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### IN THE SUPREME COURT OF THE STATE OF NEVADA

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

Petitioners,

VS.

EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, CLARK COUNTY, and THE HONORABLE FRANK P. SULLIVAN, DISTRICT JUDGE

Respondents,

and

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

Real Parties in Interest.

Electronically Filed Jul 25 2013 04:49 p.m. Tracie K. Lindeman Clerk of Supreme Court

**CASE NO. 63545** 

### REPLY TO OPPOSITION TO EMERGENCY MOTION

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Attorneys for Petitioner, Nola Harber as

Distribution Trustee of the ELN Nevada Trust

### I. <u>INTRODUCTION</u>

1.0

Lynita Nelson's ("Lynita") contention that the Eric L. Nelson Nevada Trust dated May 30, 2001 ("ELN Trust") is somehow engaging by "vexatious and abusive litigation tactics" is simply not true as the instant Petition for Writ of Prohibition, and that filed in Case/Docket Number 63432 are a direct result of the District Court exceeding its jurisdiction by ordering a Nevada self-settled spendthrift trust to transfer its assets to Lynita in contravention of Nevada law.

### II. STATEMENT OF FACTS AND PROCEDURAL HISTORY

Lynita has taken great liberty with what occurred at the trial and pertinent provisions of the Divorce Decree in an attempt to confuse this Court and shift the focus away from the simple questions raised in the Petition for Writ of Prohibition, which are:

- 1. Whether the District Court exceeded its jurisdiction and erred as a matter of law by ordering the ELN Trust to transfer certain assets to "equalize" and/or "level off" the ELN Trust and LSN Trust.
- 2. Whether the District Court exceeded its jurisdiction and erred as a matter of law by enforcing the purported intent of Eric and Lynita to "equalize" the assets owned by the ELN Trust and LSN Trust despite the fact that there is no legally enforceable agreement and neither Eric nor Lynita possess a community or separate property interest in the assets owned by such trusts.
- 3. Whether the District Court exceeded its jurisdiction and erred as a matter of law by imposing a constructive trust over assets owned by the ELN Trust that did not originate from Lynita and/or the LSN Trust. *See* Petition for Writ of Prohibition at 14:17-15:4, previously filed on July 9, 2013.

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### III. LEGAL ANALYSIS

A. Nola Harber, the Successor Distribution Trustee of the ELN Trust has standing to maintain the Motions.

Lana Martin, the prior Distribution Trustee of the ELN Trust, resigned on or around June 10, 2013. See Notice of Substitution of Distribution Trustee, attached as Exhibit 1. Pursuant to the Change of Trusteeship for the ELN Trust dated June 8, 2011, Jeffrey Burr, Esq. appointed Ms. Harber to serve as the Successor Distribution Trustee of the ELN Trust in the event that Ms. Martin became "deceased, unable or unwilling to serve as the current Distribution Trustee." See id. Ms. Harber accepted the appointment of Distribution Trustee, and Eric, the Investment Trustee of the ELN Trustee, authorized and delegated Ms. Harber to defend, maintain and pursue any and all actions on behalf of the ELN Trust. See id. A Notice of Substitution of Distribution Trustee was filed with the District Court on July 16, 2013. See id.

Since Ms. Martin resigned as Distribution Trustee, Ms. Harber is the only one authorized to bring the Petition for Writ of Prohibition as she is the real party in interest. See, e.g., NRCP 17(a) ("Real Party in interest. Every action shall be prosecuted in the name of the real party in interest. An executor, . . . trustee of an express trust, . . . may sue in that person's own name without joining the party for whose benefit the action is brought; . ."). As Lynita recognized in her Answer, "it

is the trustees, rather than the trust itself that is entitled to bring suit." *Causey v. Carpenters So. Nev. Vacation Trust*, 95 Nev. 609, 610, 600 P.2d 244, 245 (1979). That is exactly what happened here: the Distribution Trustee, Ms. Harber, initiated the instant writ proceeding.

Contrary to Lynita's contention, a motion for substitution pursuant to NRCP 25(c) is inappropriate and unnecessary in the context of a trust because there has been no "transfer of interest" because the Distribution Trustee of the ELN Trust, is still the party to the litigation, albeit the person serving in the capacity of Distribution Trustee has changed. The resignation of Ms. Martin is akin to when a public officer "dies, resigns, or otherwise ceases to hold office," see NRCP 25(d)(1), at which time the "officer's successor is automatically substituted as a party." (Emphasis Added). No motion is required. Although "[a]n order of substitution may be entered at any time, [] the omission to enter such an order shall not affect the substitution." See id.

B. The NRAP 8(c) factors weigh in favor of granting a stay of the Divorce Decree ordering payment of funds to Lynita and the June 19, 2013, Order pending these writ proceedings.

Instead of responding to the majority, if not all, of the arguments raised in the Emergency Motion, Lynita contends that a stay is inappropriate by misrepresenting the record and misconstruing the requirements under NRAP 8(c).

First, Lynita's contention that Ms. Harber lacks standing fails for the reasons stated above.

Second, the ELN Trust will suffer irreparable harm and the object of the writ will be defeated if the requested stay is denied because the ELN Trust will be required to transfer 100% of its interest in the Lindell Property, the rental properties owned by Banone, LLC and 50% interest in the Russell Road Property, to the LSN Trust. Lynita's reliance upon *Mikohn Gaming Corp. v. McCrea*, 120 Nev. 89 P.3d 36, 40 (2004) is misplaced because in *Mikohn* this Court merely stated that irreparable harm typically does not exist when the harm is limited to "increased litigation costs and delay." This Court made it clear however that a stay is appropriate where a party "may face actual irreparable harm." Such is the case here because if a stay is not granted Lynita will be able to collect rents, enter into leases and/or alter the contractual obligations existing with the ELN Trust and/or sell the property. 1

### C. A bond is not required or appropriate.

See, e.g., Dixon v. Thatcher, 103 Nev. 414, 415-16, 742 P.2d 1029, 1029-30 (1987) ("real property and its attributes are considered unique and loss of real property rights generally results in irreparable harm."); see also Hansen v. Eighth Judicial Dist. Court ex rel. County of Clark, 116 Nev. 650, 658, 6 P.3d 982, 986-87 (2000); Nevada Escrow Service, Inc. v. Crockett, 91 Nev. 201, 533 P.2d 471 (1975).

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Lyntia concedes that a bond is not required pending the resolution of Petition for Writ of Prohibition.<sup>2</sup> Notwithstanding, Lynita requests that if this Court is inclined to grant a stay, it should require the ELN Trust to post a "supersedeas" bond as outlined by the District Court during the June 19, 2013, hearing when talking about a stay pending appeal. The District Court, however, did not identify a clear "outline" at such hearing and/or state that it would impose a supersedeas bond.<sup>3</sup> A supersedeas bond is unnecessary as the ELN Trust has more than sufficient assets to pay any damages if unsuccessful in the instant writ proceedings. Alternatively, if this Court is inclined to impose a bond it should be minimal, because all Lynita could possibly be damaged by the stay is the interest factor for the delay in receiving the property.

DATED this 25<sup>th</sup> day of July, 2013.

MARK X. SOLOMON, ESQ., NSB 0418 JEFFREY P. LUSZECK, ESQ., NSB 9619

SOLOMON DWIGGINS & FREER, LTD.

9060 W. Cheyenne Avenue Las Vegas, Nevada 89129

See, e.g., NRAP (8)(a)(2)(E) ("The Court may condition relief on a party's filing a bond or other appropriate security in the district court."). (Emphasis Added).

Indeed, the District Court merely identified a couple of things that "it thought" it could do. In any case a bond is inappropriate because a stay merely preserves the status quo before the District Court entered an order exceeding its jurisdiction.

### CERTIFICATE OF SERVICE

2						
3	Pursuant to Nev. R. App. P. 5(b), I hereby certify that I am an employee					
4	the law firm of Solomon Dwiggins & Freer, Ltd., and that on July 25, 2013, I file					
5	a true and correct copy of the fore	egoing REPLY TO OPPOSITION TO				
6	•					
7 8	EMERGENCY MOTION UNDER NRAP 27(e) FOR STAY TO ISSUE BY 5:0					
9	P.M. ON JULY 9, 2013, PENDING RESOLUTION OF WRIT PROCEEDING.					
10	WITH THE Clerk of the Court through the Court's eFlex electronic filing system					
11	and notice will be sent electronically by the Court to the following:					
12	Robert P. Dickerson, Esq.	C1 f I				
14	Katherine L. Provost, Esq. THE DICKERSON LAW GROUP	Counsel for Lynita S. Nelson, defendant in District Court				
15	1745 Village Center Circle Las Vegas, Nevada 89134					
16	info@dickersonlawgroup.com					
17   18	Radford J. Smith, Chartered					
19	Rhonda K. Forsberg, Esq. 64 N. Pecos Road, Suite 700	Counsel for Eric L. Nelson, real party ir interest				
20	Henderson, Nevada 89074 <a href="mailto:rforsberg@radfordsmith.com">rforsberg@radfordsmith.com</a>					

I also hereby certify that the foregoing document will be deposited in the

U.S. Postal Service by first class mail, postage prepaid thereon to the following:

Hon. Frank P. Sullivan, Department O, Eighth Judicial District Court Robert P. Dickerson, Esq.

Rhonda K. Forsberg, Esq.

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DATED: June 25, 2013

An employee of Solomon Dwiggins & Freer, Ltd.

	1 2 3 4 5 6 7 8 9	Nevada State Bar No. 9619 E-mail: jluszeck@sdfnvlaw.com SOLOMON DWIGGINS & FREER, LTD. Cheyenne West Professional Centre' 9060 W. Cheyenne Avenue Las Vegas, Nevada 89129 Telephone No.: (702) 853-5483 Facsimile No.: (702) 853-5485 Attorneys for NOLA HARBER, Distribution Trustee of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001	CT COURT	Electronically Filed 07/16/2013 03:31:12 PM  Alun & Lun  CLERK OF THE COURT		
	11	COUNTY OF CLARK, NEVADA				
	12	ERIC L. NELSON,	Case No.:	D411537		
vs	13	Plaintiff/Counterdefendant,	Dept.:	O		
, LTD. NUE 9 853-5485	14	vs.				
LEER, I LVENU 89129 702) 85	15	LYNITA SUE NELSON, LANA MARTIN,				
SINS & FR HEYENNE / NEVADA ?   FAX: (7	16	as Distribution Trustee of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001				
DWIG EST Cl EGAS,	17					
SOLOMON ] 9060 WI LAS V .: (702) 853	18 19	Defendants/Counterclaimants.  LANA MARTIN, Distribution Trustee of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001,	-			
Sc Teu:	20	171ay 50, 2001,				
	21	Crossclaimant,				
	22	VS.				
	23					
	24	LYNITA SUE NELSON,				
	25	Crossdefendant.				
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	27					
	28					
		Pag	e 1 of 3			

# SOLOMON DWIGGINS & FREER, LTD. 9060 WEST CHEYENNE AVENUE LAS VEGAS, NEVADA 89129 TEL: (702) 853-5483 | FAX: (702) 853-5485

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### NOTICE OF SUBSTITUTION OF DISTRIBUTION TRUSTEE

Please take notice that on or around June 10, 2013, Lana Martin resigned as Distribution Trustee of the ELN Trust. See Resignation of Current Distribution Trustee of the ELN Trust and Successor Distribution Trustee to Act in that Capacity, attached hereto as Exhibit 1. Pursuant to the Change of Trusteeship for the ELN Trust dated June 8, 2011, Jeffrey Burr, Esq. appointed Nola Harber to serve as the Successor Distribution Trustee of the ELN Trust in the event that Ms. Martin became "deceased, unable or unwilling to serve as the current Distribution Trustee." See Change of Trusteeship for the ELN Trust dated June 8, 2011, attached hereto as Exhibit 2. Ms. Harber has accepted the appointment as Distribution Trustee of the ELN Trust, see Ex. 1, and Eric Nelson, the Investment Trustee, has authorized and delegated Ms. Harber to defend, maintain and pursue any and all actions on behalf of the ELN Trust. See Delegation of Nola Harber, attached hereto as Exhibit 3.

SOLOMON DWIGGINS & FREER, LTD.

By

DATED this 16<sup>th</sup> day of July, 2013.

A. SOLOMON, ESO. Nevada State Bar No. 0418 msolomon@sdfnvlaw.com JEFFREY P. LUSZECK, ESQ.

Nevada State Bar No. 9619 iluszeck@sdfnvlaw.com

Chevenne West Professional Centré 9060 West Cheyenne Avenue

Las Vegas, Nevada 89129 Telephone: (702) 853-5483 Facsimile: (702) 853-5485

Attorneys for Nola Harber, Distribution Trustee

# SOLOMON DWIGGINS & FREER, LTD. 9060 WEST CHEYENNE AVENUE LAS VEGAS, NEVADA 89129 Tel: (702) 853-5483 | FAX: (702) 853-5485

### CERTIFICATE OF MAILING

I HEREBY CERTIFY that pursuant to EDCR 7.26(a), service of the foregoing **NOTICE OF SUBSTITUTION OF DISTRIBUTION TRUSTEE** was made on this day of July, 2013, by sending a true and correct copy of the same by United States Postal Service, first class postage fully prepaid, to the following at his last known address as listed below:

Robert P. Dickerson, Esq. Dickerson Law Group 1745 Village Center Circle Las Vegas, NV 89134

An employee of Solomon Dwiggins & Freer, Ltd.

RESIGNATION OF CURRENT DISTRIBUTION TRUSTEE OF THE ERIC L. NELSON NEVADA TRUST

AND SUCCESSOR DISTRIBUTION TRUSTEE TO ACT IN THAT CAPACITY

I, Lana Martin, as current Distribution Trustee of the Eric L. Nelson Nevada Trust hereby resign my role as Distribution Trustee of the Eric L. Nelson Nevada Trust as I'm no longer willing to serve in that capacity.

Pursuant to that certain Change of Trusteeship for the Eric L. Nelson Nevada Trust dated June 8<sup>th</sup>, 2011, executed by Jeffrey L. Burr, Esq on behalf of Jeffrey Burr, LTD, as Trust Consultant, I hereby request that per Article 11.2 of such agreement, that NOLA HARBER serve as Successor Distribution Trustee of the Trust.

certify that the foregoing is true and correct and hereby resign as Current Distribution Trustee.

LANA MARTIN

STATE OF NEVADA

}ss:

**COUNTY OF CLARK** 

}

On June 10, 2013, before me, the undersigned, a Notary Public in and for said County of Clark, State of Nevada, personally appeared LANA MARTIN personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
No. 37-3357-1
DONNA M. STANTON
My Appointment Expires Sept. 15, 2013

Donna in Stanton Notary Public

### ACCEPTANCE BY SUCCESSOR DISTRIBUTION TRUSTEE TO ACT AS CURRENT DISTRIBUTION TRUSTEE

I certify that I have read the Change of Trusteeship for the Eric L. Nelson Nevada Trust dated June 8, 2011 and understand the terms and conditions for my service as Distribution Trustee and I accept in all particulars,

NOLA HARBER

STATE OF NEVADA

}ss:

COUNTY OF CLARK

)

On June 10 2013, before me, the undersigned, a Notary Public in and for said County of Clark, State of Nevada, personally appeared NOLA HARBER personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
No 973557-1
DONNA M. STANTON
My Appointment Expires Sept. 15, 2013

**Notary Public** 

onna M Stanton

### CHANGE OF TRUSTEESHIP

### FOR THE

### ERIC L. NELSON NEVADA TRUST

THIS CHANGE OF TRUSTEESHIP, dated June 8, 2011, is made in accordance with ARTICLE XI, Section 11.3, entitled Trust Consultant, as provided in the Trust Agreement, dated May 30, 2001.

### Witnesseth:

WHEREAS, ERIC L. NELSON, as Trustor, established the ERIC L. NELSON NEVADA TRUST on May 30, 2001, wherein ERIC L. NELSON is serving as Investment Trustee, NOLA HARBER is serving as Distribution Trustee and JEFFREY BURR, LTD., formerly known as JEFFREY L. BURR, LTD., a Nevada corporation, is serving as Trust Consultant; and

WHEREAS, pursuant to the power reserved to JEFFREY BURR, LTD., as the Trust Consultant, in Section 11.3 of the within referenced Trust Agreement, it is the Trust Consultant's desire to remove LYNITA SUE NELSON as the first nominated Successor Investment Trustee of the within referenced Trust Agreement and to make other Successor Investment Trustee changes; and

WHEREAS, pursuant to the power reserved to JEFFREY BURR, LTD., as the Trust Consultant, in Section 11.3 of the within referenced Trust Agreement, it is the Trust Consultant's desire to remove NOLA HARBER as current Distribution Trustee of the within referenced Trust Agreement and to make other Distribution Trustee changes.

NOW, THEREFORE by executing this Change of Trusteeship, the Trust Consultant hereby makes the following modifications and changes to the current and successor Trusteeship of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001:

I.

Effective immediately, LYNITA SUE NELSON is hereby removed as the Successor Investment Trustee of the Trust and NOLA HARPER is hereby removed as the current Distribution Trustee of the Trust

ARTICLE 11 – PROVISIONS RELATING TO TRUSTEESHIP. Sections 11.1 and 11.2 of this Article 11 shall be deleted in their entirety and the following shall be inserted in their stead:

- "11.1 <u>Investment Trustee and Successor Investment Trustee</u>. ERIC L. NELSON is the current Investment Trustee of this Trust. If he should become deceased, unable or unwilling to serve, NOLA HARBER shall serve as Successor Investment Trustee of this Trust. If NOLA HARBER should become deceased, unable or unwilling to serve, CLARENCE NELSON shall serve as Successor Investment Trustee of this Trust. If CLARENCE NELSON should become deceased, unable or unwilling to serve, ALEDA NELSON shall serve as Successor Investment Trustee of this Trust. Except where specific powers are given to the Distribution Trustee as provided herein, wherever the term "Trustee" is used in this Trust, it shall be deemed to mean the Investment Trustee and Successor Investment Trustees as named above.
- MARTIN is now appointed to serve as the current Distribution Trustee, effective immediately. If LANA MARTIN should become deceased, unable or unwilling to serve as the current Distribution Trustee, NOLA HARBER shall serve as Successor Distribution Trustee of this Trust. If NOLA HARBER should become deceased, unable or unwilling to serve, CLARENCE NELSON shall serve as Successor Distribution Trustee of this Trust. Notwithstanding the foregoing, upon the death of ERIC L. NELSON or in the event that he should cease to serve as the Investment Trustee hereunder, then the Distribution Trustee shall cease to serve and the administration and distribution of the Trust estate shall thereupon be under the exclusive control of the Investment Trustee(s). In no event shall the Trustor serve as a Distribution Trustee."

THIS CHANGE OF TRUSTEESHIP is made and executed by the Trust Consultant on the day and year first above written.

TRUST CONSULTANT:

JEFFREY BURR, LTD., a Nevada corporation

BY: WE FOR THE FO

### ACCEPTANCE BY CURRENTLY APPOINTED DISTRIBUTION TRUSTEE

I certify that I have read the foregoing Change of Trusteeship and the within referenced Declaration of Trust and understand the terms and conditions for my service as current Distribution Trustee and I accept the Declaration of Trust in all particulars.

LANA MARTIN

STATE OF NEVADA )
) ss
COUNTY OF CLARK )

On June 2., 2011, before me, the undersigned, a Notary Public in and for said County of Clark, State of Nevada, personally appeared JEFFREY BURR, ESQ. of JEFFREY BURR, LTD., a Nevada corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized

capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

	VANESKA MALLORIK
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	STATE OF HEVADA
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ST 31	
-4.5	COMMISSION NO. 94-2011-1

NOTARY PUBLIC

STATE OF NEVADA ) ss.
COUNTY OF CLARK )

On June 2, 2011, before me, the undersigned, a Notary Public in and for said County of Clark, State of Nevada, personally appeared LANA MARTIN personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public - State of Nevada County of Clark ROCHELLE MCGOWAN My Appointment Expires No: 02-73189-1 February 12, 2014

NOTARY PUBLIC

### Delegation of Nola Harber

Due to the conflict of interest that I, ERIC NELSON, have as Investment Trustee of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001, pertaining to the claims asserted by NOLA HARBER, Distribution Trustee of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001, in Clark County District Court Case No. Case No. D-411537, Ihereby authorize and delegate NOLA HARBER to defend, maintain and pursue any and all actions on behalf of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001 in relation to such claims. This Delegation is also being made as a result of the fact that the undersigned previously delegated such authority to Lana A. Martin on August 19, 2011, but Ms. Martin has resigned as Distribution Trustee and NOLA HARBER has become the successor Distribution Trustee of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001.

Dated this \_\_\_ day of June, 2013.

ERICL. NELSON, Investment Trustee of the ERICL. NELSON NEVADA TRUST dated

May 30, 2001