-	15.02	69.08	-	-	-	-	-	448.43
Bank Service Charge	30.00	83.00	5.00	15.00	95.00	64.00	64.00	1,692.73	83.00	70.00	103.00	-	2,304.73
Cash Withdrawal	-	-	1,000.00	500.00	403.00	-	-	-	500.00	1,000.00	500.00	1,509.50	5,412.50
Children Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Amanda	-	-	-	-	-	-	-	-	-	-	-	-	-
Carl Nelson	-	525.00	4,370.00	500.00	-	290.00	-	60.00	109.00	-	-	-	5,854.00
Eriq Nelson	600.00	-	-	-	-	-	-	230.00	-	-	-	-	830.00
Garrett Nelson	300.00	-	174.00	768.20	425.92	-	207.65	104.60	-	-	-	458.34	2,438.71
General Items	944.13	884.76	1,559.96	748.90	655.35	614.60	937.07	1,057.76	2,395.20	1,045.83	2,931.07	4,985.48	18,760.11
Total Children Payments	1,844.13	1,409.76	6,103.96	2,017.10	1,081.27	904.60	1,144.72	1,452.36	2,504.20	1,045.83	2,931.07	5,443.82	27,882.82
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	3,349.42	-	-	-	-	9.76	-	-	1,768.26	-	-	-	5,127.44
Total Community Assets	3,349.42	-	-	-	-	9.76	-	-	1,768.26	-	-	-	5,127.44
Housing Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Alarm	39.95	39.95	39.95	39.95	39.95	39.95	39.95	39.95	39.95	39.95	39.95	39.95	479.40
Improvements	-	-	-	-	-	-	-	-	-	1,185.36	120.00	480.00	1,785.36
Lawn Service	-	602.00	297.00	859.70	593.24	7,959.32	52.19	-	320.10	1,034.98	4,115.02	336.19	16,169.74
Maintenance	575.69	1,214.74	310.00	208.14	330.62	939.00	376.86	2,003.05	2,750.87	3,283.08	6,146.73	6,941.96	25,080.74
Other	-	372.43	-	220.00	73.51	-	-	33.39	44.25	-	-	-	743.58
Pest Control	80.00	40.00	40.00	-	80.00	40.00	-	80.00	40.00	-	80.00	40.00	520.00
Pool	365.12	-	120.00	240.00	-	491.70	-	240.00	-	-	180.00	-	1,636.82
Taxes	-	-	-	-	-	-	5,757.25	-	-	-	-	-	5,757.25
Utilities	1,944.40	1,178.41	915.28	731.93	1,290.75	1,256.95	2,010.80	2,073.81	2,057.88	2,239.60	1,520.98	1,787.99	19,008.78
Total Housing Expenses	3,005.16	3,447.53	1,722.23	2,299.72	2,408.07	10,726.92	8,237.05	4,470.20	5,253.05	7,782.97	12,202.68	9,626.09	71,181.67
Interest Expense	-	7.41	-	1.77	8.37	701.31	363.58	23.48	545.17	19.94	33.71	1.80	1,706.54
Medical	2,047.03	223.95	1,848.15	560.51	320.85	1,835.17	1,282.43	313.30	544.59	549.51	550.42	703.21	10,779.12
Total Personal Expenses	13,474.39	11,942.79	11,639.78	15,011.73	14,965.41	13,060.32	13,706.91	18,983.66	10,743.20	8,989.19	19,789.23	18,879.94	171,186.55
Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-
Anthem Forensics	-	-	-	-	1,756.50	-	1,494.00	-	-	-	-	-	3,250.50
Boyer and Gianni LLP	200.00	-	-	-	-	-	-	-	-	500.00	-	-	700.00
Bradshaw Smith & Co (CFA)	575.00	-	-	-	650.00	-	-	-	650.00	-	-	-	1,875.00
De Becker Investigations, Inc.	-	2,250.00	-	-	-	-	-	1,450.00	-	-	-	-	3,700.00
Dukes Dukes Keating	-	-	-	-	8,547.13	5,350.00	-	3,172.50	1,446.00	-	-	-	18,515.63
Jeffrey Burr & Associates	-	-	-	-	-	-	-	2,062.50	-	-	-	-	2,062.50
Margaret Johnson (Counselor)	220.00	-	330.00	220.00	-	170.00	220.00	220.00	-	-	660.00	330.00	2,370.00
Melissa Altinasio	8,997.50	1,270.00	-	-	6,242.50	-	4,192.50	-	-	1,965.00	2,000.00	1,530.00	27,637.50
The Dickerson Law Group	25,868.19	16,850.44	19,132.46	7,520.26	18,228.88	3,397.60	3,815.78	19,503.18	19,115.61	-	25,000.00	35,000.00	193,432.40
Total Professionals	35,860.69	20,370.44	20,902.46	7,740.26	35,425.01	8,917.60	9,722.28	26,408.18	21,211.61	2,465.00	27,660.00	36,860.00	253,543.53
Total Expense	64,975.15	32,484.88	43,221.58	28,146.09	54,706.98	36,234.70	34,590.05	53,343.91	43,153.08	21,922.44	63,770.11	73,024.36	549,573.33

EXHIBIT C

EXHIBIT 2

EXHIBIT 2

THE DICKERSON LAW GROUP

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MEMORANDUM FROM ROBERT P. DICKERSON IN SUPPORT OF AB378

May 7, 2013

SENATE COMMITTEE ON JUDICIARY

Senator Tick Segerblom - Chair; tsegerblom@sen.state.nv.us
Senator Ruben Kihuen - Vice Chair; ruben.kihuen@sen.state.nv.us
Senator Aaron D. Ford; aaron.ford@sen.state.nv.us
Senator Justin C. Jones; justin.jones@sen.state.nv.us
Senator Greg Brower; greg.brower@sen.state.nv.us
Senator Scott Hammond; scott.hammond@sen.state.nv.us
Senator Mark Hutchison; mark.hutchison@sen.state.nv.us

Dear Chairman Segerblom and Members of the Senate Judiciary Committee:

I am a licensed Nevada attorney since 1976, practicing primarily in family law for the past 20 years. I am a past President of the State Bar of Nevada, past President of the Clark County Bar Association and past member of the Board of Governors.

I testified before the Assembly Committee on Judiciary in support of AB378 on April 5, 2013. With amendment, AB378 was passed out of the Assembly Committee on Judiciary and passed by the full Assembly 39-0.¹ AB378 is now for consideration by the Senate Committee on Judiciary. I solicit your vote in favor of AB378 which will be a vote exercised in support of the families in Nevada and a continuation of sound public policy requiring family support in the event of a divorce or the termination of a domestic partnership.

I am aware of the recent opposition to AB378 by Layne Rushforth, Steve Oshins, Julia Gold and various bank and trust companies. I have met with Mr. Rushforth, Mr. Oshins and Ms. Gold in an effort to discuss AB378 and SB307 which is a bill that they have proposed be approved by the Nevada State Legislature to reform multiple areas of the Nevada Revised Statutes. In particular, many of the revisions proposed in SB307

¹ 2 voting members of the Assembly were excused and 1 seat in the Assembly is currently vacant.

would change existing Nevada law to the protection of persons with great wealth and to the detriment of any creditor seeking to set aside a Nevada trust, including a spouse or child of the settlor. To be clear, I do not desire to harm the trust and estates business in Nevada. My primary concern lies with the effect that a failure to pass AB378 and/or the passage of SB307 would have on the ability of the spouse or child of the settlor of a trust to be supported from trust assets.

Summary of Purpose of AB378

Nevada is one of only two states (Utah being the other) of the 15 states which have an existing structure for the creation of self-settled spendthrift trusts which has no statutory language allowing for a spouse or child to be an exception creditor of the trust. A self-settled spendthrift trust is a spendthrift trust that includes the trust's settlor as a beneficiary. From 1999, when Nevada first enacted law allowing for the creation of self-settled spendthrift trusts, through the current date, there has never been an effort to address the effect of this type of trust on domestic support obligations. This is not because the problem did not exist. Rather, because a self-settled spendthrift trust is an estate planning vehicle for the very wealthy, and a highly technical field of trust practice, most persons, attorneys included, know nothing to very little about this area of law and have not had to deal with the fallout of one of these trusts on a regular basis.

Those who practice law in this area are proud of the fact that Nevada currently has no statutory exception creditors. It is their core selling point of why someone should create a Nevada trust. I do not believe that such practitioners support the avoidance of domestic support obligations. However, is it best for Nevada to protect the wealthy and big business to the detriment of its citizens? Because of the significant impact AB378 could have on the ability to attract new trust business to Nevada there is a great divergence of opinion and position between the estates and trusts attorneys in this state and the family law attorneys on the issue of exception creditors which remains unresolved despite several lengthy discussions.

Section 1.3 of AB378 proposes creating a creditor exception for a settlor's child, spouse or domestic partner, or former spouse or domestic partner which would allow such persons the ability to obtain a judgment enforceable against the trust assets. Section 1.6 of this bill addresses the transfer of community property to a spendthrift trust. Section 1.9 of this bill prohibits certain persons, who are the relatives or subordinates of the settlor from serving as the distribution trustee of a self-settled spendthrift trust. The opposition has indicated that it is against AB378 for the following reasons: (1) allowing any creditor to reach assets that were validly transferred to a spendthrift trust *may* trigger an unintended estate-tax inclusion; (2) it imposes administrative burdens on a trustee by allowing attachments and garnishments; and (3) it does not protect "old and cold" transfers that were made to a spendthrift trust without

the intent to defraud; and (4) it restricts those persons who can serve as a distribution trustee. In general, the position of the opposition is that AB378 would harm estates and trust business in Nevada.

Arguments in Support of AB378

In support of AB378 I offer the following reasoning:

1. Public Policy. By far the most compelling argument for an exception to the existing spendthrift trust statutes to allow for child support and spousal maintenance is the public policy argument. Nevada's child support statutes have been enacted to ensure that parents comply with their obligation for support of their children. Similarly, Nevada law allows for the payment of spousal support to the current or former spouse or domestic partner for his or her support as a result of a valid marriage or domestic partnership. To continue to have no exception to Nevada's spendthrift trust law for the support of children would continue to allow a "deadbeat parent" to enjoy the benefits of his or her trust, while at the same time being immune from his or her family support obligations that are justly due, while the State of Nevada pays for the support of his or her children. It is not sound public policy for the State of Nevada to use welfare funds to support a trust beneficiary's children or spouse, while the same beneficiary stands behind the shield of immunity created by a spendthrift trust provision. To endorse such a policy and to permit the situation which we have described above would be to invite disrespect for the administration of justice.

The Restatement (Second) Of Trusts Section 157 (1959) also cites public policy as a reason to restrict enforcement of spendthrift trust provisions for child support and alimony claims. It provides that a trust beneficiary's interest can be reached to satisfy claims for: 1) alimony; 2) child support; 3) the provider of necessary services or supplies furnished to a trust beneficiary; 4) the United States or a state for [tax] claims against the beneficiary.

In summary, the thrust of the public policy argument to except child support and alimony from the spendthrift trust rules appears to be that a trust beneficiary should not be able to reap the benefits of the trust while at the same time neglecting his or her social and legal obligation or responsibility to his child or former spouse.

2. Uniformity among state laws. The second argument made for an exception to the spendthrift rules for child support and alimony is uniformity. As stated above, 13 of the 15 states with statutory schemes for the creation of self-settled spendthrift trusts

make exceptions to the spendthrift rules for child support and alimony.² Utah is the only other state besides Nevada without exception creditors and that is a new change occurring only this year. While Utah has removed its exception creditor language it has not made it so a trust beneficiary can escape his or her domestic support obligations. Under Utah's new statutory scheme, at least 30 days before making a distribution to the settlor, the trustee must send notice of the proposed distribution to any child support creditor of the settlor. This language assists child support creditors and prevents a trust beneficiary from reaping the benefits of the trust while at the same time neglecting his or her social and legal obligation or responsibility to his child. Even South Dakota, which this year amended its exception creditor statutes to lessen the application of its creditor exceptions to a divorcing spouse, child support, or alimony obligation which pre-dates the transfer of property to a trust, has not completely done away with exception creditors.

Conflicts of law between states are bound to arise. The Restatement (2d) Conflicts 1969, section 273(b) and comment c, provides that personal property in a trust is governed by the state law designated by the settlor in the trust. Thus, for example, if a Wyoming settlor selects Nevada law as the governing law for his or her trust, then later a claim for child support is made in a Wyoming court - a state that excepts child support from its spendthrift laws - then an order for child support issued by a courts in Wyoming may not be honored. This apparent anomaly only invites conflict and confusion and suggests the need for more uniformity among the various states. This lack of uniformity invites attacks on valid trusts which are less likely to exist if Nevada also became a state with specific creditor exemptions.

3. Legal precedent exists for priority of claims. There is precedent under federal law for preferences for certain types of creditor claims. For example, under the federal bankruptcy laws, certain creditors have priority for payment from the bankruptcy estate over other creditors. Domestic support obligation claims are one such exception. These claims receive special treatment in bankruptcy and are given priority over many other types of claims, including tax obligations. If a claim is determined to be domestic support obligation priority claim, then it has to be repaid first, before other claims are paid out of the debtor's assets. By placing domestic support obligation claims in a position of priority the federal bankruptcy laws ensures that families are less likely to require the support of the state or federal government.

² 12 states - South Dakota, Ohio, Tennessee, Delaware, Wyoming, Rhode Island, New Hampshire, Missouri, Hawaii, Virginia, Oklahoma, and Colorado have a statutory scheme with a creditor exception for the payment of child support. 9 of these states - South Dakota, Alaska, Ohio, Tennessee, Delaware, Rhode Island, New Hampshire, Hawaii and Colorado have an additional creditor exception for a divorcing spouse. 9 of these states again extend a creditor exception for the payment of alimony - South Dakota, Ohio, Tennessee, Delaware, Rhode Island, New Hampshire, Missouri, Hawaii and Colorado.

4. Existing system creates roadblocks to collection. Under existing Nevada law, alimony and child support arrearages cannot be paid directly by a trustee from trust assets. Principal and income of a valid spendthrift trust are free from the claims of creditors - including claims for alimony and child support - and are protected until actually paid over to the trust beneficiary. Trust beneficiaries can avoid payment of legitimate domestic support claims by never receiving monetary distributions, but ensuring all of the settlor's wants, desires, and needs are satisfied with trust assets through the direct payment of the settlor's bills by the trustee. The current system additionally makes it easier for a debtor to secret funds while making it harder for a creditor to satisfy his or her or its claim. AB378 seeks to remove these collection roadblocks when child support and alimony are involved, creating a more efficient system which would be to allow child support and alimony to be attached and collected at the source of payment, that is, directly from the trustee before disbursement is made to the settlor/beneficiary. Such a system would be efficient and more compatible with the public policy of speedy collection of child support and alimony arrearages.

Address of Opponents Arguments Against AB378

I understand the positions of the opposition as stated in Mr. Rushforth's May 7, 2013 memo letter to this Committee. I attempt to address these below:

1. The unintended consequence of triggering estate tax - I do not believe AB378 as presently drafted is a perfect bill. However, it is imperative to families in Nevada that there be some change to existing law to avoid the problems of a "deadbeat parent" and "angry ex-spouse" who actively seeks to ignore court orders for family support through the protections of the current spendthrift trust laws.

In an effort to address some of the concerns expressed by the opposition I have informally proposed to the opposition an amendment which is similar to the Wyoming exception creditor statute and would add language to AB378 proposing that the exception creditor language only become effective in the event the settlor became more than 30 days late in satisfying any order for child or spousal support.

Wyoming's statute (4-10-520) reads:

Limitations on qualified trust property

- (a) The provisions of W.S. 4-10-510 through 4-10-523, do not apply in any respect to:
 - (i) Any person to whom a settlor is indebted on account of an agreement or order of court for the payment of

support in favor of the settlor's children if the settlor is in default by thirty (30) or more days of making a payment pursuant to the agreement or order.

By this compromise, the onus would be on the settlor to voluntarily satisfy his or her domestic support obligations or face the consequences of AB378 and the taxation of the settlor's estate upon his or her death. This compromise has been rejected by the opposition as they will not agree to any language which creates an exception creditor category in Nevada law.

The core concern for estate and trust planning attorneys is that IRC Section 20.2036(1) appears to suggest that the entirety of a settlor's estate will be included for estate tax purposes if any creditor of the settlor may reach the trust assets, including for the payment of domestic support obligations. Specifically, if the decedent's spouse or minor child could reach the assets in satisfaction of the decedent's duty of support, they argue Section 2036 would apply. As explained below, 13 of the 15 states which have a statutory scheme for domestic self-settled spendthrift trusts³ have exceptions for certain "family claims". Because domestic self-settled spendthrift trusts have only existed for a short period of time (since 1997 elsewhere and since 1999 in Nevada), the reality of the situation is that the IRS has not yet issued a ruling on how it will interpret the taxable estate of a decedent who is the settlor of a self-settled spendthrift trust when the settlor is subject to a domestic support obligation. This is an uncertainty that likely will not be known until some decedent's estate is the lucky (or unlucky as it could play out) recipient of the IRS' final determination of this issue.

Ideally, there should be a way to protect both the settlor's intent to avoid estate taxes by the creation of the trust and the spouse or child's ability to be supported by trust assets. I am unsure what this compromise could be, as neither myself nor the opposition have been able to clearly articulate a proposal that is acceptable to both estate planning attorneys and family law attorneys. Until such a compromise can be determined, I believe that the public policy for the support of children and spouses in Nevada should win out over a settlor seeking to reap the benefits of the trust while at the same time neglecting his or her social and legal obligation and responsibility to his child or former spouse.

2. Added administrative burden on trustees - Another argument advanced by the opposition against making exceptions to the spendthrift trust rules is that it would be an administrative nightmare for trustees. This argument should be dismissed as the

³ The term "domestic self-settled spendthrift trust" is used here as the type of trust at issue is one created in Nevada or another sister-state. There are also off-shore self-settled spendthrift trusts.

issue will only become an issue when the settlor of the trust ignores his or her legal responsibilities to provide for his or her children or spouse, and a court order is entered. In most self-settled spendthrift trusts, the trustee is already paying all of the settlor's bills and providing for the settlor's needs on a daily basis. Having to satisfy one additional claim is not an overbearing burden on a trustee. It is no more a burden to do this than to pay, for example, a power bill or recurring mortgage payment. Most questions as to what actions a Court requires of a trustee when the settlor of a trust is not fulfilling his domestic support obligations can be resolved by the issuance of a specific order, naming the trust and trustee as a party to the family court action.

(3) Restrictions of persons who can serve as a distribution trustee - The opposition is correct in that NRS Chapter 166 does not require a distribution trustee for a valid Nevada self-settled spendthrift trust. However, that does not make the proposed language in Section 1.9 of AB378 moot.

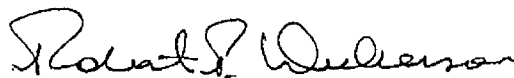
The purpose of Section 1.9 of AB378 is to place limitations on who can serve as the person making discretionary distributions of trust assets to the settlor of a self-settled spendthrift trust. The goal of this language is to put into place a mechanism to help prevent fraud. Whether by being named "distribution trustee" or by mechanism of power of appointment, the supposed gate-keeper of distributions to the settlor should truly be an independent person with the ability to say "no" to the settlor, otherwise the settlor has a disguised ability to control all of the trust assets and distributions of trust property without the independent oversight required by NRS Chapter 166. As currently written, Nevada law allows anyone to serve in this capacity. While I have been told that smart estate planning attorneys are careful to use independent persons in this capacity, there are others - particularly the types of persons who would use these trusts to avoid the payment of legitimate debts - who would not think twice about installing their brother, sister, or subordinate in the distribution trustee position, and then exert total control over them. While I recognize that in reality, the job of the independent trustee is "to say no when being sued, and yes at all other times" there still should be an ability to challenge the validity of a trust when the person in that position truly is not independent of the settlor.

The language of Section 1.9 of this bill is intended to conform with the meaning of Internal Revenue Code Section 672(c) definition of "independent person". By ensuring an independent person as the trustee who can make discretionary distributions to the settlor, the public is protected from fraud. For the Internal Revenue Code, an independent person is anyone who is not the settlor's brother, sister, spouse, parents, descendant by blood or adoption, or anyone to whom the settlor sends a W-2. An independent person is a trust company, CPA, attorney, aunt, uncle, cousin, spouse's brother or sister, or any friend.

Save and except making it more difficult on a settlor to have total control over trust assets, including limitations on who can be the person who can make discretionary distributions to the settlor, should have no negative impact on anyone associated with a self-settled spendthrift trust.

The Nevada State Legislature, and in particular this Committee, is faced with the difficult task of reconciling two positions on an issue where there is apparently little middle ground. The policy behind AB378 is too important for there not to be a change to Nevada law. For the reasons expressed herein, I ask for your support of AB378.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert P. Dickerson". The signature is fluid and cursive, with the first name "Robert" being more prominent.

Robert P. Dickerson
bob@dickersonlawgroup.com

EXHIBIT 1

EXHIBIT 1

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DISTRICT COURT
CLARK COUNTY, NEVADA

ERIC L. NELSON,

Plaintiff/Counterdefendant,

vs.

LYNITA SUE NELSON, LANA MARTIN, as
Distribution Trustee of the ERIC L. NELSON
NEVADA TRUST dated May 30, 2001,

Defendant/Counterclaimants.

LANA MARTIN, Distribution Trustee of the
ERIC L. NELSON NEVADA TRUST dated
May 30, 2001,

Crossclaimant,

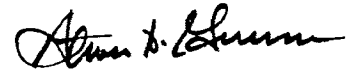
vs.

LYNITA SUE NELSON,

Crossdefendant.

CASE NO.: D-09-411537-D

DEPT. NO.: 0
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CLERK OF THE COURT

DECREE OF DIVORCE

This matter having come before this Honorable Court for a Non-Jury Trial in October 2010, November 2010, July 2012 and August 2012, with Plaintiff, Eric Nelson, appearing and being represented by Rhonda Forsberg, Esq., Defendant, Lynita Nelson, appearing and being represented by Robert Dickerson, Esq., Katherine Provost, Esq., and Josef Karacsonyi, Esq., and Counter-defendant, Cross-defendant, Third Party Defendant Lana Martin, Distribution

FRANK R. SULLIVAN
DISTRICT JUDGE

FAMILY DIVISION, DEPT. O
LAS VEGAS NV 89101

1
2 Trustee of the Eric L. Nelson Nevada Trust, being represented by Mark Solomon, Esq., and
3 Jeffrey Luszeck, Esq., good cause being shown:

4 THE COURT HEREBY FINDS that it has jurisdiction in the premises, both as to the
5 subject matter thereof and as the parties thereto, pursuant to NRS 125.010 et seq.

6
7 THE COURT FURTHER FINDS the Eric Nelson, Plaintiff, has been, and is now, an
8 actual and bona fide resident of the County of Clark, State of Nevada, and has been actually
9 domiciled therein for more than six (6) weeks immediately preceding to the commencement of
10 this action.

11 THE COURT FURTHER FINDS that the parties were married September 17, 1983.

12 THE COURT FURTHER FINDS that 5 children were born the issue of this marriage;
13 two of which are minors, namely, Garrett Nelson born on September 13, 1994, and Carli
14 Nelson born on October 17, 1997; and to the best of her knowledge, Lynita Nelson, is not now
15 pregnant.
16

17 THE COURT FURTHER FINDS that the Plaintiff filed for divorce on May 6, 2009.

18 THE COURT FURTHER FINDS that the parties entered into a Stipulated Parenting
19 Agreement as to the care and custody of said minor children on October 15, 2008, which was
20 affirmed, ratified and made an Order of this Court on February 8, 2010.

21 THE COURT FURTHER FINDS that on August 9, 2011, both parties stipulated and
22 agreed that the Eric L. Nelson Nevada (ELN) Trust should be joined as a necessary party to this
23 matter.
24

25 THE COURT FURTHER FINDS that Eric Nelson is entitled to an absolute Decree of
26 Divorce on the grounds of incompatibility.
27
28

1
2 THE COURT FURTHER FINDS that during the couple's nearly thirty (30) years of
3 marriage, the parties have amassed a substantial amount of wealth.

4 THE COURT FURTHER FINDS that the parties entered into a Separate Property
5 Agreement on July 13, 1993, with Mr. Nelson being advised and counseled with respect to the
6 legal effects of the Agreement by attorney Jeffrey L. Burr and Mrs. Nelson being advised and
7 counseled as its legal effects by attorney Richard Koch.
8

9 THE COURT FURTHER FINDS that, pursuant to NRS 123.080 and NRS 123.220(1),
10 the Separate Property Agreement entered into by the parties on July 13, 1993, was a valid
11 Agreement.

12 THE COURT FURTHER FINDS that Schedule A of the Separate Property Agreement
13 contemporaneously established the Eric L. Nelson Separate Property Trust and named Mr.
14 Nelson as trustor. The trust included interest in:
15

16 A First Interstate Bank account;
17 A Bank of America account;
18 4021 East Portland Street, Phoenix, Arizona;
19 304 Ramsey Street, Las Vegas, Nevada;
20 Twelve (12) acres located on Cheyenne Avenue, Las Vegas, Nevada;
21 Ten (10) acres located on Cheyenne Avenue, Las Vegas, Nevada;
22 1098 Evergreen Street, Phoenix, Arizona;
23 Forty nine (49) lots, notes and vacant land in Queens Creek, Arizona;
24 Forty one (41) lots, notes and vacant land in Sunland Park, New Mexico;
25 Sport of Kings located at 365 Convention Center Drive, Las Vegas, Nevada;
26 A 1988 Mercedes;
27 Forty percent (40%) interest in Eric Nelson Auctioneering, 4285 South Polaris Avenue,
28 Las Vegas, Nevada;
One hundred percent (100%) interest in Casino Gaming International, LTD., 4285
South Polaris Avenue, Las Vegas, Nevada; and
Twenty five percent (25%) interest in Polk Landing.

THE COURT FURTHER FINDS that Schedule B of the Separate Property Agreement
contemporaneously established the Lynita S. Nelson Separate Property Trust and named Mrs.
Nelson as trustor. The trust included interest in:

1
2 A Continental National Bank account;
3 Six (6) Silver State Schools Federal Credit Union accounts;
4 An American Bank of Commerce account;
5 7065 Palmyra Avenue, Las Vegas, Nevada;
6 8558 East Indian School Road, Number J, Scottsdale, Arizona;
7 Ten (10) acres on West Flamingo Road, Las Vegas, Nevada;
8 1167 Pine Ridge Drive, Panguitch, Utah;
9 749 West Main Street, Mesa, Arizona;
10 1618 East Bell Road, Phoenix, Arizona;
11 727 Hartford Avenue, Number 178, Phoenix, Arizona;
12 4285 Polaris Avenue, Las Vegas, Nevada;
13 Metropolitan Mortgage & Security Co., Inc., West 929 Sprague Avenue Spokane,
14 Washington;
15 Apirade Bumpus, 5215 South 39th Street, Phoenix, Arizona;
16 Pool Hall Sycamore, 749 West Main Street, Mesa, Arizona;
17 A Beneficial Life Insurance policy; and
18 A 1992 van

19 THE COURT FURTHER FINDS that on May 30, 2001, the Eric L. Nelson Nevada
20 Trust (hereinafter "ELN Trust") was created under the advice and counsel of Jeffrey L. Burr,
21 Esq., who prepared the trust documents.

22 THE COURT FURTHER FINDS that the ELN Trust was established as a self-settled
23 spendthrift trust in accordance with NRS 166.020.¹

24 THE COURT FURTHER FINDS that all of the assets and interest held by the Eric L.
25 Nelson Separate Property Trust were transferred or assigned to the ELN Trust.

26 THE COURT FURTHER FINDS that on May 30, 2001, the Lynita S. Nelson Nevada
27 Trust (hereinafter "LSN Trust") was created under the advice and counsel of Jeffrey L. Burr,
28 Esq., who prepared the trust documents.

THE COURT FURTHER FINDS that the LSN Trust was established as a self-settled
spendthrift trust in accordance with NRS 166.020.

¹ NRS 166.020 defines a spendthrift trust as "at trust in which by the terms thereof a valid restraint on the voluntary and involuntary transfer of the interest of the beneficiary is imposed. See, NRS 166.020.

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THE COURT FURTHER FINDS that all of the assets and interest held by the Lynita S. Nelson Separate Property Trust were transferred or assigned to the LSN Trust.

THE COURT FURTHER FINDS that while the parties may differ as to the reason why the trusts were created, the effect of a spendthrift trust is to prevent creditors from reaching the principle or corpus of the trust unless said creditor is known at the time in which an asset is transferred to the trust and the creditor brings an action no more than two years after the transfer occurs or no more than 6 months after the creditor discovers or reasonably should have discovered the transfer, whichever occurs latest.²

THE COURT FURTHER FINDS that while spendthrift trusts have been utilized for decades; Nevada is one of the few states that recognize self-settled spendthrift trusts. The legislature approved the creation of spendthrift trusts in 1999 and it is certainly not the purpose of this Court to challenge the merits of spendthrift trusts.

THE COURT FURTHER FINDS that the testimony of the parties clearly established that the intent of creating the spendthrift trusts was to provide maximum protection from creditors and was not intended to be a property settlement in the event that the parties divorced.

THE COURT FURTHER FINDS that throughout the history of the Trusts, there were significant transfers of property and loans primarily from the LSN Trust to the ELN Trust. Such evidence corroborates Mrs. Nelson's testimony that the purpose of the two Trusts was to allow for the ELN Trust to invest in gaming and other risky ventures, while the LSN Trust would maintain the unencumbered assets free and clear from the reach of creditors in order to provide the family with stable and reliable support should the risky ventures fail.

...

² NRS 166.170(1)

1
2 THE COURT FURTHER FINDS that, due to Mrs. Nelson's complete faith in and total
3 support of her husband, Mr. Nelson had unfettered access to the LSN Trust to regularly transfer
4 assets from the LSN Trust to the ELN Trust to infuse cash and other assets to fund its gaming
5 and other risky investment ventures.
6

7 THE COURT FURTHER FINDS that on numerous occasions during these proceedings,
8 Mr. Nelson indicated that the ELN Trust and LSN Trust both held assets that were indeed
9 considered by the parties to be community property.

10 THE COURT FURTHER FINDS that during the first phase of trial held in August
11 2010, Mr. Nelson was questioned ad nauseam by both his former attorney, Mr. James
12 Jimmerson, and by Mrs. Nelson's attorney, Mr. Dickerson, about his role as the primary wage
13 earner for the family.
14

15 THE COURT FURTHER FINDS that on direct examination, when asked what he had
16 done to earn a living following obtaining his real estate license in 1990, Mr. Nelson's lengthy
17 response included:

18 "So that's my primary focus is managing all my assets and Lynita's assets so we
19 manage our *community assets*, and that's where our primary revenue is driven
(emphasis added)."

20 THE COURT FURTHER FINDS that upon further direct examination, when asked why
21 the ELN and LSN Trusts were created, Mr. Nelson responded:
22

23 "In the event that something happened to me, I didn't have to carry life insurance. I
24 would put safe assets into her property in her assets for her and the kids. My assets
25 were much more volatile, much more -- I would say daring; casino properties, zoning
26 properties, partners properties, so we maintained this and these ----- all these trusts
27 were designed and set up by Jeff Burr. Jeff Burr is an excellent attorney and so I felt
28 comfortable. This protected Lynita and her children and it gave me the flexibility
because I do a lot of tax scenarios, to protect her and the kids and me and **we could
level off yearly by putting assets in her trust or my trust depending on the
transaction and protect -- the basic bottom line is to protect her** (emphasis added)."

1
2 THE COURT FURTHER FINDS that upon further examination by Attorney Jimmerson
3 inquiring about the status of a rental property located on Lindell Road, Mr. Nelson's response
4 was:

5 "Well, we don't pay rent because we're managing all the assets, so I don't pay
6 myself to pay Lynita because we — it's all *community* (emphasis added)."

7 THE COURT FURTHER FINDS that during cross-examination on October 19, 2010,
8 Mr. Nelson was questioned as to why he closed his auctioning company and his response was:

9 "I was under water these businesses. And for business purposes and to -- to set -- to
10 save as much in our *community* estate, I was forced to lay people off, generate cash flow so
11 Lynita would have the cash flow from these properties in the future (emphasis added)."

12 THE COURT FURTHER FINDS that throughout Mr. Nelson's aforementioned
13 testimony, he either expressly stated that his actions were intended to benefit his and Mrs.
14 Nelson's community estate or made reference to the community.

15 THE COURT FURTHER FINDS that it heard testimony from Mr. Nelson over several
16 days during the months of August 2010, September 2010 and October 2010, in which Mr.
17 Nelson's testimony clearly categorized the ELN Trust and LSN Trust's property as community
18 property.
19

20 THE COURT FURTHER FINDS that Mr. Nelson's sworn testimony corroborates Mrs.
21 Nelson's claim that Mr. Nelson informed her throughout the marriage that the assets
22 accumulated in both the ELN Trust and LSN Trust were for the betterment of their family unit,
23 and, thus, the community.

24 THE COURT FURTHER FINDS Attorney Burr's testimony corroborated the fact that
25 the purpose of creating the spendthrift trusts was to "supercharge" the protection afforded
26 against creditors and was not intended to be a property settlement.
27

28 ...

1
2 THE COURT FURTHER FINDS that Attorney Burr testified that he discussed and
3 suggested that the Nelsons periodically transfer properties between the two trusts to ensure that
4 their respective values remained equal.

5 THE COURT FURTHER FINDS that Attorney Burr further testified that the values of
6 the respective trust could be equalized through gifting and even created a gifting form for the
7 parties to use to make gifts between the trusts.

8 THE COURT FURTHER FINDS that the Minutes from a Trust Meeting, dated
9 November 20, 2004, reflected that all Mississippi property and Las Vegas property owned by
10 the ELN Trust was transferred to the LSN trust as final payment on the 2002 loans from the
11 LSN to the ELN Trust and to "*level off the trusts*" (emphasis added).
12

13 THE COURT FURTHER FINDS that the evidence adduced at trial clearly established
14 the parties intended to maintain an equitable allocation of the assets between the ELN Trust and
15 the LSN Trust.

16 *Fiduciary Duty*
17

18 THE COURT FURTHER FINDS that the Nevada Supreme Court has articulated that a
19 fiduciary relationship exists between husbands and wives, and that includes a duty to "disclose
20 pertinent assets and factors relating to those assets." *Williams v. Waldman*, 108 Nev. 466, 472
21 (1992).

22 THE COURT FURTHER FINDS that Mr. Nelson owed a duty to his spouse, Mrs.
23 Nelson, to disclose all pertinent factors relating to the numerous transfers of the assets from the
24 LSN Trust to the ELN Trust.
25

26 ...

27 ...

1
2 THE COURT FURTHER FINDS that Mrs. Nelson credibly testified that on numerous
3 occasions, Mr. Nelson requested that she sign documentation relating to the transfer of LSN
4 Trust assets to the ELN Trust. Mrs. Nelson further stated that she rarely questioned Mr. Nelson
5 regarding these matters for two reasons: (1) Mr. Nelson would become upset if she asked
6 questions due to his controlling nature concerning business and property transactions; and (2)
7 she trusted him as her husband and adviser.
8

9 THE COURT FURTHER FINDS that Mr. Nelson's behavior during the course of these
10 extended proceedings, as discussed in detail hereinafter, corroborates Mrs. Nelson's assertions
11 that Mr. Nelson exercises unquestioned authority over property and other business ventures and
12 loses control of his emotions when someone questions his authority.
13

14 THE COURT FURTHER FINDS that the evidence clearly established that Mr. Nelson
15 did not regularly discuss the factors relating to the numerous transfers of the assets from the
16 LSN Trust to the ELN Trust with Mrs. Nelson, and, therefore, violated his fiduciary duty to his
17 spouse.
18

19 THE COURT FURTHER FINDS that NRS 163.554 defines a fiduciary as a trustee...or
20 any other person, including an investment trust adviser, which is acting in a *fiduciary capacity*
21 for any person, trust or estate. See, NRS 163.554 (emphasis added).
22

23 THE COURT FURTHER FINDS that NRS 163.5557 defines an investment trust
24 adviser as a person, appointed by an instrument, to act in regard to investment decisions. NRS
25 163.5557 further states:

26 2. An investment trust adviser may exercise the powers provided
27 to the investment trust adviser in the instrument in the best interests of the
28 trust. **The powers exercised by an investment trust adviser are at the
sole discretion of the investment trust adviser and are binding on all other
persons.** The powers granted to an investment trust adviser may include,
without limitation, the power to:

- 1
- 2 (a) Direct the trustee with respect to the retention, purchase,
- 3 sale or encumbrance of trust property and the investment and
- 4 reinvestment of principal and income of the trust.
- 5 (b) Vote proxies for securities held in trust.
- 6 (c) Select one or more investment advisers, managers or counselors,
- 7 including the trustee, and delegate to such persons any of the powers
- 8 of the investment trust adviser.

9 See, NRS 163.5557 (emphasis added).

10 THE COURT FURTHER FINDS that Mr. Nelson continuously testified as to his role

11 as the investment trustee for both trusts, specifically testifying during cross examination on

12 September 1, 2010, as follows:

13 Q. Now you're the one that put title to those parcels

14 that we've talked about in the name of Dynasty, Bal Harbor,

15 Emerald Bay, Bay Harbor Beach Resorts and (indiscernible)

16 Financial Partnerships. Is that correct?

17 A. I believe so, yes.

18 Q. And you're the one that also put title in the name

19 of -- all the remaining lots in the name of LSN Nevada Trust.

20 Is that true?

21 A. Yes, sir.

22 THE COURT FURTHER FINDS that during his September 1st cross-examination, Mr.

23 Nelson also testified as to the assets located in Mississippi as follows:

24 Q. The height of the market was 18 months ago according

25 to your testimony?

26 A. No, no. But I'm just saying we could have -- the

27 this lawsuit's been pending for a while, sir. We did these

28 deeds mistake -- if you can -- if you reference back to it, it

shows -- shows Dynas -- it's my --

Q. Exhibit -- the Exhibit for the --

A. -- company. It shows Eric Nelson. That's my

company. We put them into Lynita's for community protection,

and she would not cooperate.

1
2
3 Q. You put them --

4 A. Yes, sir.

5 Q. -- into Lynita's?

6 A. Yes, sir --

7 Q. All right. Sir --

8 A. -- for *co -- unity wealth* (emphasis added).

9
10 THE COURT FURTHER FINDS that while the LSN Trust documents expressly named
11 Mrs. Nelson as investment trust adviser, the evidence clearly established that Mr. Nelson
12 exercised a pattern of continuous, unchallenged investment and property-transfer decisions for
13 both the ELN and the LSN Trusts, thereby illustrating that Mr. Nelson acted as the investment
14 trust adviser of the LSN Trust from its inception.

15 THE COURT FURTHER FINDS that the testimony of both parties clearly shows that,
16 pursuant to NRS 163.5557(2)(c), Mrs. Nelson delegated the duties of investment trustee to her
17 husband, Mr. Nelson.

18
19 THE COURT FURTHER FINDS that as the delegated investment trustee for the LSN
20 Trust, Mr. Nelson acted in a fiduciary capacity for Mrs. Nelson.³ Therefore, Mr. Nelson had a
21 duty to "disclose pertinent assets and factors relating to those assets".⁴

22 THE COURT FURTHER FINDS that, despite serving as the delegated investment
23 trustee for the LSN Trust, Mr. Nelson did not regularly discuss the pertinent factors relating to
24 the transfer of the assets from the LSN Trust to the ELN Trust, and, as such, violated the
25 fiduciary duty he owed to Mrs. Nelson and to the LSN Trust as the delegated investment trustee
26 to the LSN Trust.
27

28 ³ NRS 163.554.

⁴ *Williams v. Waldman*, 108 Nev. 466, 472 (1992).

1
2 THE COURT FURTHER FINDS that Mr. Nelson, in his dual role as a spouse and as
3 the delegated investment trustee for the LSN Trust, violated the fiduciary duties owed to Mrs.
4 Nelson and the LSN Trust.

5 *Constructive Trust*

6
7 THE COURT FURTHER FINDS that Mr. Nelson's activities as the delegated
8 investment trustee for the LSN Trust in which he transferred numerous properties and assets
9 from the LSN Trust to the ELN Trust, unjustly resulted in the ELN Trust obtaining title to
10 certain properties that the LSN Trust formerly held.

11 THE COURT FURTHER FINDS that a legal remedy available to rectify this unjust
12 result is the Court's imposition of a constructive trust. The basic objective of a constructive
13 trust is to recognize and protect an innocent party's property rights. Constructive trusts are
14 grounded in the concept of equity. *Cummings v. Tinkle*, 91 Nev. 548, 550 (1975).

15
16 THE COURT FURTHER FINDS that the Nevada Supreme Court has held that a
17 constructive trust is proper when "(1) a confidential relationship exists between the parties; (2)
18 retention of legal title by the holder thereof against another would be inequitable; and (3) the
19 existence of such a trust is essential to the effectuation of justice." *Locken v. Locken*, 98 Nev.
20 369, 372 (1982).

21
22 THE COURT FURTHER FINDS that in *Locken*, the Nevada Supreme Court found that
23 an oral agreement bound a son to convey land to his father, as the father was to make certain
24 improvements to the land. The Court found that even though the father completed an affidavit
25 claiming no interest in the land, this act did not preclude him from enforcing the oral
26 agreement. *Id.*, at 373.

1
2 THE COURT FURTHER FINDS that the *Locken* court found that the imposition of a
3 constructive trust does not violate the statute of frauds as NRS 111.025 states:

4 1. No estate or interest in lands...nor any trust or power over or
5 concerning lands, or in any manner relating thereto, shall be created,
6 granted, assigned, surrendered or declared after December 2, 1861,
7 unless by act or operation of law, or by deed or conveyance, in writing, subscribed by
8 the party creating, granting, assigning, surrendering or
9 declaring the same, or by the party's lawful agent thereunto authorized
10 in writing.

11 2. Subsection 1 shall not be construed to affect in any manner the power
12 of a testator in the disposition of the testator's real property by a last will
13 and testament, **nor to prevent any trust from arising or being extinguished**
14 **by implication or operation of law.**

15 See, NRS 111.025 (Emphasis added).

16 THE COURT FURTHER FINDS that NRS 111.025(2) creates an exception to the
17 statute of frauds that allows for the creation of a constructive trust to remedy or prevent the
18 type of injustice that the statute seeks to prevent.

19 THE COURT FURTHER FINDS that in this case, we clearly have a confidential
20 relationship as the two parties were married at the time of the transfers. In addition, Mr. Nelson
21 acted as the investment trustee for the LSN Trust, which effectively created another
22 confidential relationship between him and Mrs. Nelson as she is the beneficiary of the LSN
23 Trust.

24 THE COURT FURTHER FINDS that while Mr. Nelson argues that no confidential
25 relationship existed between Mrs. Nelson and the ELN Trust, a confidential relationship clearly
26 existed between Mrs. Nelson and Mr. Nelson, who, as the beneficiary of the ELN Trust,
27 benefits greatly from the ELN Trust's acquisition and accumulation of properties.
28

1
2 THE COURT FURTHER FINDS that the ELN Trust's retention of title to properties
3 that the LSN Trust previously held would be inequitable and would result in an unjust
4 enrichment of the ELN Trust to the financial benefit of Mr. Nelson and to the financial
5 detriment of the LSN Trust and Mrs. Nelson.

6 THE COURT FURTHER FINDS that Mrs. Nelson, as a faithful and supporting spouse
7 of thirty years, had no reason to question Mr. Nelson regarding the true nature of the assets that
8 he transferred from the LSN Trust to the ELN Trust.
9

10 THE COURT FURTHER FINDS that Mr. Nelson argues that the imposition of a
11 constructive trust is barred in this instance because Mrs. Nelson benefitted from the creation
12 and implementation of the trust and cites the Nevada Supreme Court ruling in *DeLee v.*
13 *Roggen*, to support his argument. 111 Nev. 1453 (1995).

14 THE COURT FURTHER FINDS that in *DeLee*, the party seeking the imposition of the
15 constructive trust made no immediate demands because he knew that his debtors would lay
16 claim to the property. The court found that a constructive trust was not warranted because the
17 creation of the trust was not necessary to effectuate justice. *Id.*, at 1457.
18

19 THE COURT FURTHER FINDS that unlike *DeLee*, Mrs. Nelson made no demand for
20 the property because Mr. Nelson assured her that he managed the assets in the trusts for the
21 benefit of the community. Consequently, Mrs. Nelson did not have notice that the LSN Trust
22 should reclaim the property.
23

24 THE COURT FURTHER FINDS that while Mr. Nelson acted as the investment trustee
25 for both the ELN and LSN Trust respectively, the properties never effectively left the
26 community. Consequently, Mrs. Nelson never thought that she needed to recover the
27 properties on behalf of the LSN Trust. Mrs. Nelson was not advised that she was not entitled to
28

1
2 the benefit of the assets transferred from the LSN Trust to the ELN Trust under the direction of
3 Mr. Nelson until the ELN Trust joined the case as a necessary party.

4 THE COURT FURTHER FINDS that allowing the ELN Trust to acquire property from
5 the LSN Trust under the guise that these property transfers benefitted the community,
6 effectively deprives Mrs. Nelson of the benefit of those assets as beneficiary under the LSN
7 Trust, and will ultimately result in Mr. Nelson, as beneficiary of the ELN Trust, being unjustly
8 enriched at the expense of Mrs. Nelson.
9

10 THE COURT FURTHER FINDS that, as addressed in detail below, the Court will
11 impose a constructive trust on the following assets: (1) 5220 East Russell Road Property; (2)
12 3611 Lindell Road.

13 THE COURT FURTHER FINDS that as to the Russell Road property, according to the
14 report prepared by Larry Bertsch, the court-appointed forensic accountant, Mr. Nelson, as the
15 investment trustee for the LSN Trust, purchased the property at 5220 E. Russell Road on
16 November 11, 1999, for \$855,945. Mr. Nelson's brother, Cal Nelson, made a down payment of
17 \$20,000 and became a 50% owner of the Russell Road Property despite this paltry
18 contribution.⁵ Cal Nelson and Mrs. Nelson later formed CJE&L, LLC, which rented this
19 property to Cal's Blue Water Marine. Shortly thereafter, CJE&L, LLC obtained a \$3,100,000
20 loan for the purpose of constructing a building for Cal's Blue Water Marine.⁶
21
22

23 THE COURT FURTHER FINDS that in 2004, Mrs. Nelson signed a guarantee on the
24 flooring contract for Cal's Blue Water Marine. She subsequently withdrew her guarantee and
25 the LSN Trust forfeited its interest in the property to Cal Nelson. While Mr. Nelson argues that
26 the release of Mrs. Nelson as guarantor could be consideration, the flooring contract was never
27

28 ⁵ Mr. Nelson testified that Cal Nelson also assumed a \$160,000 liability arising from a transaction by Mr. Nelson involving a Las Vegas Casino.

⁶ Defendant's Exhibit GGGGG

1
2 produced at trial and no value was ever assigned as to Mrs. Nelson's liability. Furthermore, the
3 Declaration of Value for Tax Purposes indicates that it was exempted from taxation due to
4 being a "transfer without consideration for being transferred to or from a trust."⁷ As such, the
5 alleged consideration was never established and appears to be illusory, and, accordingly, the
6 LSN Trust received no compensation from the Russell Road transaction.⁸

7 THE COURT FURTHER FINDS that in February 2010, Mr. Nelson purchased a 65%
8 interest in the Russell Road property, with Cal Nelson retaining a 35% interest in the property.
9

10 THE COURT FURTHER FINDS that on May 27, 2011, the Russell Road property was
11 sold for \$6,500,000. As part of the sale, Mr. Nelson testified that the ELN Trust made a
12 \$300,000 loan to the purchaser for improvements to the property, however, a first note/deed
13 was placed in the name of Julie Brown in the amount \$300,000 for such property improvement
14 loan. Due to the ambiguity as to who is entitled to repayment of the \$300,000 loan (ELN Trust
15 or Julie Brown), the Court is not inclined at this time to include such loan into the calculation
16 as to the ELN Trust's interest in the property.
17

18 THE COURT FURTHER FINDS that a second note/deed was placed on the Russell
19 Road property in the amount of \$295,000 to recapture all back rents and taxes.

20 THE COURT FURTHER FINDS that through a series of notes/deeds, the ELN Trust is
21 currently entitled to 66.67% of the \$6,500,000 purchase price and 66.67% of the \$295,000
22 note/deed for rents and taxes. Therefore, the ELN Trust and Mr. Nelson are entitled to
23 proceeds in the amount of \$4,530,227 (\$4,333,550 + \$196,677) from the Russell Road property
24 transaction.⁹
25

26 . . .

27 ⁷ Defendant's Exhibit UUUU

⁸ Id.

⁹ Defendant's Exhibit GGGG.

1
2 THE COURT FURTHER FINDS that because the LSN Trust was not compensated for
3 transferring its interest in Russell Road, under the advice and direction of Mr. Nelson, it would
4 be inequitable to allow the ELN Trust to retain its full 66.67% interest in the property to the
5 detriment of the LSN Trust. Therefore, the Court hereby imposes a constructive trust over half
6 of the ELN Trust 66.67% ownership interest in the Russell Road property on behalf of the LSN
7 Trust. As such, the LSN Trust is entitled to a 50% interest of the ELN Trust's 66.67%
8 ownership interest, resulting in the LSN Trust effectively receiving an overall one-third interest
9 in the Russell Road property with a value of \$2,265,113.50 ($\$4,333,550 + \$196,677 \times 1/2$).
10

11 THE COURT FURTHER FINDS that as to the 3611 Lindell property, on August 22,
12 2001, the entire interest in the property was transferred to the LSN trust from Mrs. Nelson's
13 1993 revocable trust.

14 THE COURT FURTHER FINDS that on March 22, 2007, a 50% interest in the Lindell
15 property was transferred to the ELN Trust at the direction of Mr. Nelson without any
16 compensation to the LSN Trust. Review of the Grant, Bargain, Sale Deed allegedly executed
17 by Mrs. Nelson on said date clearly reflects a signature not consistent with Mrs. Nelson's
18 signature when compared to the numerous documents signed by Mrs. Nelson and submitted to
19 this Court. As such, the validity of the transfer of the 50% interest of the LSN Trust to the ELN
20 Trust is seriously questioned.¹⁰
21

22 THE COURT FURTHER FINDS that while Mr. Gerety testified that consideration for
23 the 50% interest being transferred to the ELN Trust was the transfer of the Mississippi property
24 to the LSN, the court did not find such testimony credible as it appears that the transfer of the
25 Mississippi property occurred in 2004, whereas, the Lindell transfer to the ELN Trust was in
26 2007. In addition, the testimony was not clear as to which Mississippi properties were involved
27

28
¹⁰ Defendant's Exhibit PPPP.

1
2 in the alleged transfer and no credible testimony as to the value of the Mississippi property was
3 presented. Accordingly, any alleged consideration for the transfer of the 50% interest in the
4 Lindell property from the LSN Trust to the ELN Trust is illusory.

5 THE COURT FURTHER FINDS that because the LSN Trust was not compensated for
6 transferring a 50% interest in the Lindell property to the ELN Trust, under the advice and
7 direction of Mr. Nelson, it would inequitable to allow the ELN Trust to retain a 50% interest in
8 the property.
9

10 THE COURT FURTHER FINDS that the Court imposes a constructive trust over the
11 ELN Trust's 50% interest in the Lindell property; therefore, the LSN Trust is entitled to 100%
12 interest in the Lindell property, with an appraised value of \$1,145,000.

13 *Unjust Enrichment*
14

15 THE COURT FURTHER FINDS that to allow the ELN Trust to retain the benefits
16 from the sale of the High Country Inn, which will be addressed hereinafter, to the detriment of
17 the LSN Trust, would result in the unjust enrichment of the ELN Trust at the expense of the
18 LSN Trust.

19 THE COURT FURTHER FINDS that on January 11, 2000, the High Country Inn was
20 initially purchased by Mrs. Nelson's Revocable 1993 Trust.¹¹ While multiple transfer deeds
21 were executed with related parties (e.g. Grotta Financial Partnership, Frank Soris) at the
22 direction of Mr. Nelson, the LSN Trust owned the High Country Inn. On January 18, 2007, Mr.
23 Nelson, as investment trustee for both the ELN Trust and the LSN Trust, was the sole
24 orchestrator of the transfer of the High Country Inn from the LSN Trust to the ELN Trust.
25

26 ...
27 ...
28

¹¹ The Nelson Trust would later transfer its interest in the High Country Inn to the LSN Trust on 5/30/01.

1
2 THE COURT FURTHER FINDS that on January 19, 2007, the ELN Trust sold the
3 High Country Inn for \$1,240,000 to Wyoming Lodging, LLC, with the proceeds from the sale
4 being placed directly into the bank account of ELN Trust,¹² without any compensation being
5 paid to the LSN Trust.
6

7 THE COURT FURTHER FINDS that in a fashion similar to the Russell Road
8 transaction, the ELN Trust provided no consideration to the LSN Trust. Further, it is quite
9 apparent that Mr. Nelson never intended to compensate the LSN Trust as evidenced by Mr.
10 Nelson's 2007 Tax Return Form, which listed both the sale of "Wyoming Hotel" (High
11 Country Inn) and "Wyoming OTB" (Off Track Betting) on his Form 1040 Schedule D.¹³
12

13 THE COURT FURTHER FINDS that allowing the ELN Trust to retain the benefit of
14 the proceeds from the sale of the High Country Inn would be unjust, and, accordingly, the LSN
15 Trust is entitled to just compensation. As such, an amount equal to the proceeds from the sale,
16 or in the alternative, property with comparable value, should be transferred to the LSN Trust to
17 avoid the ELN Trust from being unjustly enriched.

18 THE COURT FURTHER FINDS that Mr. Nelson created Banonc, LLC on November
19 15, 2007, the same year that he sold High Country Inn.¹⁴ The Operating Agreement lists the
20 ELN Trust as the Initial Sole Member of the company, meaning that Banone, LLC is an asset
21 of the ELN Trust and that all benefits received from the managing of this company are
22 conferred to Mr. Nelson, as beneficiary of the ELN Trust.
23
24
25
26

27 ¹² On January 24, 2007, Uinta Title & Insurance wired proceeds in the total amount of \$1,947,153.37 (\$1,240,000
28 for High Country Inn and \$760,000 for the Off Track Betting Rights) to the ELN Trust's bank account.

¹³ Defendant's Exhibit NNNN.

¹⁴ Plaintiff's Exhibit 10K.

1
2 THE COURT FURTHER FINDS that Banone, LLC, currently holds seventeen
3 Nevada properties worth \$1,184,236.¹⁵

4 THE COURT FURTHER FINDS that equity and justice demands that the LSN Trust
5 receive just compensation in the amount of \$1,200,000 for the sale of the High Country Inn in
6 order to avoid the ELN Trust from being unjustly enriched, and, therefore, the LSN Trust
7 should be awarded the Banone, LLC, properties held by ELN Trust, with a comparable value of
8 \$1,184,236.
9

10 THE COURT FURTHER FINDS that there were additional transfers from the LSN
11 Trust to the ELN Trust, without just compensation, which financially benefitted the ELN Trust
12 to the detriment of the LSN Trust, specifically regarding the Tierra del Sol property,
13 Tropicana/Albertson property and the Brianhead cabin.
14

15 THE COURT FURTHER FINDS that as to the Tierra del Sol property, the entire
16 interest in the property was initially held in Mrs. Nelson's Revocable Trust and was
17 subsequently transferred to the LSN Trust on or about October 18, 2001.

18 THE COURT FURTHER FINDS that the Tierra del Sol property was sold in August 5,
19 2005, for \$4,800,000. Out of the proceeds from the first installment payment, Mr. Nelson had a
20 check issued from the LSN Trust account in the amount of \$677,717.48 in payment of a line of
21 credit incurred by Mr. Nelson against the Palmyra residence, which was solely owned by the
22 LSN Trust. From the proceeds for the second installment payment, the ELN Trust received
23 proceeds in the amount of \$1,460,190.58. As such, the ELN Trust received proceeds from the
24 sale of the Tierra del Sol property despite having no ownership interest in the property.
25

26 ...

27 ...

28

¹⁵ Defendant's Exhibit GGGGG.

1
2 THE COURT FURTHER FINDS that while Mr. Gerety testified that the ELN Trust
3 paid federal taxes in the amount of \$509,400 and Arizona taxes in the amount \$139,240 for a
4 total of \$648,640 on behalf of the LSN Trust from the proceeds received by the ELN Trust
5 from the sale of the Tierra del Sol property, that would still leave over \$800,000 that the ELN
6 Trust received despite having no ownership interest in the Tierra del Sol property.

7
8 THE COURT FURTHER FINDS that as to the Tropicana/Albertson's property, the
9 ELN Trust transferred a 50% interest in the property to the LSN Trust in November of 2004 in
10 consideration of an \$850,000 loan to the ELN Trust from the LSN Trust.

11 THE COURT FURTHER FINDS that Minutes dated November 20, 2004, reflected that
12 all Mississippi property and Las Vegas property owned by the ELN Trust was transferred to the
13 LSN trust as final payment on the 2002 loans from the LSN to the ELN Trust and to "level off
14 the trusts." It must be noted that in November of 2004 the only Las Vegas property owned by
15 the ELN Trust was the Tropicana/Albertson property.

16
17 THE COURT FURTHER FINDS that in 2007, Mr. Nelson had the LSN Trust deed
18 back the Tropicana/Albertson property to the ELN Trust, without compensation, and then sold
19 the property the same day, resulting in the ELN Trust receiving all the proceeds from the sale
20 of the property in the amount of \$966,780.23.

21 THE COURT FURTHER FINDS that as to the Brianhead cabin, the entire interest was
22 held by the LSN Trust.

23
24 THE COURT FURTHER FINDS that on May 22, 2007, a 50% interest in the
25 Brianhead cabin was transferred to the ELN Trust at the direction of Mr. Nelson without any
26 compensation to the LSN Trust.

27 ...
28

1
2 THE COURT FURTHER FINDS that while Mr. Gerety testified that consideration for
3 the 50% interest in the Brianhead cabin being transferred to the ELN Trust was the transfer of
4 the Mississippi property to the LSN, the court did not find such testimony credible as it appears
5 that the transfer of the Mississippi property occurred in 2004, whereas, the Brianhead cabin
6 transfer to the ELN Trust was in 2007. In addition, the testimony was not clear as to which
7 Mississippi properties were involved in the alleged transfer and no credible testimony as to the
8 value of the Mississippi property was presented. Accordingly, any alleged consideration for the
9 transfer of the 50% interest in the Brianhead cabin property from the LSN Trust to the ELN
10 Trust is illusory.
11

12 THE COURT FURTHER FINDS that the transfers from the LSN Trust to the ELN
13 Trust regarding the Tierra del Sol property, the Tropicana/Albertson property and the
14 Brianhead cabin all financially benefitted the ELN Trust to the financial detriment of the LSN
15 Trust.
16

17 THE COURT FURTHER FINDS that throughout the history of the Trusts, there were
18 significant loans from the LSN Trust to the ELN Trust, specifically: \$172,293.80 loan in May
19 of 2002; \$700,000 loan in October of 2003; \$250,000 loan in December of 2005 which resulted
20 in a total amount of \$576,000 being borrowed by the ELN Trust from the LSN Trust in 2005.
21

22 THE COURT FURTHER FINDS that while testimony was presented regarding
23 repayments of the numerous loans via cash and property transfers, the Court was troubled by
24 the fact that the loans were always going from the LSN Trust to the ELN Trust and further
25 troubled by the fact that the evidence failed to satisfactorily establish that all of the loans were
26 in fact paid in full.
27
28

1
2 THE COURT FURTHER FINDS that the evidence clearly established that Mr. Nelson
3 exhibited a course of conduct in which he had significant property transferred, including loans,
4 from the LSN Trust to the ELN Trust which benefited the ELN Trust to the detriment of the
5 LSN Trust, and, as such, justice and equity demands that the LSN Trust receive compensation
6 to avoid such unjust enrichment on the part of the ELN Trust.
7

8 *Credibility*

9 THE COURT FURTHER FINDS that during the first six days of trial held in 2010, Mr.
10 Nelson repeatedly testified that the actions he took were on behalf of the community and that
11 the ELN Trust and LSN Trust were part of the community.
12

13 THE COURT FURTHER FINDS that during the last several weeks of trial in 2012, Mr.
14 Nelson changed his testimony to reflect his new position that the ELN Trust and the LSN Trust
15 were not part of the community and were the separate property of the respective trusts.
16

17 THE COURT FURTHER FINDS that Mr. Nelson failed to answer questions in a direct
18 and forthright manner throughout the course of the proceedings.
19

20 THE COURT FURTHER FINDS that Mr. Nelson argued in the Motion to Dissolve
21 Injunction requesting the release of \$1,568,000, which the Court had ordered be placed in a
22 blocked trust account and enjoined from being released, that the ELN Trust "has an opportunity
23 to purchase Wyoming Racing LLC, a horse racing track and RV park, for \$440,000.00;
24 however, the ELN will be unable to do so unless the Injunction is dissolved."
25

26 THE COURT FURTHER FINDS that despite the Court's denial of the request to
27 dissolve the injunction, the ELN Trust via Dynasty Development Group, LLC, completed the
28 transaction and reacquired Wyoming Downs at a purchase price of \$440,000. The completion

1
2 of the purchase, without the dissolution of the injunction, evinced that Mr. Nelson misstated the
3 ELN Trust's financial position, or at the very least was less than truthful with this Court.

4 THE COURT FURTHER FINDS that it should be noted that in an attempt to
5 circumvent this Court's injunction regarding the \$1,568,000, Mr. Nelson had a Bankruptcy
6 Petition filed in the United States Bankruptcy Court, District of Nevada, on behalf of the
7 Dynasty Development Group, LLC, requesting that the \$1,568,000 be deemed property of the
8 Debtor's bankruptcy estate; however, the bankruptcy court found that this Court had exclusive
9 jurisdiction over the \$1,568,000 and could make whatever disposition of the funds without
10 regard to the Debtor's bankruptcy filing.

11
12 THE COURT FURTHER FINDS that based upon Mr. Nelson's change of testimony
13 under oath, his repeated failure to answer questions in a direct and forthright manner, his less
14 that candid testimony regarding the necessity of dissolving the injunction in order to purchase
15 the Wyoming race track and RV park, and his attempt to circumvent the injunction issued by
16 this Court clearly reflect that Mr. Nelson lacks credibility.

17
18 THE COURT FURTHER FINDS that United States Bankruptcy Judge, Neil P. Olack,
19 of the Southern District of Mississippi, cited similar concerns as to Mr. Nelson's credibility
20 during a bankruptcy proceeding held on June 24, 2011, regarding Dynasty Development
21 Group, LLC. Specifically, Judge Olack noted that as a witness, Mr. Nelson simply lacked
22 credibility in that he failed to provide direct answers to straight forward questions, which gave
23 the clear impression that he was being less than forthcoming in his responses.¹⁶
24
25
26
27

28

¹⁶ Defendant's Exhibit QQQQ.

1
2 THE COURT FURTHER FINDS that Bankruptcy Judge Olack found that the evidence
3 showed that Mr. Nelson depleted the assets of Dynasty on the eve of its bankruptcy filing in
4 three separate transfers, and, subsequently, dismissed the Bankruptcy Petition.¹⁷

5 THE COURT FURTHER FINDS that Mr. Nelson's behavior and conduct during the
6 course of these proceedings has been deplorable. This Court has observed Mr. Nelson angrily
7 bursting from the courtroom following hearings.

8 THE COURT FURTHER FINDS that Mr. Nelson has repeatedly exhibited
9 inappropriate conduct towards opposing counsel, Mr. Dickerson, including, cursing at him,
10 leaving vulgar voice messages on his office phone and challenging him to a fight in the parking
11 lot of his office.
12

13 THE COURT FURTHER FINDS that Mr. Nelson's deplorable behavior also included
14 an open and deliberate violation of the Joint Preliminary Injunction that has been in place since
15 May 18, 2009. On 12/28/2009, Mr. Nelson purchased the Bella Kathryn property and
16 subsequently purchased the adjoining lot on 8/11/2010. Currently, with improvements to the
17 properties factored in, a total of \$1,839,495 has been spent on the Bella Kathryn property.
18

19 THE COURT FURTHER FINDS that Mr. Nelson was living in the Harbor Hills
20 residence upon his separation from Mrs. Nelson and could have remained there indefinitely
21 pending the conclusion of these proceedings, however, he chose to purchase the Bella Kathryn
22 residence in violation of the JPI simply because he wanted a residence comparable to the
23 marital residence located on Palmyra.
24

25 ...

26 ...

27
28 ¹⁷ Defendant's Exhibit QQQQQ.

1
2 THE COURT FURTHER FINDS that due to Mr. Nelson's willful and deliberate
3 violation of the JPI, the Bella Kathryn property will be valued at its "costs" in the amount of
4 \$1,839,495 and not at its appraised value of \$925,000 as a sanction for Mr. Nelson's
5 contemptuous behavior.

6
7 THE COURT FURTHER FINDS that as to Mr. Daniel Gerety, who testified as an
8 expert witness on behalf of the ELN Trust and Mr. Nelson, he based his report solely on
9 information and documentation provided to him by Mr. Nelson. It appears that Mr. Gerety
10 made no effort to engage Mrs. Nelson or her counsel in the process. In the Understanding of
11 Facts section of his report, Mr. Gerety repeatedly used the phrases "I have been told" or "I am
12 advised".¹⁸ Since Mr. Gerety considered statements from Mr. Nelson and others who were in
13 support of Mr. Nelson, an impartial protocol would dictate that he obtain statements from Mrs.
14 Nelson and her counsel in order to have a full and complete framework to fairly address the
15 issues at hand.

16
17 THE COURT FURTHER FINDS that Mr. Gerety has maintained a financially
18 beneficial relationship with Mr. Nelson dating back to 1998. This relationship, which has netted
19 Mr. Gerety many thousands of dollars in the past and is likely to continue to do so in the future,
20 calls in question his impartiality.

21
22 THE COURT FURTHER FINDS that while Mr. Gerety submitted documentation
23 allegedly outlining every transaction made by the ELN Trust from its inception through
24 September 2011, and "tracing" the source of funds used to establish Banone, LLC, this Court
25 found that Mr. Gerety's testimony was not reliable, and, as such, the Court found it to be of
26 little probative value.

27
28

18 Intervenor's Exhibit 168.

1
2 THE COURT FURTHER FINDS that as to Rochelle McGowan, she has had an
3 employment relationship with Mr. Nelson dating back to 2001, and was the person primarily
4 responsible for regularly notarizing various documents executed by Mr. and Mrs. Nelson on
5 behalf of the ELN Trust and LSN Trust, respectively.

6 THE COURT FURTHER FINDS that it was the regular practice for Mr. Nelson to
7 bring documents home for Mrs. Nelson's execution and to return the documents the following
8 day to be notarized by Ms. McGowan.

9
10 THE COURT FURTHER FINDS that the testimony of Ms. McGowan indicating that
11 she would contact Mrs. Nelson prior to the notarization of her signature is not credible as the
12 Court finds it difficult to believe that Ms. McGowan would actually contact Mrs. Nelson
13 directly every time prior to notarizing the documents.

14 *Lack of Trust Formalities*

15 THE COURT FURTHER FINDS that the formalities outlined within the ELN Trust and
16 the LSN Trust were not sufficiently and consistently followed. Article eleven, section 11.3, of
17 both trusts provides that Attorney Burr, as Trust Consultant, shall have the right to remove any
18 trustee, with the exception of Mr. Nelson and Mrs. Nelson, provided that he gives the current
19 trustee ten days written notice of their removal.
20

21 THE COURT FURTHER FINDS that Attorney Burr testified that on February 22,
22 2007, at Mr. Nelson's request, he removed Mr. Nelson's employee, Lana Martin, as
23 Distribution Trustee of both the ELN Trust and the LSN Trust and appointed Mr. Nelson's
24 sister, Nola Harber, as the new Distribution Trustee for both trusts. Attorney Burr further
25 testified that he did not provide Ms. Martin with ten days notice as specified in the trusts
26 documents. In June 2011, at Mr. Nelson's request, Attorney Burr once again replaced the
27
28

1
2 Distribution Trustee for the ELN Trust, without providing ten days notice, by replacing Nola
3 Harber with Lana Martin.

4 THE COURT FURTHER FINDS that the ELN Trust and LSN Trust documents require
5 that a meeting of the majority of the trustees be held prior to any distribution of trust income or
6 principal. During the meetings, the trustees must discuss the advisability of making
7 distributions to the ELN Trust Trustor, Mr. Nelson, and the LSN Trust Trustor, Mrs. Nelson. At
8 that time, a vote must take place and the Distribution Trustee must provide an affirmative vote.
9

10 THE COURT FURTHER FINDS that the testimony of Lana Martin and Nola Harber
11 indicate that neither one of them ever entered a negative vote in regards to distributions to Mr.
12 Nelson or Mrs. Nelson. The testimony also reflected that neither one of them ever advised Mr.
13 Nelson or Mrs. Nelson on the feasibility of making such distributions.
14

15 THE COURT FURTHER FINDS that while Ms. Martin and Ms. Harber testified that
16 they had the authority to approve or deny the distributions to Mr. Nelson under the ELN Trust
17 and to Mrs. Nelson under the LSN Trust, that despite literally hundreds of distributions
18 requests, they never denied even a single distribution request. Therefore, Ms. Martin and Ms.
19 Harber were no more than a "rubber stamp" for Mr. Nelson's directions as to distributions to
20 Mr. Nelson and Mrs. Nelson.
21

22 THE COURT FURTHER FINDS that while the ELN Trust produced multiple Minutes
23 of alleged meetings; this Court seriously questions the authenticity of the submitted
24 documentation. Specifically, several of the Minutes were unsigned, the authenticity of the
25 signatures reflected on some of the Minutes were questionable, and several of the Minutes
26 reflected that the meetings were held at the office of Attorney Burr while the testimony clearly
27 established that no such meetings ever occurred at his law office.
28

1
2 THE COURT FURTHER FINDS that Daniel Gerety testified that he had to make
3 numerous adjustments to correct bookkeeping and accounting errors regarding the two trusts by
4 utilizing the entries "Due To" and "Due From" to correctly reflect the assets in each trust.

5 THE COURT FURTHER FINDS that the numerous bookkeeping and accounting
6 errors, in conjunction with the corresponding need to correct the entries to accurately reflect the
7 assets in each trust, raises serious questions as to whether the assets of each trust were truly
8 being separately maintained and managed.
9

10 THE COURT FURTHER FINDS that the lack of formalities further emphasizes the
11 amount of control that Mr. Nelson exerted over both trusts and that he did indeed manage both
12 trust for the benefit of the community.

13 THE COURT FURTHER FINDS that while the Court could invalidate both Trusts
14 based upon the lack of Trust formalities, this Court is not inclined to do so since invalidation of
15 the Trusts could have serious implications for both parties in that it could expose the assets to
16 the claims of creditors, thereby, defeating the intent of the parties to "supercharge" the
17 protection of the assets from creditors.
18

19 *Liabilities*

20 THE COURT FURTHER FINDS that while Mr. Nelson argued that he and the ELN
21 Trust were subject to numerous liabilities, this Court did not find any documented evidence to
22 support such claims except for the encumbrance attached to the newly reacquired Wyoming
23 Downs property.
24

25 ...

26 ...

1
2 THE COURT FURTHER FINDS that Mr. Bertsch's report addresses several
3 unsupported liabilities alleged by Mr. Nelson. Specifically, Mr. Nelson reported a contingent
4 liability attached to the property located in the Mississippi Bay, however, no value was given to
5 the liability.¹⁹

6
7 THE COURT FURTHER FINDS that the Bertsch report indicated that several of the
8 liabilities were actually options held by subsidiaries that Mr. Nelson owns or options held by
9 relatives of Mr. Nelson, and, as such, were not true liabilities.²⁰

10 THE COURT FURTHER FINDS that while Mr. Nelson represented that a \$3,000,000
11 lawsuit was threatened by a third-party in regards to a transaction involving the Hideaway
12 Casino, no evidence was submitted to the Court that any such lawsuit had in fact been filed.

13 THE COURT FURTHER FINDS that the only verified liability is the loan attached to
14 Wyoming Downs. As mentioned above, Mr. Nelson, via Dynasty Development Group,
15 purchased Wyoming Downs in December 2011 for \$440,000 and subsequently obtained a loan
16 against the property.
17

18 THE COURT FURTHER FINDS that outside of the encumbrance attached to the
19 Wyoming Downs property, the liabilities alleged by Mr. Nelson have not been established as
20 true liabilities and are based on mere speculations and threats.

21 *Community Waste*
22

23 THE COURT FURTHER FINDS that the Nevada Supreme Court case of *Lofgren v.*
24 *Lofgren* addressed community waste and found that the husband wasted community funds by
25 making transfers/payments to family members, using the funds to improve the husband's home
26 and using the funds to furnish his new home. *Lofgren v. Lofgren*, 112 Nev. 1282, 1284 (1996).
27

28 ¹⁹ Defendant's Exhibit GGGGG.

²⁰ *Id.*

1
2 THE COURT FURTHER FINDS that evidence was adduced at trial that the transfers to
3 Mr. Nelson's family members were to compensate them for various services rendered and for
4 joint-investment purposes, and while some of the family transfers were indeed questionable,
5 Mr. Bertsch, the forensic accountant, testified that 1099s were provided to document income
6 paid and loan repayments to Mr. Nelson's family members.²¹
7

8 THE COURT FURTHER FINDS that transfers to Mr. Nelson's family members appear
9 to have been part of Mr. Nelson's regular business practices during the course of the marriage
10 and that Mrs. Nelson has always been aware of this practice and never questioned such
11 transfers prior to the initiation of these proceedings.

12 THE COURT FURTHER FINDS that Mrs. Nelson failed to establish that the transfers
13 to Mr. Nelson's family members constituted waste upon the community estate.
14

15 THE COURT FURTHER FINDS that as to Mr. Nelson's purchase, improvement and
16 furnishing of the Bella Kathryn residence via the ELN Trust, the ELN Trust and Mr. Nelson are
17 being sanctioned by this Court by valuing such property at "costs" in the amount of \$1,839,495
18 instead of at its appraised value of \$925,000, and, accordingly, it would be unjust for this Court
19 to further consider the Bella Kathryn property under a claim of community waste.
20

21 *Child Support*

22 THE COURT FURTHER FINDS that Mrs. Nelson is entitled to child support arrears
23 pursuant to NRS 125B.030 which provides for the physical custodian of the children to recover
24 child support from the noncustodial parent.
25
26
27

28 ²¹ Mr. Bertsch did not confirm whether or not the 1099s were filed with the IRS as that was not within the scope of his assigned duties.

1
2 THE COURT FURTHER FINDS that the parties separated in September of 2008 when
3 Mr. Nelson permanently left the marital residence, and, therefore, Mrs. Nelson is entitled to
4 child support payments commencing in October 2008.

5 THE COURT FURTHER FINDS that Mr. Nelson's monthly earnings throughout the
6 course of these extended proceedings exceeded the statutory presumptive maximum income
7 range of \$14,816 and places his monthly child support obligation at the presumptive maximum
8 amount which has varied from year to year.

9
10 THE COURT FURTHER FINDS that Mr. Nelson's child support obligation
11 commencing on October 1, 2008 through May 31, 2013, inclusive, is as follows:

12 October 1, 2008 - June 30, 2009 = [(2 children x \$968) x 9 months] = \$17,424
13 July 1, 2009 - June 30, 2010 = [(2 children x \$969) x 12 months] = \$23,256
14 July 1, 2010 - June 30, 2011 = [(2 children x \$995) x 12 months] = \$23,880
15 July 1, 2011 - June 30, 2012 = [(2 children x \$1010) x 12 months] = \$24,240
16 July 1, 2012 - May 31, 2013 = [(2 children x \$1040) x 11 months] = \$22,880
17 **Total = \$111,680**

18 THE COURT FURTHER FINDS that Mr. Bertsch's report indicates that Mr. Nelson
19 has spent monies totaling \$71,716 on the minor children since 2009, to wit:

20 2009: Carli = \$14,000; Garrett = \$5,270;
21 2010: Carli = \$9,850; Garrett = \$29,539;
22 2011: Carli = \$8,630; Garrett = \$4,427
23 **Total = \$71,716**

1
2 THE COURT FURTHER FINDS that NRS 125B.080(9) describes the factors that the
3 Court must consider when adjusting a child support obligation. The factors to consider are:

- 4 (a) The cost of health insurance;
5 (b) The cost of child care;
6 (c) Any special educational needs of the child;
7 (d) The age of the child;
8 (e) The legal responsibility of the parents for the support of others;
9 (f) The value of services contributed by either parent;
10 (g) Any public assistance paid to support the child;
11 (h) Any expenses reasonably related to the mother's pregnancy and confinement;
12 (i) The cost of transportation of the child to and from visitation if the custodial parent
13 moved with the child from the jurisdiction of the court which ordered the support
14 and the noncustodial parent remained;
15 (j) The amount of time the child spends with each parent;
16 (k) Any other necessary expenses for the benefit of the child; and
17 (l) The relative income of both parents.

18 THE COURT FURTHER FINDS that, while the information provided to the Court does
19 not itemize the exact nature of the expenditures by Mr. Nelson on behalf of the children, NRS
20 125B.080(9)(k) does provide for a deviation for any other necessary expenses for the benefit of
21 the child.

22 THE COURT FURTHER FINDS that considering the fact that \$71,716 is a relatively
23 large sum of money, it would appear that fairness and equity demands that Mr. Nelson be given
24 some credit for the payments he made on behalf of the children. Therefore, the Court is inclined
25 to give Mr. Nelson credit for \$23,905 (one-third of the payments made on behalf of the
26 children), resulting in child support arrears in the amount of \$87,775.

27 THE COURT FURTHER FINDS that, while Mr. Nelson did spend a rather significant
28 amount of monies on the children dating back to 2009, Mr. Nelson did not provide any monies
whatsoever to Mrs. Nelson in support of the minor children, and, as such, crediting Mr. Nelson
with only one-third of such payments on behalf of the children seems quite fair and reasonable.

1
2 THE COURT FURTHER FINDS that Mrs. Nelson is entitled to current child support in
3 the amount of \$1,040 a month per child commencing June 1, 2013 through June 30, 2013 for a
4 monthly total of \$2,080.

5 THE COURT FURTHER FINDS that subject minor, Garrett, is 18 years old and will be
6 graduating from high school in June of 2013, and, as such, Mr. Nelson's child support
7 obligation as to Garrett ends on June 30, 2013.

8
9 THE COURT FURTHER FINDS that beginning July 1, 2013, Mr. Nelson's child
10 support obligation as to Carli will be \$1,058 per month.

11 *Spousal Support*

12 THE COURT FURTHER FINDS that NRS 125.150 provides as follows:

13 1. In granting a divorce, the court:

- 14 (a) May award such alimony to the wife or to the husband, in a specified principal sum or as
15 specified periodic payments, as appears just and equitable; and
16 (b) Shall, to the extent practicable, make an equal disposition of the community property of the
17 parties, except that the court may make an unequal disposition of the community property in
such proportions as it deems just if the court finds a compelling reason to do so and sets forth in
writing the reasons for making the unequal disposition

18 THE COURT FURTHER FINDS that the Nevada Supreme Court has outlined seven
19 factors to be considered by the court when awarding alimony such as: (1) the wife's career prior
20 to marriage; (2) the length of the marriage; (3) the husband's education during the marriage; (4)
21 the wife's marketability; (5) the wife's ability to support herself; (6) whether the wife stayed
22 home with the children; and (7) the wife's award, besides child support and alimony. *Sprenger*
23 v. *Sprenger*, 110 Nev. 855, 859 (1974).
24

25 THE COURT FURTHER FINDS that the Nelsons have been married for nearly thirty
26 years; that their earning capacities are drastically different in that Mr. Nelson has demonstrated
27 excellent business acumen as reflected by the large sums of monies generated through his
28 multiple business ventures and investments; that Mrs. Nelson only completed a year and a half

1
2 of college and gave up the pursuit of a career outside of the home to become a stay at home
3 mother to the couple's five children; that Mrs. Nelson's career prior to her marriage and during
4 the first few years of her marriage consisted of working as a receptionist at a mortgage
5 company, sales clerk at a department store and a runner at a law firm, with her last job outside
6 of the home being in 1986;
7

8 THE COURT FURTHER FINDS that Mrs. Nelson's lack of work experience and
9 limited education greatly diminishes her marketability. Additionally, Mrs. Nelson solely relied
10 on Mr. Nelson, as her husband and delegated investment trustee, to acquire and manage
11 properties to support her and the children, and, as such, Mrs. Nelson's ability to support herself
12 is essentially limited to the property award that she receives via these divorce proceedings.
13

14 THE COURT FURTHER FINDS that while Mrs. Nelson will receive a substantial
15 property award via this Divorce Decree, including some income generating properties, the
16 monthly income generated and the values of the real property may fluctuate significantly
17 depending on market conditions. In addition, it could take considerable time to liquidate the
18 property, as needed, especially considering the current state of the real estate market. As such,
19 Mrs. Nelson may have significant difficulty in accessing any equity held in those properties.
20

21 THE COURT FURTHER FINDS that conversely, Mr. Nelson has become a formidable
22 and accomplished businessman and investor. Mr. Nelson's keen business acumen has allowed
23 him to amass a substantial amount of wealth over the course of the marriage.
24

25 THE COURT FURTHER FINDS that the repurchase of Wyoming Downs by Mr.
26 Nelson via Dynasty Development Group and his ability to immediately obtain a loan against
27 the property to pull out about \$300,000 in equity, clearly evidences Mr. Nelson's formidable
28 and accomplished business acumen and ability to generate substantial funds through his

1 investment talents. This type of transaction is not atypical for Mr. Nelson and demonstrates his
2 extraordinary ability, which was developed and honed during the couple's marriage, to evaluate
3 and maximize business opportunities and will ensure that he is always able to support himself,
4 unlike Mrs. Nelson.
5

6 THE COURT FURTHER FINDS that based the upon the findings addressed
7 hereinabove, Mrs. Nelson is entitled to an award of spousal support pursuant to NRS 125.150
8 and the factors enunciated in Sprenger²²
9

10 THE COURT FURTHER FINDS that during the marriage, at the direction of Mr.
11 Nelson, Mrs. Nelson initially received monthly disbursements in the amount of \$5,000, which
12 was increased to \$10,000 per month, and ultimately increased to \$20,000 per month dating
13 back to 2004. The \$20,000 per month disbursements did not include expenses which were paid
14 directly through the Trusts.
15

16 THE COURT FURTHER FINDS that based upon the distributions that Mrs. Nelson
17 was receiving during the marriage, \$20,000 per month is a fair and reasonable amount
18 necessary to maintain the lifestyle that Mrs. Nelson had become accustomed to during the
19 course of the marriage.
20

21 THE COURT FURTHER FINDS that based upon the property distribution that will be
22 addressed hereinafter, Mrs. Nelson will receive some income producing properties (Lindell,
23 Russell Road, some of the Banone, LLC properties).
24

25 THE COURT FURTHER FINDS that while the evidence adduced at trial reflected that
26 the Lindell property should generate a cash flow of approximately \$10,000 a month, the
27 evidence failed to clearly establish the monthly cash flow from the remaining properties.
28 However, in the interest of resolving this issue without the need for additional litigation, this

²² Sprenger v. Sprenger, 110 Nev. 855 (1974).

1
2 Court will assign an additional \$3,000 a month cash flow from the remaining properties
3 resulting in Mrs. Nelson receiving a total monthly income in the amount of \$13,000.

4 THE COURT FURTHER FINDS that based upon a monthly cash flow in the amount of
5 \$13,000 generated by the income producing properties, a monthly spousal support award in the
6 amount of \$7,000 is fair and just and would allow Mrs. Nelson to maintain the lifestyle that she
7 had become accustomed to throughout the course of the marriage.
8

9 THE COURT FURTHER FINDS that Mrs. Nelson is 52 years of age and that spousal
10 support payments in the amount of \$7,000 per month for 15 years, which would effectively
11 assist and support her through her retirement age, appears to be a just and equitable spousal
12 support award.

13 THE COURT FURTHER FINDS that NRS 125.150(a) provides, in pertinent part, that
14 the court may award alimony in a specified *principal sum* or as specified periodic payment
15 (emphasis added).
16

17 THE COURT FURTHER FINDS that the Nevada Supreme Court has indicated that a
18 lump sum award is the setting aside of a spouse's separate property for the support of the other
19 spouse and is appropriate under the statute. *Sargeant v. Sargeant*, 88 Nev. 223, 229 (1972). In
20 *Sargeant*, the Supreme Court affirmed the trial court's decision to award the wife lump sum
21 alimony based on the husband short life expectancy and his litigious nature. The Supreme
22 Court, citing the trial court, highlighted that "the overall attitude of this plaintiff illustrates
23 some possibility that he might attempt to liquidate, interfere, hypothecate or give away his
24 assets to avoid payment of alimony or support obligations to the defendant" *Id.* at 228.
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2 THE COURT FURTHER FINDS that Mr. Nelson's open and deliberate violation of the
3 Joint Preliminary Injunction evidences his attitude of disregard for court orders. The Court also
4 takes notice of Bankruptcy Judge Olack's finding that Mr. Nelson attempted to deplete the
5 assets of Dynasty Development Group on the eve of the bankruptcy filing, raising the concern
6 that Mr. Nelson may deplete assets of the ELN Trust precluding Mrs. Nelson from receiving a
7 periodic alimony award.
8

9 THE COURT FURTHER FINDS that Mr. Nelson has been less than forthcoming as to
10 the nature and extent of the assets of the ELN Trust which raises another possible deterrent
11 from Mrs. Nelson receiving periodic alimony payments.
12

13 THE COURT FURTHER FINDS that, as addressed hereinbefore, the ELN Trust moved
14 this Court to dissolve the injunction regarding the \$1,568,000 because it "has an opportunity to
15 purchase Wyoming Racing LLC, a horse racing track and RV park, for \$440,000.00; however,
16 the ELN will be unable to do so unless the Injunction is dissolved."
17

18 THE COURT FURTHER FINDS that despite the representation to the Court that the
19 injunction needed to be dissolved so that the ELN Trust would be able to purchase Wyoming
20 Downs, less than a month after the hearing, the ELN Trust, with Mr. Nelson serving as the
21 investment trustee, completed the purchase of Wyoming Downs. This leads this Court to
22 believe that Mr. Nelson was less than truthful about the extent and nature of the funds available
23 in the ELN Trust and such conduct on the part of Mr. Nelson raises serious concerns about the
24 actions that Mr. Nelson will take to preclude Mrs. Nelson from receiving periodic spousal
25 support payments.
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1
2 THE COURT FURTHER FINDS that Mr. Nelson alleged numerous debts and
3 liabilities worth millions of dollars, but forensic accountant, Mr. Bertsch, found that these
4 alleged debts and liabilities were based solely on threats and speculations.

5 THE COURT FURTHER FINDS that Mr. Nelson's practice of regularly transferring
6 property and assets to family members, as highlighted in the transactions involving the High
7 Country Inn and Russell Road properties, contributes to this Court's concern that Mr. Nelson
8 may deplete the assets of the ELN Trust via such family transfers, and, thereby, effectively
9 preclude Mrs. Nelson from receiving a periodic spousal support award.
10

11 THE COURT FURTHER FINDS that Mr. Nelson's overall attitude throughout the
12 course of these proceedings illustrates the possibility that he might attempt to liquidate,
13 interfere, hypothecate or give away assets out of the ELN Trust to avoid payment of his support
14 obligations to Mrs. Nelson, thereby justifying a lump sum spousal support award to Mrs.
15 Nelson based on the factors addressed hereinabove and the rationale enunciated in *Sargeant*.
16

17 THE COURT FURTHER FINDS that calculation of a monthly spousal support
18 obligation of \$7,000 for 15 years results in a total spousal support amount of \$1,260,000 which
19 needs to be discounted based upon being paid in a lump sum. Accordingly, Mrs. Nelson is
20 entitled to a lump sum spousal support award in the amount of \$800,000.

21 THE COURT FURTHER FINDS that the ELN Trust should be required to issue a
22 distribution from the \$1,568,000 reflected in the account of Dynasty Development Group, LLC,
23 and currently held in a blocked trust account pursuant to this Court's injunction, to satisfy Mr.
24 Nelson's lump sum spousal support obligation and to satisfy his child support arrearages
25 obligation.
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2 THE COURT FURTHER FINDS that Mr. Nelson argues that Dynasty Development
3 Group, LLC, is 100% held by the ELN Trust, and, therefore, he has no interest in Dynasty nor
4 the funds reflected in the Dynasty account as all legal interest rests with the ELN Trust.²³

5 THE COURT FURTHER FINDS that various statutes and other sources suggest that
6 the interest of a spendthrift trust beneficiary can be reached to satisfy support of a child or a
7 former spouse.²⁴ Specifically, South Dakota, which also recognizes self-settled spendthrift
8 trust, has addressed the issue in South Dakota Codified Law § 55-16-15 which states:

10 Notwithstanding the provisions of §§ 55-16-9 to 55-16-14, inclusive, this chapter does
11 not apply in any respect to any person to whom the transferor is indebted on account of
12 an agreement or *order of court* for the payment of *support* or *alimony* in favor of such
13 transferor's spouse, *former spouse*, or children, or for a *division or distribution of*
14 *property* in favor of such transferor's spouse or former spouse, to the extent of such debt
(emphasis added).

14 Wyoming, which also allows self-settled spendthrift trust, has also addressed the matter
15 through Wyoming Statutes Annotated § 4-10-503(b):

16 (b) Even if a trust contains a spendthrift provision, a person who has a judgment or
17 court order against the beneficiary for child support or maintenance may obtain from a
18 court an order attaching present or future distributions to, or for the benefit of, the
19 beneficiary.

19 THE COURT FURTHER FINDS that, while not binding on this Court, these statutes
20 clearly demonstrate that spouses entitled to alimony or maintenance are to be treated differently
21 than a creditor by providing that the interest of a spendthrift trust beneficiary can be reached to
22 satisfy support of a child or a former spouse.
23

24 ...

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27
28 ²³ NRS 166.130

²⁴ Restatement (Third) of Trust § 59 (2003).

1
2 THE COURT FURTHER FINDS that in *Gilbert v. Gilbert*, 447 So.2d 299, the Florida
3 Court of Appeals affirmed the district court's order that allowed the wife to garnish the
4 husband's beneficiary interest in a spendthrift trust to satisfy the divorce judgment regarding
5 alimony payments.

6 THE COURT FURTHER FINDS that the *Gilbert* court found that while "the cardinal
7 rule of construction in trusts is to determine the intention of the settler and give effect to his
8 wishes . . . there is a strong public policy argument which favors subjecting the interest of the
9 beneficiary of a trust to a claim for alimony."²⁵ The Court went on to state that the dependents
10 of the beneficiary should not be deemed to be creditors as such a view would "permit the
11 beneficiary to have the enjoyment of the income from the trust while he refuses to support his
12 dependents whom it is his duty to support."²⁶ The *Gilbert* court went on to state that a party's
13 responsibility to pay alimony "is a duty, not a debt."²⁷
14

15 THE COURT FURTHER FINDS that there is a strong public policy argument in favor
16 of subjecting the interest of the beneficiary of a trust to a claim for spousal support and child
17 support, and, as such, Mr. Nelson's beneficiary interest in the ELN Trust should be subjected to
18 Mrs. Nelson award of spousal support and child support.
19

20 *Attorney's Fees*

21 THE COURT FURTHER FINDS that NRS 18.010(2)(b) provides, in pertinent part, for
22 the award of attorney's fees to the prevailing party: "when the court finds that the claim,
23 counterclaim, cross-claim or third-party complaint or defense of the opposing party was
24 brought or maintained without reasonable ground or to harass the prevailing party."
25

26
27 ²⁵ Id at 301.

²⁶ *Gilbert v. Gilbert*, 447 So.2d 299, 301

²⁷ Id at 301.

1
2 THE COURT FURTHER FINDS that Mr. Nelson, as the Investment Trustee for the
3 ELN Trust, was the person authorized to institute legal action on behalf of the Trust.

4 THE COURT FURTHER FINDS that Mr. Nelson did not request that the ELN Trust
5 move to be added as a necessary party to these proceedings until almost two years after
6 initiating this action and following the initial six days of trial. It is apparent to this Court that
7 Mr. Nelson was not satisfied with the tenor of the courts preliminary "findings" in that it was
8 not inclined to grant his requested relief, and, consequently, decided to pursue a "second bite at
9 the apple" by requesting that the ELN Trust pursue being added as a necessary party.
10

11 THE COURT FURTHER FINDS that adding the ELN Trust as a necessary party at this
12 rather late stage of the proceedings, resulted in extended and protracted litigation including the
13 re-opening of Discovery, the recalling of witnesses who had testified at the initial six days of
14 trial, and several additional days of trial.

15 THE COURT FURTHER FINDS that Mr. Nelson's position that he had a conflict of
16 interest which prevented him from exercising his authority to institute legal action on behalf of
17 the ELN Trust was not credible as he had appeared before this Court on numerous occasions
18 regarding community waste issues and the transfer of assets from the ELN Trust and the LSN
19 Trust and had never raised an issue as to a conflict of interest.
20

21 THE COURT FURTHER FINDS that while both parties were aware of the existence of
22 the ELN and LSN Trusts from the onset of this litigation, and, as such, Mrs. Nelson could have
23 moved to add the ELN Trust as a necessary party, Mr. Nelson had consistently maintained
24 throughout his initial testimony that the assets held in the ELN Trust and the LSN Trusts were
25 property of the community.
26
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1
2 THE COURT FURTHER FINDS that, while this Court fully respects and supports a
3 party's right to fully and thoroughly litigate its position, Mr. Nelson's change in position as to
4 the character of the property of the ELN Trust and LSN Trust in an attempt to get a "second
5 bite of the apple", resulted in unreasonably and unnecessarily extending and protracting this
6 litigation and additionally burdening this Court's limited judicial resources, thereby justifying
7 an award of reasonable attorney fees and costs in this matter.
8

9 THE COURT FURTHER FINDS that in considering whether or not to award
10 reasonable fees and cost this Court must consider "(1) the qualities of the advocate: his ability,
11 his training, education, experience, professional standing and skill; (2) the character of the work
12 to be done: its difficulty, its intricacy, its importance, time and skill required, the responsibility
13 imposed and the prominence and character of the parties where they affect the importance of
14 the litigation; (3) the work actually performed by the lawyer: the skill, time and attention given
15 to the work; (4) the result: whether the attorney was successful and what benefits were
16 derived." *Brunzell v. Golden Gate Nat'l Bank*, 85 Nev. 345, 349 (1969).
17

18 THE COURT FURTHER FINDS Attorney Dickerson has been Mrs. Nelson's legal
19 counsel continuously since September 2009 and is a very experienced, extremely skillful and
20 well-respected lawyer in the area of Family Law. In addition, this case involved some difficult
21 and complicated legal issues concerning Spendthrift Trusts and required an exorbitant
22 commitment of time and effort, including the very detailed and painstaking review of
23 voluminous real estate and financial records. Furthermore, Attorney Dickerson's skill, expertise
24 and efforts resulted in Mrs. Nelson's receiving a very sizeable and equitable property
25 settlement.
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1
2 THE COURT FURTHER FINDS that upon review of attorney Dickerson's
3 Memorandum of Fees and Costs, this Court feels that an award of attorney fees in the amount
4 of \$144,967 is fair and reasonable and warranted in order to reimburse Mrs. Nelson for the
5 unreasonable and unnecessary extension and protraction of this litigation by Mr. Nelson's
6 change of position in regards to the community nature of the property and his delay in having
7 the ELN Trust added as a necessary party which added significant costs to this litigation.
8

9 THE COURT FURTHER FINDS that while the Court could invalidate the Trusts based
10 upon Mr. Nelson's testimony as to community nature of the assets held by each Trust, the
11 breach of his fiduciary duty as a spouse, the breach of his fiduciary duty as an investment
12 trustee, the lack of Trust formalities, under the principles of a constructive trust, and under the
13 doctrine of unjust enrichment, the Court feels that keeping the Trusts intact, while transferring
14 assets between the Trusts to "level off the Trusts", would effectuate the parties clear intentions
15 of "supercharging" the protection of the assets from creditors while ensuring that the respective
16 values of the Trusts remained equal.
17

18 THE COURT FURTHER FINDS that in lieu of transferring assets between the Trusts
19 to level off the Trust and to achieve an equitable allocation of the assets between the Trusts as
20 envisioned by the parties, the Court could award a sizable monetary judgment against Mr.
21 Nelson for the extensive property and monies that were transferred from the LSN Trust to the
22 ELN Trust, at his direction, and issue a corresponding charging order against any distributions
23 to Mr. Nelson until such judgment was fully satisfied.
24

25 ...

26 ...

1
2 THE COURT FURTHER FINDS that the Court has serious concerns that Mrs. Nelson
3 would have a very difficult time collecting on the judgment without the need to pursue endless
4 and costly litigation, especially considering the extensive and litigious nature of these
5 proceedings.

6
7 THE COURT FURTHER FINDS that due to Mr. Nelson's business savvy and the
8 complexity of his business transactions, the Court is concerned that he could effectively deplete
9 the assets of the ELN Trust without the need to go through distributions, thereby circumventing
10 the satisfaction of the judgment via a charging order against his future distributions.

11 THE COURT FURTHER FINDS that its concern about Mr. Nelson depleting the assets
12 of the ELN Trust seems to be well founded when considering the fact that Bankruptcy Judge
13 Olack found that Mr. Nelson depleted the assets of Dynasty on the eve of its bankruptcy filing.

14 THE COURT FURTHER FINDS that upon review of Mr. Bertsch's Second
15 Application of Forensic Accountants for Allowance of Fees and Reimbursement of Expenses
16 for the Period from April 1, 2012 through July 25, 2012, Mr. Bertsch is entitled to payment of
17 his outstanding fees in the amount of \$35,258.

18 THE COURT FURTHER FINDS that in preparing this Decree of Divorce, the
19 monetary values and figures reflected herein were based on values listed in Mr. Bertsch's
20 report and the testimony elicited from the July and August 2012 hearings.²⁸

21 THE COURT FURTHER FINDS that as to the repurchase of Wyoming Downs by the
22 ELN Trust via the Dynasty Development Group, this Court is without sufficient information
23 regarding the details of the repurchase of the property, the value of the property and the
24 encumbrances on the property to make a determination as to the disposition of the property,
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²⁸ *Supra*, note 6.

1
2 and, accordingly, is not making any findings or decisions as to the disposition of the Wyoming
3 Downs property at this time.

4 ***Conclusion***

5 THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the
6 bonds of matrimony now existing between Eric and Lynita Nelson are dissolved and an
7 absolute Decree of a Divorce is granted to the parties with each party being restored to the
8 status of a single, unmarried person.
9

10 IT IS FURTHER ORDERED that the Brianhead cabin, appraised at a value of \$985,000
11 and currently held jointly by the ELN Trust and the LSN Trust, is to be divided equally
12 between the Trusts.

13 IT IS FURTHER ORDERED that both parties shall have the right of first refusal should
14 either Trust decide to sell its interest in the Brianhead cabin.
15

16 IT IS FURTHER ORDERED that the 66.67% interest in the Russell Road property
17 (\$4,333,550) and the 66.67% interest in the \$295,000 note/deed for rents and taxes (\$196,677)
18 currently held by the ELN Trust, shall be equally divided between the ELN Trust and the LSN
19 Trust.

20 IT IS FURTHER ORDERED that both parties shall have the right of first refusal should
21 either Trust decide to sell its interest in the Russell Road property.
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FRANK R. SULLIVAN
DISTRICT JUDGE

FAMILY DIVISION, DEPT. O
LAS VEGAS NV 89101

1
2 IT IS FURTHER ORDERED that the following properties shall remain in or be
3 transferred into the ELN Trust:

<u>Property Awarded</u>	<u>Value</u>
Cash	\$ 80,000
Arizona Gateway Lots	\$ 139,500
Family Gifts	\$ 35,000
Gift from Nikki C.	\$ 200,000
Bella Kathryn Property	\$1,839,495
Mississippi Property (121.23 acres)	\$ 607,775
Notes Receivable	\$ 642,761
Banone AZ Properties	\$ 913,343
Dynasty Buyout	\$1,568,000
½ of Brianhead Cabin	\$ 492,500
1/3 of Russell Road (+ note for rents)	\$2,265,113.50 (\$2,166,775 + \$98,338.50)
Total	\$8,783,487.50

13
14 IT IS FURTHER ORDERED that the following properties shall remain in or be
15 transferred into the LSN Trust:

<u>Property Awarded</u>	<u>Value</u>
Cash	\$ 200,000
Palmyra Property	\$ 750,000
Pebble Beach Property	\$ 75,000
Arizona Gateway Lots	\$ 139,500
Wyoming Property (200 acres)	\$ 405,000
Arnold Property in Miss.	\$ 40,000
Mississippi RV Park	\$ 559,042
Mississippi Property	\$ 870,193
Grotta 16.67% Interest	\$ 21,204
Emerald Bay Miss. Prop.	\$ 560,900
Lindell Property	\$1,145,000
Banone, LLC	\$1,184,236
JB Ramos Trust Note Receivable	\$ 78,000
½ of Brianhead Cabin	\$ 492,500
1/3 of Russell Road (+ note for rents)	\$2,265,113.50 (\$2,166,775 + \$98,338.50)
Total	\$8,785,988.50

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28
FRANK R. SULLIVAN
DISTRICT JUDGE

FAMILY DIVISION, DEPT. C
LAS VEGAS NV 89101

1
2 IT IS FURTHER ORDERED that due to the difference in the value between the ELN
3 Trust and the LSN Trust in the amount of \$153,499, the Trusts shall be equalized by
4 transferring the JB Ramos Trust Note from the Notes Receivable of the ELN Trust, valued at
5 \$78,000, to the LSN Trust as already reflected on the preceding page.²⁹

6 IT IS FURTHER ORDERED that the injunction regarding the \$1,568,000 reflected in
7 the account of Dynasty Development Group, LLC, ("Dynasty Buyout") and currently held in a
8 blocked trust account, is hereby dissolved.
9

10 IT IS FURTHER ORDERED that the ELN Trust shall use the distribution of the
11 \$1,568,000, herein awarded to the ELN Trust, to pay off the lump sum spousal support
12 awarded to Mrs. Nelson in the amount of \$800,000. Said payment shall be remitted within 30
13 days of the date of this Decree.

14 IT IS FURTHER ORDERED that Mrs. Nelson is awarded child support arrears in the
15 amount of \$87,775 and that the ELN Trust shall use the distribution of the \$1,568,000, herein
16 awarded to the ELN Trust, to pay off the child support arrears awarded to Mrs. Nelson via a
17 lump sum payment within 30 days of issuance of this Decree.
18

19 IT IS FURTHER ORDERED that the ELN Trust shall use the distribution of the
20 \$1,568,000, herein awarded to the ELN Trust, to pay Mr. Bertsch's outstanding fees in the
21 amount of \$35,258 within 30 days of issuance of this Decree.³⁰

22 IT IS FURTHER ORDERED that the ELN Trust shall use the distribution of the
23 \$1,568,000, herein awarded to the ELN Trust, to reimburse Mrs. Nelson for attorney's fees
24 paid to Attorney Dickerson in the amount of \$144,967 in payment of fees resulting from Mr.
25

26
27 ²⁹ Defendant's Exhibit GGGGG.

28 ³⁰ Second Application of Forensic Accountants for Allowance of Fees and Reimbursement of Expenses for the
Period from April 1, 2012 through July 25, 2012.

1
2 Nelson's unreasonable and unnecessary extension and protraction of this litigation. Said
3 payment shall be remitted to Mrs. Nelson within 30 days of the date of this Decree.

4 IT IS FURTHER ORDERED that the funds remaining, in the amount of approximately
5 \$500,000, from the distribution of the \$1,568,000, herein awarded to the ELN Trust, after the
6 payment of the spousal support, child support arrears, Mr. Bertsch's fees and reimbursement of
7 the attorney fees to Mrs. Nelson, shall be distributed to Mr. Nelson within 30 days of issuance
8 of this Decree
9

10 IT IS FURTHER ORDERED that Mr. Nelson shall pay Mrs. Nelson \$2080 in child
11 support for the month of June 2013 for their children Garrett and Carli.

12 IT IS FURTHER ORDERED that Mr. Nelson shall pay Mrs. Nelson \$1,058 a month in
13 support of their child Carli, commencing on July 1, 2013 and continuing until Carli attains the
14 age of majority or completes high school, which ever occurs last.
15

16 IT IS FURTHER ORDERED that Mr. Nelson shall maintain medical insurance
17 coverage for Carli.

18 IT IS FURTHER ORDERED that any medical expenses not paid by any medical
19 insurance covering Carli shall be shared equally by the parties, with such payments being made
20 pursuant to the Court's standard "30/30" Rule.

21 IT IS FURTHER ORDERED that the parties shall equally bear the private education
22 costs, including tuition, of Carli's private school education at Faith Lutheran.
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IT IS FURTHER ORDERED that the parties shall keep any personal property now in their possession and shall be individually responsible for any personal property, including vehicles, currently in their possession.

Dated this 3rd day of June, 2013.


Honorable Frank P. Sullivan
District Court Judge – Dept. O

FRANK R SULLIVAN
DISTRICT JUDGE

FAMILY DIVISION, DEPT. O
LAS VEGAS NV 89101

1 **IN THE SUPREME COURT OF THE STATE OF NEVADA**

2 *****

3 NOLA HARBER, as Distribution Trustee
4 of the ERIC L. NELSON NEVADA
5 TRUST dated May 30, 2001

6 Petitioners,

7 vs.

8 EIGHTH JUDICIAL DISTRICT COURT
9 OF THE STATE OF NEVADA, CLARK
10 COUNTY, and THE HONORABLE
11 FRANK P. SULLIVAN, DISTRICT
12 JUDGE

13 Respondents,

14 and

15 ERIC L. NELSON and LYNITA S.
16 NELSON, individually, and LSN
17 NEVADA TRUST dated May 30, 2001,
18 LARRY BERTSCH

19 Real Parties in Interest.

Electronically Filed
May 06 2014 03:59 p.m.
Tracie K. Lindeman
Clerk of Supreme Court

CASE NO. 63432

20 **OPPOSITION TO MOTION FOR RULING ON REQUESTS FOR STAYS**
21 **AND/OR TO DISSOLVE TEMPORARY STAYS**

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1 **I. INTRODUCTION**

2 Lynita Nelson's Motion to Dissolve Temporary Stays ("Motion to
3 Dissolve") is no more than a motion for reconsideration of this Court's June 21,
4 2013, Order Directing Answer and June 26, 2013, Order Extending Stay, which
5 recapitulates the same arguments made in her Answer to Petition for Writ of
6 Prohibition and Opposition to Emergency Motions Under NRAP 27(e) for Stay
7 filed by the ERIC L. NELSON NEVADA TRUST dated May 30, 2001 ("ELN
8 Trust").

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12 The ELN Trust welcomes a ruling by the Supreme Court on its Petition for
13 Writ of Prohibition, which raises the following issue: "whether the District Court
14 exceeded its jurisdiction and erred as a matter of law by ordering the ELN Trust to
15 pay Eric's spousal support obligation and child support arrearages based upon
16 statutes from other jurisdictions and in contravention of Nevada law." *See* Petition
17 for Writ of Prohibition at 8:15-20, previously filed on June 21, 2013. That being
18 said, dissolving the stay prior to a ruling on the underlying writ is inappropriate as
19 it would force the ELN Trust to pay to Lynita and/or her Counsel \$1,032,742.00 of
20 its assets for Eric L. Nelson's personal obligations (\$800,000 to Lynita for lump
21 sum alimony, \$87,775 to Lynita for child support arrears, \$144,967 for Lynita's
22 attorneys' fees and costs and \$35,258 to the District Court appoint expert, Larry
23 Bertsch), *see* Decree of Divorce attached as **Exhibit 1**, which is prohibited by NRS

1 Chapter 21 and Nevada's self-settled spendthrift trust statutes. Lynita's Counsel of
2 Record recently conceded this exact issue during testimony in front of the Nevada
3 Legislature.
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5 Notwithstanding the foregoing, Lynita demands that the stay be lifted
6 because of her belief that the District Court "could have" invalidated the ELN
7 Trust. Such argument disregards the simple fact that the District Court did not do
8 so. Lynita's other arguments, including her self-serving contention that the stay is
9 causing her irreparable harm, grossly misstates the evidence in this matter and is
10 refuted below. Lynita also seems to contend that this Court has not ruled on its
11 Motion for Ruling on Request for Stay. While it is true that this Court's initial
12 Order Directing Answer and Granting Temporary Stay entered June 21, 2013, was
13 granted in part to allow for the "receipt and consideration of any opposition to the
14 stay motion and the answer to the writ petition," the Order Extending Temporary
15 Stay granted entered June 26, 2013, contains no such condition.
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21 For these reasons, the stay should remain in place until this Court enters its
22 writ prohibiting the District Court's enforcement of the June 19, 2013, Order and
23 portions of the June 3, 2013, Decree of Divorce in which the District Court orders
24 the ELN Trust to make the aforementioned payments.
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1 **II. STATEMENT OF FACTS AND PROCEDURAL HISTORY**

2 Lynita has taken great liberty with what occurred at the trial and pertinent
3 provisions of the Decree of Divorce in a desperate attempt to confuse this Court
4 and shift the focus on the simple question raised in the Petition for Writ of
5 Prohibition, which is “whether the District Court exceeded its jurisdiction and
6 erred as a matter of law by ordering the ELN Trust to pay Eric’s spousal support
7 obligation and child support arrearages based upon statutes from other
8 jurisdictions and in contravention of Nevada law.” *See* Petition for Writ of
9 Prohibition at 8:15-20, previously filed on June 21, 2013. Some of Lynita’s most
10 egregious misrepresentations are as follows:

11 First, the District Court never referred to the ELN Trust as a “sham” or the
12 “alter ego” of Eric, as such terms were not used in the Divorce Decree. To the
13 contrary, the District Court confirmed that both the ELN Trust and LSN Trust
14 were “established as a self-settled spendthrift trust in accordance with NRS
15 166.020,” *see* Ex. 1 at 4:25, and that the ELN Trust was funded with assets that
16 were previously owned by a separate property trust that had been established by
17 Eric in or around 1993, *see id.* at 4:16-17, and the LSN Trust was funded with
18 assets that were previously owned by a separate property trust that had been
19 established by Lynita in or around 1993. *See id.* at 5:2-3. Once again,
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1 irrespective of whether the District Court believes it could have invalidated the
2 ELN Trust it did not do so.

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4 Second, Lynita's contention that the ELN Trust "violated the District
5 Court's injunction," *see* Motion to Dissolve at 3:9-10, is simply not true and is not
6 a finding in the Decree of Divorce. Indeed, the injunction that Lynita claims was
7 violated was not in place until after the ELN Trust engaged in the acts that Lynita
8 now complains of.
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10 11 **III. LEGAL ARGUMENT**

- 12
13 **1. The ELN Trust's Petition for Writ of Prohibition has a likelihood**
14 **of success on the merits because the District Court exceeded its**
15 **jurisdiction and erred as a matter of law by ordering the ELN**
16 **Trust to distribute its assets to pay Eric's child and spousal**
17 **support in contravention of NRS Chapter 21, Nevada's self-**
18 **settled spendthrift trust statutes.**

19 Lynita erroneously contends that the ELN Trust's Petition for Writ of
20 Prohibition does not have a likelihood of success on the merits based upon her
21 belief that the District Court "could have" invalidated the ELN Trust. Although the
22 District Court did mistakenly find that it could "invalidate" both the ELN Trust
23 and LSN Trust, *see id.* at 29: 14-18, a finding that the ELN Trust adamantly
24 disagrees with, the District Court did not do so. Indeed, as indicated *supra*, the
25 District Court confirmed that the ELN Trust was "established as a self-settled
26 spendthrift trust in accordance with NRS 166.020," *see* Ex. 1 at 4:25, and that the
27 ELN Trust was funded with assets that were previously owned by a separate
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1 property trust that had been established by Eric in or around 1993. *See id.* at 4:16-
2 17. Consequently, because Judge Sullivan did not invalidate the ELN Trust it is
3 afforded the protections contained within NRS Chapter 21 and Nevada's self-
4 settled spendthrift trust statutes.
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7 Lynita would also have this Court believe that the ELN Trust is not entitled
8 to any protection under Nevada's self-settled spendthrift trust statutes because
9 "the District Court essentially found that the ELN and LSN Trusts were Eric's
10 alter egos." This contention is not true and unsupported by the record. First, as
11 indicated *supra*, the District Court never found that either the ELN or LSN Trust
12 were the alter ego of Eric and it never even used those words in the 50 page
13 Divorce Decree. More importantly, however, is the fact that the District Court did
14 not invalidate the ELN Trust or LSN Trust because: "invalidation of the Trusts
15 could have serious implications for both parties in that it could expose the assets
16 to the claims of creditors, thereby, defeating the intent of the parties to
17 "supercharge" the protection of the assets from creditors." *See Ex. 1* at 29:15-18.
18 Simply put, the District Court wanted to protect the ELN Trust and LSN Trust, for
19 reasons, including, but not limited to, protecting trust assets from the claims of
20 creditors. In the event that the District Court intends to invalidate the ELN Trust
21 at a future date, as Lynita insinuates it will do, the ELN Trust will have additional
22 grounds to seek relief directly from this Court.
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1 The fact that the District Court exceeded its jurisdiction by ordering the
2 ELN Trust, a self-settled spendthrift trust, to pay Eric's spousal support obligation
3 and child support arrearages based upon statutes from other jurisdictions and in
4 contravention of Nevada law has already been conceded by Lynita's Counsel of
5 Record, Robert Dickerson, Esq. Indeed, Mr. Dickerson has acknowledged before
6 the Nevada Senate Committee on Judiciary, that Nevada "has no statutory
7 language allowing for a spouse or child to be an exception creditor of the
8 [spendthrift] trust" and that "there has never been an effort to address the effect of
9 this type of trust on domestic support obligations." See document entitled
10 "Memorandum from Robert P. Dickerson in Support of AB378 dated May 7,
11 2013, attached as **Exhibit 2**.

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14 For these reasons, and those set forth in the Petition for Writ of Prohibition,
15 the District Court exceeded its jurisdiction and erred as a matter of law by
16 directing the ELN Trust to pay Eric's spousal support obligations and child
17 support arrearages.

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22 **2. Lynita is not harmed by the imposition of the stay because she is**
23 **the beneficiary of the LSN Trust which recently sold a piece of**
24 **real property for \$829,000 and owns millions of dollars in**
25 **additional assets.**

26 Despite the irreparable harm that the ELN Trust would suffer if the stay is
27 lifted, Lynita brazenly contends that the stay should be lifted because the stay
28 causes her irreparable harm. In so doing, Lynita grossly misstates her financial

1 condition as the facts of this matter establish that: (1) Lynita has squandered
2 millions of dollars since the initiation of the divorce proceeding in 2009; (2) the
3 LSN Trust, of which Lynita is a beneficiary just sold one of its assets for \$829,000
4 thereby providing the LSN Trust with liquid assets; and (3) the LSN Trust owns
5 over \$3,000,000 in other assets.
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8 As Lynita admitted in her Motion for Ruling, from June 2009 through May
9 2012, the LSN Trust had over \$2,091,178.64 in cash. *See* Notice of Filing Income
10 and Expense Reports for Lynita Nelson for the Period of January 1, 2011 through
11 March 31, 2012, attached as **Exhibit 3**. In addition to the \$2,091,178.64 in cash
12 the ELN Trust paid Lynita directly an additional \$89,517.12 (\$65,505.94 in 2009,
13 \$13,003.58 in 2010, \$10,763.30 in 2011 and an additional \$244.00 for the first 3
14 ½ months of 2012). *See* Exhibit B1, attached hereto as **Exhibit 4**. Consequently,
15 from June 2009 through March 2012, Lynita, individually and/or as a beneficiary
16 of the LSN Trust, had access to at least \$2,180,695.75 in cash. During such time
17 period the LSN Trust paid \$542,801.84 of Lynita's "personal expenses," and
18 Lynita withdrew an additional \$231,754.16 in cash from the LSN Trust for a total
19 of \$774,556.00. *See* Ex. 3. Ironically, Lynita complains that during that same
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1 time period Eric received personal draws and paid personal expenses from the
2 ELN Trust totaling \$697,476.29.¹
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4 In her Motion to Dissolve, Lynita also misleads this Court by insinuating
5 that she has not received any money since the entry of the Decree of Divorce on
6 June 3, 2013. This is simply not true. Indeed, Lynita intentionally withheld the
7 fact that she has received \$13,718.00 in child support payments since July 2013,
8 *see* Ex. 1 at 49: 10-14 (requiring a \$2,080 child support payment for June 2013
9 and \$1,058.00 a month from July 1, 2013 through present), that she, *via* the LSN
10 Trust collected an additional \$8,650.00 in rents directly from tenants prior to this
11 Court entered its stay in Case No. 63432, *see* Response to Court Ordered
12 Accountings Provided by Eric Nelson, attached hereto as **Exhibit 5**, and she has
13 received an additional \$36,297.34 in August 2013, which represented 50% of the
14 net income collected by the Lindell Professional Plaza from January 2010 through
15 July 2013. *See* copies of the checks attached as **Exhibit 6**.
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21 Additionally, although Lynita admitted in her Motion to Dissolve that she
22 sold her primary residence in 2013, which was owned by the LSN Trust, she
23 failed to advise this Court that the home sold for \$829,000.00, which is over
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25 ¹ In an effort to further deceive this Court about the benefits that were
26 purportedly provided to Eric, Lynita contends that Eric “gave his family members
27 (other than the parties’ children) \$3,900,115.29.” This is not true as the District
28 Court made specific findings in the Decree of Divorce that the “transfers to Mr.
Nelson’s family members were to compensate them for various services rendered
and for joint-investment purposes.” DD 31:2-4.

1 \$75,000.00 more than the value assessed to the home by the District Court in its
2 Decree of Divorce. *See* Grant, Bargain, Sale Deed, attached hereto as **Exhibit 7**.

3
4 Perhaps more importantly however, in addition to millions of dollars
5 referenced above, LSN Trust own assets worth \$3,747,439.00:

Pebble Beach Property	\$ 75,000.00
Arizona Gateway Lots	\$ 139,500.00
Wyoming Property (200 acres)	\$ 405,000.00
Arnold Property in Miss.	\$ 40,000.00
Mississippi RV Park	\$ 559,042.00
Mississippi Property	\$ 870,193.00
Grotta 16.67% Interest	\$ 21,204.00
Lindell Property	\$ 1,145,000.00
½ of Brianhead Cabin	<u>\$ \$492,500.00</u>
TOTAL	\$3,747,439.00

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15 *See* Ex. 1 at 47:17-25.

16 For these reasons, it is readily apparent that Lynita is not suffering
17 irreparable harm; however, even if she was, such harm does not create a legal
18 obligation on behalf of the ELN Trust to transfer its assets to Lynita. The only
19 Party that would be harmed if the stay is lifted prior to a ruling on the Petition for
20 Writ of Prohibition is the ELN Trust because the ELN Trust will be unable to
21 recoup any funds paid to Lynita because she has no assets, but rather is a
22 beneficiary of a Nevada self-settled spendthrift trust, the LSN Trust, which
23 pursuant to Nevada law is not required to pay her personal obligations. In light of
24 the foregoing, the Motion to Dissolve should be denied in its entirety.
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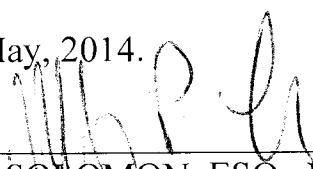
1 **3. The ELN Trust has not benefitted from this Court staying the**
2 **\$1,032,742 payment to Lynita for Eric's personal obligations.**

3 Finally, Lynita's argument that the ELN Trust is somehow receiving a
4 benefit from this Court staying the payment of the \$1,032,742 is simply not true as
5 the funds have been held in a blocked account since September 6, 2013. *See*
6 Notice of Entry of Injunctions from September 4, 2013, Hearing, attached as
7 **Exhibit 8.** Consequently, the ELN Trust is not receiving a benefit from this
8 Court's stay on such funds.

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12 **VI. CONCLUSION**

13 For the reasons set forth below, and those raised in the Petition for Writ of
14 Prohibition, the ELN Trust respectfully requests that this Court maintain the stay
15 until it rules upon the Petition for Writs of Prohibition as dissolving the stay prior
16 to such time will cause irreparable harm to the ELN Trust for the reasons stated
17 herein, the Petition for Writ of Prohibition and Emergency Motion Under NRAP
18 27(e) for Stay.

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21 Respectfully submitted this 6th day of May, 2014.

22
23 
24 _____
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