IN THE SUPREME COURT OF THE STATE OF NEVADA

ERNEST A. BECKER, IV, individually; ERNEST A. BECKER, IV and KATHLEEN BECKER as Trustees of the ERNEST A. BECKER IV and KATHLEEN C. BECKER FAMILY TRUST; EB FAMILY HOLDINGS, LLC; KIMBERLY RIGGS; SALLIE BECKER; BRIAN BECKER; and WILLIAM A. LEONARD, Trustee, Appellants, vs. ERNEST AUGUST BECKER, V, Respondent.	No. 65335 On Certification from United States Bankruptcy Court for the District of Nevada Case No. BK-S-13-14932-BTB

APPELLANTS' REPLY BRIEF

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APPELLANTS' NRAP 26.1 DISCLOSURE

The undersigned counsel of record for Appellants certifies that the following are persons and entities as described in NRAP 26.1(a), and must be disclosed. These representations are made in order that the judges of this court may evaluate possible disqualification or recusal.

ERNEST A. BECKER, IV, individually; ERNEST A. BECKER, IV and KATHLEEN BECKER as Trustees of the ERNEST A. BECKER IV and KATHLEEN C. BECKER FAMILY TRUST; EB FAMILY HOLDINGS, LLC; KIMBERLY RIGGS; SALLIE BECKER; BRIAN BECKER; and WILLIAM A. LEONARD, Trustee. No publicly held companies own any interest in the Appellants. Appellants have been represented in this matter by the following attorneys and law firms:

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I. NEVADA STATUTES DO NOT EXEMPT DEBTOR'S ECONOMIC INTEREST IN THE STOCK, AND SUCH STOCK IS SUBJECT TO THE CHARGING ORDER REMEDY OF NRS 78.746(1).

Debtor mistakenly argues that pursuant to NRS 21.090(1)(bb) both his economic and non-economic interests in the stock of Ensworth Apts., Inc. ("Ensworth") and Eagle Rock Gaming, Inc. ("Eagle Rock Gaming") are totally exempt and that his interest is not subject to a charging order remedy (See, e.g., Answering Brief, 5-6). His argument is based upon an erroneous interpretation of the wording of NRS 21.090(1)(bb), which states as follows:

> 1. The following property is exempt from execution, **except** as otherwise specifically provided in this **section** or required by federal law:
>
> ***
>
> (bb) Stock of a corporation described in **subsection** 2 of NRS 78.746 **except** as set forth in that **section**. (emphasis added)

Debtor misinterprets the "except as set forth in that section" wording to mean that NRS 78.746(2) describes the criteria for corporations that are totally exempt, rather than describing the types of corporations that are subject to the remedy of a charging order. Debtor misreads NRS 78.746(2) as an exemption statute when it is not, but rather is a charging order remedy statute. Simply stated, for a small corporation described in NRS 78.746(2), the non-economic interest is exempt per NRS 21.090(1)(bb), but the economic interest is subject to the remedy of a charging order as provided in NRS 78.746(1).

In order for the words "that section" as used in NRS 21.090(1)(bb) to mean "**subsection** 2 of NRS 78.746", as Debtor contends, it would have to be presumed that the Legislature did not know the difference between a "section" and a

"subsection", which of course would be wrong. Debtor's interpretation not only defies logic but it also takes away the very charging order remedy that the Legislature intended to provide to judgment creditors of small corporations. Why would the Legislature go to all of the trouble to be the first state in the nation to enact a statute that gives judgment creditors of small corporations the "exclusive remedy" of a charging order, only to eliminate that remedy by making the economic interests of small corporations totally exempt? If the legislature had intended to provide an exemption for both the economic and non-economic interests of stock of small corporations, it would have put a period after the words "Stock of a corporation described in subsection 2 of NRS 78.746", and omitted the words "except as set forth in that section."

As noted in the Appellant's Opening Brief, pages 6-9, the legislative history of NRS 21.090(1)(bb) demonstrates that there can be no legitimate question that the words "that section" as used in NRS 21.090(1)(bb) refer to all of Section 746 of NRS Chapter 78. This is made apparent by examining the text contained in Statutes of Nevada, Chapter 480 (2007), when NRS 21.090(1)(bb) and NRS 78.746 were originally enacted as part of Senate Bill 242[1]. The language of what is now NRS 21.090(1)(bb) was Section 171.4[2] of Statutes of Nevada, Chapter 480 (2007), and the language of what is now NRS 78.746 was Section 43.5[3] of that same bill. In that bill, the words "except as set forth in that section", read "except as set for in Section 43.5[4]" which is a reference to all of Section 43.5 (i.e., to all of

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[1] See Addendum, 99-125.

[2] See Addendum, 18-20.

[3] See Addendum, 16.

[4] It did not say "except as set forth in subsection 2 of section 43.5", as Debtor would want.

NRS 78.746) and not just to subsection 2 thereof [5]. That meaning did not change when the section numbers from the bill were codified into the Nevada statutes. If the legislature intended to say "except as set forth in that subsection" instead of "except as set forth in that section" it would have done so.

Nor is Debtor's cause assisted by NRS 78.746(2)(b), which states: "2. ... this section[6]: ... (b) Does not deprive any stockholder of the benefit of any exemption applicable to the stockholder's stock." Debtor maintains that this provision should be interpreted to mean that if the charging order remedy of NRS 78.746 applies to Debtor's stock in Ensworth and Eagle Rock Gaming, then Debtor will be deprived of the exemption granted in NRS 21.090(2)(bb)(See Answering Brief, 9). However, that interpretation is flawed inasmuch as discussed above, NRS 21.090(1)(bb) only exempts Debtor's non-economic interest in the stock, and NRS 78.746(2)(b) is not being interpreted to deprive him of that his non-economic interest. In fact, Debtor's interpretation would cause the Objecting Creditors, as judgment creditors, to be deprived of the very remedy NRS 78.746 was designed to provide, i.e., the remedy of receiving the benefit of Debtor's economic interest in his stock.

Once again, as noted in the Appellant's Opening Brief, pages 17-18, the language of NRS 78.746(2)(b) was not new to the Nevada statutes. Similar language was contained in (a) Section 28(3) of the Uniform Partnership Act (1914)[7] which was enacted in Nevada in 1931 as NCL Section 5028.27(3)[8] and is

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[5] *See,* Statutes of Nevada, Chapter 480, §§171.4 and 43.5 (2007) at pages 2710-2713 and 2639. See Addendum, 18-20 and 16.

[6] Note that this does not say "this subsection". By saying "this section" it is a reference to all of Section 746.

[7] See Addendum, 32.

[8] See Addendum, 5.

presently codified at NRS 87.280(3)[9], (b) Section § 504(d) of the Uniform Partnership Act (1997)[10] which was enacted in Nevada in 1985 as NRS 87.4342(4)[11], (c) Section 703 of the Uniform Limited Partnership Act (1976)[12] adopted in Nevada in 1985 (effective Jan. 1, 1987) as NRS 88.535(2)(b)[13], (d) Section 703(d) of the Uniform Limited Partnership Act (2001)[14] adopted in Nevada in 2007 as NRS 87A.480(2)(b)[15], and (e) NRS 86.401(2)(b)[16], relating to limited liability companies which was enacted in Nevada in 1991. With this background in mind, there is no basis to conclude that NRS 78.746(2)(b) somehow conflicts with or is inconsistent with NRS 21.090(1)(bb) and NRS 78.746(1), or that subsection 2 provides an exemption that is not provided by NRS 21.090, or that it expands upon the exemption of the non-economic interest provided by NRS 21.090(1)(bb). It merely means that nothing in the corporate charging order statute will deprive Debtor of any exemption provided by NRS 21.090, such as the exemption of Debtor's non-economic interest in Ensworth and in Eagle Rock Gaming provided by NRS 21.090(1)(bb).[17]

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[9] See Addendum, 12.

[10] See Addendum, 35.

[11] See Addendum, 13.

[12] See Addendum, 37.

[13] See Addendum, 15.

[14] See Addendum, 40.

[15] See Addendum, 14.

[16] See Addendum, 11.

[17] Note also that NRS 21.090(1)(z) (Addendum, 7) allows an exemption of up to $1,000 for personal property that is not otherwise exempt from execution, including stock. Thus, if Debtor had chosen to do so (which he did not), he could have claimed an exemption for $1,000 of his economic interest in the Ensworth Stock or the Eagle Rock Gaming Stock.

The previous and repeated use by the legislature of the language in NRS 78.746(2)(b) shows that it is commonly-used verbiage which is intended to preserve whatever statutory exemptions exist, and it is not intended to modify or expand upon the exemption related to corporate stock contained in NRS 21.090(1)(bb).

To construe NRS 78.746(2)(b) in the manner advocated by Debtor renders meaningless the "except as set forth in that section" language of NRS 21.090(1)(bb). It is a well-established principle of statutory construction that courts should avoid "statutory interpretation that renders language meaningless or superfluous." *In re Steven Daniel P.,* 129 Nev. Adv. Op. 73, 309 P.3d 1041, 1043-44 (2013), *quoting George J. v. State (In re George J.),* 128 Nev. Adv. Op. 32, 279 P.3d 187 (2012); *Tomlinson v. State,* 110 Nev. 757, 761, 878 P.2d 311, 313 (1994). Debtor's interpretation of NRS 21.090(1)(bb) as granting a "full exemption"[18] (i.e., an exemption of Debtor's economic and non-economic rights) "of which Debtor cannot be deprived"[19] for stock in closely held corporations described in NRS 78.746(2) would render meaningless the exception language contained in NRS 21.090(1)(bb) stating: "except as set forth in that section [NRS 78.746]". The only way such language is not rendered meaningless is to interpret it to mean that it is the economic interest which can be reached by a charging order that is not exempt.

II. DEBTOR'S ATTEMPT TO DISTINGUISH CASES CITED BY OBJECTING CREDITORS MUST FAIL.

A. *In Re Foos,* 405 B.R. 604 (Bankr. N.D. Ohio 2009).

Debtor's attempt to distinguish *In re Foos,* 405 B.R. 604 (Bankr. N.D. Ohio 2009) is very weak, at best. That is a bankruptcy case from the Northern District

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[18] JA, 35.

[19] JA, 36.

of Ohio involving a situation and a state statute nearly identical to those of the instant case, except that it involved the issue of exemption of an interest in a partnership, as opposed to a corporation. Debtor does not argue that the analysis of the *Foos* Court is flawed or that its conclusion was incorrect, but rather merely attempts to distinguish the case on the grounds that the interest at stake in *Foos* was only a $1/10^{th}$ partnership interest (as opposed to a 100% interest) and that the Ohio partnership exemption statute does not apply to a sole owner situation, whereas the Nevada statute does apply to single-shareholder corporations. They are distinctions without a difference.

In the first place, the instant case does not involve a sole owner situation either. Debtor owns a 25% interest in Ensworth and a 25% interest in Eagle Rock Gaming. Secondly, even if Debtor were a sole shareholder, it would not change the rationale for deciding the case. When NRS 21.090(1)(bb) and NRS 78.746 were first enacted in 2007, the charging order remedy provisions of NRS 78.746 did not extend to single-shareholder corporations and, therefore, both the economic interest and non-economic interest of a sole shareholder were exempt per NRS 21.090(1)(bb). However, in 2011 that was changed, so that the same charging order remedy provisions of NRS 78.746 now also apply to single-shareholder corporations, and the economic interests of a shareholder in a sole-shareholder corporation are now treated the same as the economic interest of a shareholder in a small corporation with up to 100 shareholders; i.e., since 2011, the economic interest of a sole shareholder has no longer been exempt per NRS 21.090(1)(bb).

Debtor emphasizes the desire of the *Foos* court to protect the interests of entity owners other than the debtor-partner, and argues that there is no such risk

under the Nevada corporate exemption statute because NRS 78.746 was amended to apply to sole-shareholder corporations. (See, Answering Brief, 11-12). However, the *Foos* court merely pointed out that under the Ohio statute in question, the judgment-creditor who obtained a charging order could also elect to foreclose on the partner's economic interest, which would result in a dissolution of the partnership and would be detrimental to the other partners, and so long as there were no foreclosure, the interests of the other partners would be protected. There is no need for this concern here, since NRS 78.746 does not allow a judgment creditor an additional remedy of foreclosure once a charging order is obtained.

Moreover, Debtor misunderstands the effect of the 2011 amendment to NRS 78.746 which made it applicable to sole-shareholder corporations. That amendment did not cause the economic interest of a sole shareholder to be totally exempt, but rather modified the law to also make the economic interest of a sole shareholder subject to the charging order provisions of NRS 78.746, just as for small corporations with more than one shareholder.

An examination of the legislative history of the 2011 amendment will make this clear. The 2011 sole shareholder amendments to NRS 78.746 were contained in Section 52[20] of Senate Bill 405. Section 69[21] of this same Senate Bill 405 made a similar amendment to NRS 86.401, in order to make the charging order provisions of the statute also applicable to single-member limited liability companies. The intent of the legislature in this regard was explained in Exhibits F[22] and G[23] to the April 5, 2011 Senate Judiciary Committee Minutes. This Exhibit

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[20] See Supplemental Addendum, 1.

[21] See Supplemental Addendum, 2-3.

[22] See Supplemental Addendum, 4.

G contains an explanation of the proposed amendments provided by the Chairman of the Executive Committee of the Business Law Section, State Bar of Nevada (which was the sponsor of the bill) as follows at Page G3[24] of Exhibit G:

> **"SECTIONS 52, 69, 75 and 82 (NRS 78.746, NRS 86.401, NRS 87A.480 AND NRS 88.535): CHARGING ORDER STATUTES [MS/KW]**
>
> In response to the continuous trend of states to enhance their charging order statutes (such as South Dakota), the Executive Committee considered proposed amendments to the charging order statutes provided for in NRS Chapter 78, Chapter 86, Chapter 87A, and Chapter 88.... **More specifically, the proposed amendments are designed to clarify the exclusivity of the remedies, maintain the consistency between the charging order statutes of different chapters, and specifically reference single-member limited-liability companies as being subject to these statutes."** (emphasis added)

Senate Bill 405 was adopted on May 30, 2011 and signed by the Governor on June 16, 2011.[25] Shortly thereafter, on June 20, 2011, an article was published as LISI Asset Protection Planning Newsletter #180 (June 20, 2011) at http://www.leimbergservices.com[26] summarizing the key changes adopted in Senate Bill 405:

> "Following are the key changes:
>
> 1. Single Member LLCs and Single Shareholder Corporations
>
> The new language specifically makes the charging order the exclusive remedy of a judgment creditor for Nevada LLCs, corporations and LPs, specifically including both single member LLCs and single shareholder corporations. A charging order is essentially an order issued by the court granting the judgment creditor a lien over the judgment debtor's interest in the business entity. By specifically

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[23] See Supplemental Addendum, 5-7.

[24] See Supplemental Addendum, 7.

[25] See the Senate Bill Information Sheet in Supplemental Addendum, 8-9.

[26] See Supplemental Addendum, 10-15.

> making the charging order the exclusive remedy for single member LLCs (and single shareholder corporations), the new Nevada law statutorily negates the problems that have occurred with single member LLCs in cases as *Ashley Albright* (Colorado, 2003), *A-Z Electronics, LLC* (Idaho, 2006), *In re Madanlo* (Maryland 2006) and *Olmstead* (Florida, 2010). (Supp. Addendum, 11) ...
>
> The new legislation also specifies that creditors of a member of a single member LLC and creditors of a shareholder of a single shareholder corporation are limited to the charging order remedy (other than the alter ego equitable remedy for corporations), thereby distancing itself from the laws of other states." (Supp. Addendum, 14)

Thus, it is clear that the 2011 amendments were intended to make charging orders applicable to single-shareholder corporations (and single-member limited liability companies as well), not to make them inapplicable as Debtor argues.

In addition, Debtor totally fails to address the powerful similarities between the situation in *Foos* and the instant case. In holding that the debtor's economic interest in the entity was not exempt, the *Foos* court noted that Ohio's exemption statute provided an exemption for a person's rights in a partnership "except as otherwise set forth in section 1776.50 of the Revised Code." O.R.C. 2329.66(A)(14)[27]. The referenced Section 1776.50[28] provided for a charging order on a partner's economic interest and further provided in O.R.C. 1776.50(D)[29] that:

> (D) Nothing in this chapter deprives a partner of any right under exemption laws with respect to the partner's interest in the partnership.

The debtor argued that O.R.C. 1776.50(D) operated to exempt his entire interest in the partnership, including his economic interest, just as Debtor in the

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[27] This parallels NRS 21.090(1)(bb) which states: "Stock of a corporation described in subsection 2 of NRS 78.746 except as set forth in that section."

[28] This is similar to NRS 78.746.

[29] This is similar to NRS 78.746(2)(b), which states: "2. ... this section: ... (b) Does not deprive any stockholder of the benefit of any exemption applicable to the stockholder's stock."

instant case has argued that NRS 78.746(2)(b) operates to exempt his entire interest in his stock. However, the court noted that O.R.C. 1776.50(D) does not create an exemption but only provides that it does not deprive him of any exemption to which he would otherwise be entitled.

As the *In re Foos* court stated in 405 B.R. at 610:

> But what these provisions plainly fall short of doing is affording a debtor a right to exempt their entire interest in a partnership. This is a practicable reading. Under Ohio law, partnerships are easily created. **Therefore, carried to its logical conclusion, the Debtor's position would allow persons, by simply transferring their property to a partnership entity, to easily place their assets beyond the reach of their creditors.** The Court is not willing to countenance such a fundamental shift in the law given the lack of express statutory language exhibiting an intent to effectuate such a change. (emphasis added)

The same rationale applies in the instant case. Debtors should not be able to place their assets beyond the reach of creditors simply by transferring them to a corporation and then arguing that their economic interest in their stock is exempt from the scope of the charging order remedy. The overriding message of the *Foos* case is clear. It is only the non-economic interest in the entity that is exempt, and the economic interest is subject to the charging order remedy. To adopt Debtor's rationale would be to conclude that the Nevada legislature decided to totally exempt the economic interest of a shareholder of a small corporation, and thereby deny the charging order remedy to creditors of such shareholders, when the legislative history and the wording of the statute dictate that such creditors are to be given the right to charge the economic interest of the shareholder as their sole remedy. Inasmuch as the Objecting Creditors have a judgment against Debtor and

the bankruptcy trustee stands in the shoes of a judgment creditor[30], it is clear that the economic interest of Debtor in Ensworth and in Eagle Rock Gaming is not exempt.

B. *Weddell v. H2O, Inc.*, 128 Nev. Adv. Op. 9, 127 P.3d 743 (2012).

Debtor argues that *Weddell* should be ignored because it is not a bankruptcy case. However, the *Weddell* case is important because it recognizes the distinction between economic and non-economic interests insofar as charging orders are concerned. In *Weddell, supra,* the Court recognized the ability of creditors to reach a member's economic interest in a limited liability company and receive profit and distributions, even though the debtor retains the non-economic interest. While the scope of an exemption in a bankruptcy was not involved, the same economic/non-economic interest distinction applied by the Court in *Weddell* in construing NRS 86.401(1) is involved in the instant case.

In this regard, the corporate stock exemption statute (NRS 21.090(1)(bb)) expressly provides an exemption for "Stock of a corporation described in subsection 2 of NRS 78.746 **except as set forth in that section**." (emphasis added) This statutory cross-reference to NRS 78.746 necessarily brings into play the charging order provisions of NRS 78.746(1), which statute is identical to NRS 86.401(1)[31], except that NRS 78.746(1) applies to stock in a corporation and NRS 86.401(1) applies to a membership interest in a limited liability company. There is no logical reason why the charging order provisions in each of those statutes

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[30] The bankruptcy trustee stands in the shoes of a judgment creditor per 11 U.S.C. 544(a).

[31] Note also that similar provisions exist relating to partnerships (NRS 87.280 and NRS 87.4342) and limited partnerships (NRS 87A.480 and NRS 88.535).

should be construed differently, especially since the purpose of enacting NRS 78.746 was to provide creditors of corporations the same charging order remedies as creditors of other types of business entities. It makes no difference that the charging order provisions for limited liability companies apply to all membership interests, and the charging order provisions applicable to corporations only apply to stock of small corporations as defined in NRS 78.746(2) because there is no question in the instant case that Ensworth and Eagle Rock Gaming meet the criteria set forth for small corporations, and such corporate charging order provisions are therefore applicable to this case. Moreover, even though Debtor argues that the charging order provisions of NRS 78.746 are not applicable because his stock interest is "initially fully exempt"[32], that is simply not the case as explained above inasmuch as it is only the non-economic interest that is exempt.

Nor has Debtor validly distinguished the *Weddell* case upon the grounds that there is no statutory exemption applicable to membership interests in limited liability companies similar to NRS 21.090(1)(bb). Due to the "exclusive remedy" provisions of NRS 86.401(2)(a), even if the instant case involved membership interests in a limited liability company, the bankruptcy trustee would still be limited to the exclusive remedy of obtaining a charging order on the member's economic interest, and the result would be no different. Since NRS 21.090(1)(bb) only exempts Debtor's non-economic interest in the stock, he is not provided with an exemption that is inconsistent with the Court's rationale in *Weddell.*

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[32] (See, Answering Brief, 14).

C. *Renteria v. Canepa*, 2013 WL 3155348, 2013 U.S. Dist. LEXIS 86181 (D.Nev. 2013).

In Appellant's Opening Brief, the Objecting Parties cited *Renteria v. Canepa,* 2013 WL 3155348, 2013 U.S. Dist. LEXIS 86181 (D. Nev. 2013) for the purpose of demonstrating that a judgment creditor may obtain a charging order against a judgment debtor's stock in closely held corporations. Debtor argues that *Renteria* was not a bankruptcy case and that the court pointed out that the judgment debtor was not personally in bankruptcy. This comment by the judge was made in response to the judgment debtor's claim that there were tax liens which would make a charging order improper. The court noted that any lien priority claims of the IRS were not before it (as they would have been if the debtor were in bankruptcy) and that such priority claims would have to be decided in a separate proceeding. The court's comment about the judgment debtor not being in bankruptcy was not an indication that if he were in bankruptcy, the bankruptcy trustee would not have a claim on the debtor's economic interest in the stock.

III. DEBTOR'S OTHER ARGUMENTS ARE WITHOUT MERIT.

Debtor claims that this case is about an exemption, not a remedy (See, Answering Brief, 15). However, the exemption contained in NRS 21.090(1)(bb) is defined by an express reference to the charging order remedy in NRS 78.746.

Debtor next claims that the charging order statute is discretionary because it uses the word "may", when it says "... the court may charge the stockholder's stock ...." (See, Answering Brief, 16). However, no attempt was made to show why such a remedy would not be appropriate in this case. Inasmuch as the charging order remedy is the exclusive remedy for a judgment creditor, the denial of such a remedy by the court would be tantamount to denying any remedy. In this

context, it would be extraordinary for a charging order to be denied, and it is respectfully submitted that such a denial would be an abuse of discretion. Debtor cannot avoid his obligations based upon the use of the word "may" in the statute.

Debtor next claims that, with respect to the statutory history, his position is supported by the differences in the wording between the bill that was not adopted in 2005[33] and the bill that was adopted in 2007[34]. However, a fair reading of those bills simply shows that they provide for the same thing. In the 2005 bill, the scope of the corporate charging order was set out in section 1 of the bill, whereas in the 2007 bill it was set out in section 43.5[35]. The exemption provision in each bill contains an exception which is defined by a reference to the charging order section of the bill. The legislative history was laid out in great detail in the Appellant's Opening Brief and Debtor has not shown that the history or the wording of the statutes provides him with an exemption for his economic interest in his stock which is not subject to the charging order remedy provisions.

Nor is Debtor's position saved by the fact that exemption provisions are to be liberally construed. *In re Norris,* 203 B.R. 463 (Bankr. D. Nev. 1996). The exemption of NRS 21.090(1)(bb) is clearly limited to the non-economic interest in the stock inasmuch as it states "except as set forth in that section", referring to the charging order provisions of NRS 78.746. A liberal construction of the exemption does not permit the express words of the exemption to be disregarded.

Finally, the Objecting Creditors have not claimed, as Debtor contends, that all corporate stock is subject to the charging order remedy. Per NRS 78.746(2)(c),

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[33] See Addendum, 42-53.

[34] See Addendum, 99-125.

[35] This section was codified as NRS 78.746.

it is only the stock of the types of corporations that are therein described that is subject to a charging order. For example, stock in publicly traded corporations or professional corporations is not subject to a charging order. However, the stock of Ensworth and Eagle Rock Gaming fits the description in NRS 78.746(2)(c) and is therefore subject to a charging order, and Objecting Creditors, as judgment debtors, have the right to a charging order remedy which consists of the "rights of an assignee of the stockholder's stock"[36] as defined in NRS 78.746(3).

IV. CONCLUSION.

The Court should rule that Debtor's claimed exemption of his stock in Ensworth and in Eagle Rock Gaming only applies to his non-economic interest, and the Court should advise the Bankruptcy Court that the Trustee is permitted to administer the economic interest in that stock, such as the right to receive dividends, distributions, or the like, on account of the stock, for the benefit of creditors of the bankruptcy estate, and that Debtor's economic interest in the stock is not exempt.

Respectfully Submitted this 4th day of February, 2015.

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[36] NRS 78.746(1).

ATTORNEYS' CERTIFICATE PURSUANT TO NRAP 28.2

1. I hereby certify that this brief complies with the formatting requirements of NRAP 32(a)(4), the typeface requirements of NRAP 32(a)(5) and the type style requirements of NRAP 32(a)(6) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word 2007 in Times New Roman, size 14.

2. I further certify that this brief complies with the page- or type-volume limitations of NRAP 32(a)(7) because, excluding the parts of the brief exempted by NRAP 32(a)(7)(C), it is proportionately spaced, has a typeface of 14 points or more, and contains 5764 words.

3. Finally, I hereby certify that I have read this appellate brief, and to the best of my knowledge, information, and belief, it is not frivolous or interposed for any improper purpose. I further certify that this brief complies with all applicable Nevada Rules of Appellate Procedure, in particular NRAP 28(e)(1), which requires every assertion in the brief regarding matters in the record to be supported by a reference to the page and volume number, if any, of the transcript or appendix where the matter relied on is to be found. I understand that I may be subject to sanctions in the event that the accompanying brief is not in conformity with the requirements of the Nevada Rules of Appellate Procedure.

Dated: 4th day of February, 2015.

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Attorney for Appellant William A. Leonard, Trustee

CERTIFICATE OF SERVICE

I certify that on the ___ day of February, 2015, I served a copy of this APPELLANTS' REPLY BRIEF by mailing it by first class mail with sufficient postage prepaid to the following address(es):

William A. Leonard, Trustee
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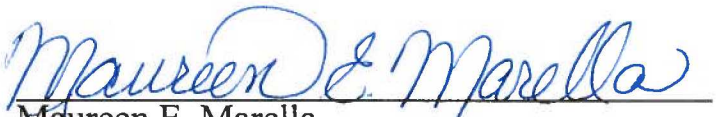
Lenard Schwartzer, Trustee
2850 S Jones Blvd,
Las Vegas, NV 89146

Honorable Bruce T. Beesley
U. S. Bankruptcy Judge
300 Booth St., 5th Floor
Reno, NV 89509



Maureen E. Marella
An Employee of Nitz, Walton & Heaton, Ltd.