IN THE SUPREME COURT OF THE STATE OF NEVADA

INDICATE FULL CAPTION:

ROBERT L. MENDENHALL, individual; SUNRIDGE CORPORATION, Nevada corporation

Appellants,

v.

RONALD TASSINARI, AMERICAN VANTAGE BROWNSTONE, LLC,

Respondents.

No. 68053 Electronically Filed

Jun 05 2015 02:49 p.m.

DOCKETING Saciet KM Findleman

CIVIL Allerk of Supreme Court

GENERAL INFORMATION

All appellants not in proper person must complete this docketing statement. NRAP 14(a). The purpose of the docketing statement is to assist the Supreme Court in screening jurisdiction, classifying cases for en banc, panel, or expedited treatment, compiling statistical information and identifying parties and their counsel.

WARNING

This statement must be completed fully, accurately and on time. NRAP 14(c). The Supreme Court may impose sanctions on counsel or appellant if it appears that the information provided is incomplete or inaccurate. *Id.* Failure to fill out the statement completely or to file it in a timely manner constitutes grounds for the imposition of sanctions, including a fine and/or dismissal of the appeal.

A complete list of the documents that must be attached appears as Question 26 on this docketing statement. Failure to attach all required documents will result in the delay of your appeal and may result in the imposition of sanctions.

This court has noted that when attorneys do not take seriously their obligations under NRAP 14 to complete the docketing statement properly and conscientiously, they waste the valuable judicial resources of this court, making the imposition of sanctions appropriate. *See KDI Sylvan Pools v. Workman*, 107 Nev. 340, 344, 810 P.2d 1217, 1220 (1991). Please use tab dividers to separate any attached documents.

1. Judicial District Eighth	Department 23		
County Clark	Judge Rob Bare		
District Ct. Case No. A-14-708281-C			
2. Attorney filing this docketing statemen			
Attorney Gwen Rutar Mullins, Wade B. Gochnour Telephone 702-257-1483			
Firm HOWARD & HOWARD ATTORNEYS P	LLC		
Address 3800 Howard Hughes Pkwy., Suite 1 Las Vegas, NV 89169	000		
Client(s) Robert L. Mendenhall, Sunridge Cor	poration		
If this is a joint statement by multiple appellants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement.			
3. Attorney(s) representing respondents(s	s):		
Attorney Harry Paul Marquis	Telephone <u>702-382-6700</u>		
Firm HARRY PAUL MARQUIS CHARTERE	D		
Address 400 South Fourth Street, Third Floor Las Vegas, NV 89101	•		
Client(s) Ronald Tassinari, American Vantage	e Brownstone, LLC		
Oliolio(b) Ivolata Tubbillari, Illiolioar + alloag.	5 510 ((1000) 1110		
Attorney James J. Lee	Telephone <u>702-664-6545</u>		
Firm LAW OFFICE OF JAMES J. LEE			
Address 2620 Regatta Drive, Suite 102 Las Vegas, NV 89128			
Client(s) Ronald Tassinari, American Vantag	e Brownstone, LLC		

(List additional counsel on separate sheet if necessary)

4. Nature of disposition below (check	all that apply):
☐ Judgment after bench trial	⊠ Dismissal:
☐ Judgment after jury verdict	☐ Lack of jurisdiction
☐ Summary judgment	☐ Failure to state a claim
\square Default judgment	☐ Failure to prosecute
☐ Grant/Denial of NRCP 60(b) relief	☑ Other (specify): claim preclusion
☐ Grant/Denial of injunction	☐ Divorce Decree:
☐ Grant/Denial of declaratory relief	☐ Original ☐ Modification
☐ Review of agency determination	☐ Other disposition (specify):
5. Does this appeal raise issues conce	erning any of the following?
	this court. List the case name and docket numbersently or previously pending before this court which
court of all pending and prior proceeding	other courts. List the case name, number and s in other courts which are related to this appeal ted proceedings) and their dates of disposition:

8. Nature of the action. Briefly describe the nature of the action and the result below:

Appellants' Complaint sought recovery for fraudulent statements and omissions that lead Appellants to enter into a Term Sheet relating to a potential investment of real property into a proposed hotel and casino. As a result of executing the Term Sheet, an action was filed by Brownstone Gold Town, LLC and Brownstone Gold Town CV, LLC against Appellants for over \$1,000,000 (the "Prior Action"). Respondents were not parties to the Prior Action. As discovery was close to concluding, Appellants served an Offer of Judgment on Brownstone Gold Town, LLC and Brownstone Gold Town CV, LLC. The Offer of Judgment was made to resolve the claims asserted by the parties in that action. While the Offer of Judgment was pending, the fraudulent statements and actions committed by Respondents were discovered during the deposition of Mr. Tassinari, just weeks before the scheduled trial.

#8 continued on separate page

- **9.** Issues on appeal. State specifically all issues in this appeal (attach separate sheets as necessary):
- 1. Whether the district court erred in granting the motion to dismiss based upon the doctrine of claim preclusion.
- 2. Whether the district court erred in determining that the Respondents were privies with the prior action Appellants, Brownstone Gold Town, LLC and Brownstone Gold Town CV, LLC.
- 3. Whether the district court erred in determining that the claims in the present action were part of the dismissal of the prior action.
- 4. Whether the district court erred in determining as a matter of law that the claims in the present action were or could have been brought in the prior action.
- 5. Whether the application of claim preclusion in this case violates the requirements of Nev. R.Civ.P. 11, requiring certification that the claims are warranted and have evidentiary support, and/or Nev.R.Civ.P. 13 regarding compulsory and permissive counterclaims.
- 10. Pending proceedings in this court raising the same or similar issues. If you are aware of any proceedings presently pending before this court which raises the same or similar issues raised in this appeal, list the case name and docket numbers and identify the same or similar issue raised:

None.

#8 Continued.

After Appellants became aware of the fraudulent actions by Respondents, Appellants filed a Motion to Amend and add Respondents to the Prior Action. Before the Motion to Amend was opposed or heard, Brownstone Gold Town, LLC and Brownstone Gold Town CV, LLC accepted Appellants' Offer of Judgment. The prior case was, therefore, dismissed before consideration of the Motion to Amend. The Respondents in this action where never parties to the prior action, and no claims were ever made or brought against Respondents. Despite never being parties to the Prior Action, and despite that fact that Appellants in this action where unable to assert any claims against Respondents Tassinari and American Vantage, Respondents sought dismissal of this action on claim preclusion grounds. On a Motion to Dismiss, the District Court found that claim preclusion prevented the claims against Respondents in this action despite the fact the Respondents were never parties to the prior action, and despite the fact that Mendenhall and Sunridge were prevented from asserting claims in the prior action due to resolution of the prior case before any claim could be asserted. This appeal seeks a ruling from the Court that the case should not have been dismissed on a motion to dismiss, and should have been allowed to proceed.

11. Constitutional issues. If this appeal challenges the constitutionality of a statute, and the state, any state agency, or any officer or employee thereof is not a party to this appeal, have you notified the clerk of this court and the attorney general in accordance with NRAP 44 and NRS 30.130? □ N/A □ Yes □ No If not, explain:
12. Other issues. Does this appeal involve any of the following issues?
☐ Reversal of well-settled Nevada precedent (identify the case(s))
☐ An issue arising under the United States and/or Nevada Constitutions
☐ A substantial issue of first impression
⊠ An issue of public policy
An issue where en banc consideration is necessary to maintain uniformity of this court's decisions
\square A ballot question
If so, explain:
13. Trial. If this action proceeded to trial, how many days did the trial last?
Was it a bench or jury trial?
14. Judicial Disqualification. Do you intend to file a motion to disqualify or have a justice recuse him/herself from participation in this appeal? If so, which Justice? Not applicable.

TIMELINESS OF NOTICE OF APPEAL

	written judgment or order appealed from May 7, 2015
If no written judg seeking appellate	gment or order was filed in the district court, explain the basis for eview:
16. Date written no	tice of entry of judgment or order was served May 8, 2015
Was service by:	
☐ Delivery	- 16
⊠ Mail/electronic	
17. If the time for fil (NRCP 50(b), 52(b),	ling the notice of appeal was tolled by a post-judgment motion or 59)
(a) Specify the t the date of fi	type of motion, the date and method of service of the motion, and ling.
□ NRCP 50(b)	Date of filing
☐ NRCP 52(b)	Date of filing
□ NRCP 59	Date of filing
	ursuant to NRCP 60 or motions for rehearing or reconsideration may toll the notice of appeal. See AA Primo Builders v. Washington, 126 Nev, 245
(b) Date of ent	ry of written order resolving tolling motion
(c) Date writte	n notice of entry of order resolving tolling motion was served
Was service	e by:
☐ Delivery	
☐ Mail	

18. Date notice of appeal filed May 19, 2015
If more than one party has appealed from the judgment or order, list the date each
notice of appeal was filed and identify by name the party filing the notice of appeal:
19. Specify statute or rule governing the time limit for filing the notice of appeal,
e.g., NRAP 4(a) or other
NRAP 4(a)
CLID COLA NOTICE A DDE AT A DIT LONG
SUBSTANTIVE APPEALABILITY
20. Specify the statute or other authority granting this court jurisdiction to review the judgment or order appealed from:
(a)
\boxtimes NRAP 3A(b)(1) \square NRS 38.205
□ NRAP 3A(b)(2) □ NRS 233B.150
□ NRAP 3A(b)(3) □ NRS 703.376
Other (specify)
(b) Explain how each authority provides a basis for appeal from the judgment or order:
A final order dismissing all claims and parties to the underlying action has been issued by the district court.

21. List all parties involved in the action or consolidated actions in the district cour (a) Parties: Plaintiffs Robert L. Mendenhall and Sunridge Corporation	t:
Defendants Ronald Tassinari and American Vantage Brownstone, LLC	
(b) If all parties in the district court are not parties to this appeal, explain in detail why those parties are not involved in this appeal, e.g., formally dismissed, not served, or other:Not applicable.	
22. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims, or third-party claims and the date of formal disposition of each claim. Appellants asserted the following causes of action against Respondents: fraud in the inducement; fraud; negligent misrepresentation; and fraudulent omission. The district court dismissed the Complaint on the basis of claim preclusion.	
23. Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action or consolidated actions below?	
24. If you answered "No" to question 23, complete the following:(a) Specify the claims remaining pending below:	

(b) Specify the parties remaining below:
(c) Did the district court certify the judgment or order appealed from as a final judgmen pursuant to NRCP 54(b)?
\square Yes
□ No
(d) Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment?
\square Yes
25. If you answered "No" to any part of question 24, explain the basis for seeking appellate review (e.g., order is independently appealable under NRAP 3A(b)):
Not applicable.

26. Attach file-stamped copies of the following documents:

- The latest-filed complaint, counterclaims, cross-claims, and third-party claims
- Any tolling motion(s) and order(s) resolving tolling motion(s)
- Orders of NRCP 41(a) dismissals formally resolving each claim, counterclaims, crossclaims and/or third-party claims asserted in the action or consolidated action below, even if not at issue on appeal
- Any other order challenged on appeal
- Notices of entry for each attached order

VERIFICATION

I declare under penalty of perjury that I have read this docketing statement, that the information provided in this docketing statement is true and complete to the best of my knowledge, information and belief, and that I have attached all required documents to this docketing statement.

Robert L. Mendenhall, Sunridge Co	rp. Wade B. Gochnour
Name of appellant	Name of counsel of record
June 5, 2015 Date	Signature of counsel of record
Clark County, Nevada State and county where signed	
CERT	TIFICATE OF SERVICE
completed docketing statement upon ☐ By personally serving it upon ☒ By mailing it by first class n	n him/her; or hail with sufficient postage prepaid to the following ames and addresses cannot fit below, please list names sheet with the addresses.) Kathleen England 630 South Third Street
James J. Lee Law Office of James J. Lee 2620 Regatta Drive, Suite 102 Las Vegas, NV 89128	
Dated this 5th day	of June , 2015

Las Vegas, NV 89169

(702) 257-1483

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1 **COMP** GWEN RUTAR MULLINS, ESQ. 2 Nevada Bar No. 3146 WADE B. GOCHNOUR, ESQ. 3 Nevada Bar No. 6314 4 **Howard & Howard Attorneys PLLC** 3800 Howard Hughes Pkwy., Suite 1000 5 Las Vegas, NV 89169 Telephone: (702) 257-1483 6 Facsimile: (702) 567-1568 7 E-mail: grm@h2law.com wbg@h2law.com 8 Attorneys for Plaintiffs Robert L. Mendenhall and Sunridge Corporation

CLERK OF THE COURT

DISTRICT COURT CLARK COUNTY, NEVADA

ROBERT L. MENDENHALL, an individual, SUNRIDGE CORPORATION, a Nevada corporation,

Case No. A - 14 - 708281 - C Dept. No. IIXXX

Plaintiffs,

COMPLAINT

RONALD TASSINARI, an individual, AMERICAN VANTAGE BROWNSTONE, LLC, a Nevada limited liability company, DOES 1 through 5, inclusive and ROE CORPORATIONS 1 through 5, inclusive,

Defendants.

SUNRIDGE MENDENHALL ("Mendenhall") and Plaintiffs, ROBERT L. CORPORATION, a Nevada corporation ("Sunridge") (also jointly referred to as "Plaintiffs"), by and through their attorneys of record, Gwen Rutar Mullins, Esq. and Wade B. Gochnour, Esq., of the law firm of Howard & Howard Attorneys PLLC, hereby assert the following Complaint against Defendants Ronald Tassinari ("Tassinari") and American Vantage Brownstone, LLC ("AVB") (also jointly referred to as "Defendants"), and allege as follows: 111

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HOWARD & HOWARD ATTORNEYS PLLC 3800 Howard Hughes Pkwy., Suite 1000 Las Vegas, NV 89169

FIRST CAUSE OF ACTION

(Fraud in the Inducement)

- 1. Mendenhall is, and was at all times relevant hereto, a resident of Clark County Nevada.
- 2. Sunridge Corporation ("Sunridge") is, and was at all times relevant hereto, a corporation duly organized under the laws of the State of Nevada.
- 3. Upon information and belief, AVB is, and was at all times relevant hereto, a corporation duly organized under the laws of the State of Nevada doing business in Clark County, Nevada.
- 4. Upon information and belief, Tassinari is, and at all times relevant hereto, was a resident of Clark County, Nevada.
- 5. Plaintiffs are ignorant of the true names and capacities of the Defendants sued herein as DOES 1 through 5, inclusive, and ROE CORPORATIONS 1 through 5, inclusive, and therefore, sue these Defendants by such fictitious names. Plaintiffs will amend the Complaint to allege the true names and capacities when the same have been ascertained. Plaintiffs are informed and believe, and thereupon allege, that each of such fictitiously-named Defendants is responsible, in some manner for the claims alleged herein, including, but not limited to, actions within the purpose and scope of agency, authority and/or employment.
- 6. At all times relevant hereto, Sunridge has been the owner of approximately 46 acres of vacant land located at the southeast corner of U.S. Highway 395 and South Sunridge Drive, in Douglas County, State of Nevada (the "Property").
- 7. At all times relevant hereto, Mendenhall was the Chief Executive Officer of Sunridge.
- 8. Beginning in late 2006, Tassinari approached Mendenhall about the possibility of purchasing the Property for development into a hotel and casino project known as the "Gold Town Casino Project."
 - 9. Ultimately, Sunridge provided AVB with an option to purchase the Property.

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- In July 2007, Sunridge agreed to extend the Option to Purchase to AVB, 10. allowing AVB to purchase the Property within 180 days from the date of such extension.
- In November 2007, Mendenhall and Tassinari began discussing a potential 11. investment by Plaintiffs in the proposed Gold Town Casino Project.
- In November 2007, and up to December 4, 2007, Tassinari, on behalf of himself 12. and AVB, represented to Plaintiffs that there was a third party investment group referred to as the "Canadian Investor Group" who was committed to investing \$7,000,000.00 toward the Gold Town Casino Project.
- During this time, Tassinari sought to have Plaintiffs sign a Term Sheet relating to 13. the potential investment in the Gold Town Casino Project through a possible membership interest in Brownstone Gold Town CV, LLC ("Gold Town CV").
- In order to induce Plaintiffs to sign the Term Sheet, on or about December 4, 14. 2007, Tassinari specifically represented to Plaintiffs that the Canadian Investor Group was committing to invest \$7,000,000.00 in the Gold Town Casino Project.
- On or about December 4, 2007, Tassinari further represented that the Canadian 15. Investor Group would execute the proposed Term Sheet as the "Other Investor."
- On or about December 4, 2007, Tassinari and AVB, either directly or through 16. their agents, provided Plaintiffs with the Carson Valley Casino Project Term Sheet ("Term Sheet").
- Mirroring the representations of Tassinari and AVB, the Term Sheet included a 17. provision that "It is expected that the Other Investor(s) will contribute \$7,000,000.00 U.S. dollars for a 12.6% Membership Interest."
 - 18. The Term Sheet also included a separate signature line for "Other Investor(s)."
- 19. On December 4 and/or December 5, 2007, the Term Sheet was executed by Mendenhall, AVB, Brownstone Gold Town, LLC ("Brownstone GT") [Brownstone GT is not a party to this action] and "Other Investor(s)."
- A true, correct and authentic copy of the Term Sheet is attached hereto as 20. Exhibit 1 and incorporated herein by this reference. #2690476-v5

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- Even after the executed Term Sheet was returned to the Plaintiffs, Tassinari and 22. AVB continued to represent to Plaintiffs that the Canadian Investor Group was the "Other Investor(s)," and were committed to investing \$7,000,000.00 to the Gold Town Casino Project.
- The representations that a Canadian Investment Group would execute the Term 23. Sheet, and that the Canadian Investment Group had actually executed the Term Sheet, were false.
- Unbeknownst to Plaintiffs, Tassinari, a principal of AVB, signed the Term Sheet 24. on the "Other Investor(s)" signature block, as well as signing on behalf of AVB.
- Plaintiffs were never informed that Tassinari had signed the Term Sheet as 25. "Other Investor(s)," and that there were no third party investors executing the Term Sheet.
- Plaintiffs were never informed that the Canadian Investor Group had not signed 26. the Term Sheet.
- At the time Tassinari signed the Term Sheet, both Tassinari and AVB knew that 27. the Canadian Investor Group had not committed \$7,000,000.00 to the Gold Town Casino Project.
- At the time Tassinari signed the Term Sheet, both Tassinari and AVB knew that 28. there were no "Other Investor(s)" that had committed to contribute \$7,000,000.00 to the Gold Town Casino Project.
- At the time Tassinari signed the Term Sheet as the "Other Investor(s)," both 29. Tassinari and AVB knew that Tassinari did not intend to commit \$7,000,000.00 to the Gold Town Casino Project.
- Plaintiffs were never informed by Tassinari or AVB that Tassinari, individually, 30. and on behalf of AVB, did not have \$7,000,000.00 to contribute to the Gold Town Casino Project and, in fact, had no expectation of making the \$7,000,000.00 contribution to the Gold Town Casino Project in exchange for a 12.6% Membership Interest.

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- behalf of AVB, knew, or should have known, that those representations were false and that "Other Investor(s)", including, but not limited to, Tassinari who signed on behalf of "Other Investor(s)", or AVB, had no intention to invest \$7,000,000.00 in the Gold Town Casino Project, or otherwise perform any "obligations" under the Term Sheet.
- To induce Plaintiffs to sign the Term Sheet, Tassinari, individually and on behalf of AVB, intentionally omitted disclosing these material facts to Plaintiffs.
- Plaintiffs reasonably relied upon the representations made by Tassinari, 34. individually and on behalf of AVB, in agreeing to execute the Term Sheet.
- As a result of the execution of the Term Sheet, Brownstone GT and Gold Town 35. CV brought a lawsuit asserting that the Term Sheet created a contract obligating Plaintiffs to transfer the Property to Gold Town CV.
- During discovery, and including up to the depositions of representatives of Gold 36. Town CV and Brownstone GT, Plaintiffs were still told that the "Other Investor(s)" signature block had in fact been signed by someone, possibly an individual named "Bob Sim" or "Bob Sims," on behalf of the Canadian Investor Group.
- On Monday, July 14, 2014, Tassinari was deposed, and for the first time, 37. admitted that he had signed the Term Sheet on behalf of both AVB and as the "Other Investor(s)."
- Tassinari also admitted that he "did not make a commitment to put \$7 million 38. into this project on December 4, 2007" and that he did not have any intention to invest \$7 million to the Gold Town Casino Project when he signed the Term Sheet as the "Other Investor(s)."
- As a direct and proximate result of the fraudulent inducement by Tassinari and 39. AVB, Plaintiffs have been damaged in excess of \$10,000.00. #2690476-v5

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Defendants' actions were intentional and malicious and evidence a wanton and 40. reckless disregard of Plaintiffs' rights, and Plaintiffs are therefore entitled to exemplary and/or punitive damages in excess of \$10,000.00.

It has been necessary for Plaintiffs to engage the services of an attorney and 41. Plaintiffs are entitled to reasonable attorneys' fees and costs as damages.

SECOND CAUSE OF ACTION (Fraud)

- Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 42. through 41 of the Complaint as though fully set forth herein.
- Tassinari, individually and on behalf of AVB, made certain material 43. representations to Plaintiffs, including, but not limited to, that a Canadian Investment Group would invest \$7,000,000.00 in the Gold Town Casino Project and/or in Brownstone GT CV, and by providing a Term Sheet purportedly executed by the Canadian Investment Group as "Other Investor(s)."
- Tassinari, individually and on behalf of AVB, intentionally omitted disclosing to 44. Plaintiffs that the Canadian Investment Group had not signed the Term Sheet; that Tassinari instead, individually or on behalf of AVB, executed the Term Sheet as the "Other Investor(s);" and that neither Tassinari nor AVB had \$7,000,000.00 to invest, and in fact had no intention of investing \$7,000,000.00 into the Gold Town Casino Project and/or Brownstone GT CV.
- In reliance of the representations of Tassinari and AVB, Plaintiffs signed the 45. Term Sheet which became the basis of the lawsuit by Brownstone GT and Gold Town CV, and resulted in damages to Plaintiffs.
- At the time the representations were made, Defendants knew, or should have 46. known, that those representations were false and that "Other Investor(s)", including, but not limited to, Tassinari, who signed on behalf of "Other Investor(s)" or AVB, had no intention to invest \$7,000,000.00 in the Gold Town Casino Project and/or Brownstone GT CV, or otherwise perform any "obligations" under the Term Sheet.

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- Had Plaintiffs known that the representations being made by Defendants were 47. false, Plaintiffs would not have signed the Term Sheet.
- As a result of those false representations, Plaintiffs have been damaged in excess 48. of \$10,000.00.
- Defendants' actions were intentional and malicious and evidence a wanton and 49. reckless disregard of Plaintiffs' rights, and Plaintiffs are therefore entitled to exemplary and/or punitive damages in excess of \$10,000.00.
- It has been necessary for Plaintiffs to engage the services of an attorney and 50. Plaintiffs are entitled to reasonable attorneys' fees and costs as damages.

THIRD CAUSE OF ACTION (Negligent Misrepresentation - In Alternative)

- Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 51. through 50 of the Complaint as though fully set forth herein.
- Defendants had a pecuniary interest in the proposed development of the Gold 52. Town Casino Project.
- Defendants failed to exercise reasonable care in communicating that there were 53. "Other Investor(s)" who were committed to contributing \$7,000,000.00 to the Gold Town Casino Project, and that the Canadian Investor Group had executed the Term Sheet as the "Other Investor(s)," with the expectation of contributing \$7,000,000.00 for a 12.6% Membership Interest.
- Defendants also failed to exercise reasonable care when they failed to inform 54. Plaintiffs that the Canadian Investor Group had not executed the Term Sheet, and that Tassinari, who had signed the Term Sheet as the "Other Investor(s)," had no intention of contributing \$7,000,000.00 to the Gold Town Casino Project.
 - Plaintiffs justifiably relied upon the representations of Tassinari and AVB. 55.
- As a direct and proximate result of Plaintiffs' reliance upon Defendants' 56. negligent misrepresentations, Plaintiffs have been damaged in the sum in excess of \$10,000.00.

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It has been necessary for Plaintiffs to engage the services of an attorney and 57. Plaintiffs are entitled to reasonable attorneys' fees and costs as damages.

FOURTH CAUSE OF ACTION (Fraudulent Omission)

- Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 58. through 57 of the Complaint as though fully set forth herein.
- Defendants made representations that there was a Canadian Investment Group 59. committed to contributing \$7,000,000.00 toward the Gold Town Casino Project.
- After making such representations, Defendants provided Plaintiffs with a Term 60. Sheet purportedly signed by "Other Investor(s)," stating that the "Other Investor(s)" expected to make the \$7,000,000.00 in exchange for a 12.6% Membership Interest.
- Defendants also represented that the "Other Investor(s)" was in fact the Canadian 61. Investor Group.
- Defendants knew that the interest of other potential investors was important to 62. Plaintiffs' decision to continue looking at the Gold Town Casino Project.
- Defendants knew, or should have known, that the interest of other potential 63. investors was important to Plaintiffs' decision to sign the Term Sheet or otherwise committing the Property for the Gold Town Casino Project.
- Defendants failed to inform Plaintiffs of the material fact that the signature of the 64. "Other Investor(s)" was actually Tassinari, and that at the time he signed the Term Sheet, Tassinari, individually and on behalf of AVB, did not expect or intend to contribute \$7,000,000.00 toward the Gold Town Casino Project.
- Defendants also failed to inform Plaintiffs of the material fact that no other third 65. party investor had signed the Term Sheet.
- Defendants knew, or should have known, that their omissions of material facts 66. would mislead Plaintiffs.
- Plaintiffs reasonably relied on the false, untrue and/or misleading statements and 67. omissions made by Defendants in executing the Term Sheet.

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68.	As a	direct	and	proximate	cause	of	the	acts	and	omissions	of	Defendants
Plaintiffs have	e been	damage	d in	the sum in e	excess	of\$	10,0	00.00).			

- Defendants' actions were intentional and malicious and evidence a wanton and 69. reckless disregard of Plaintiffs' rights, and Plaintiffs are therefore entitled to exemplary and/or punitive damages in excess of \$10,000.00.
- It has been necessary for Plaintiffs to engage the services of an attorney and 70. Plaintiffs are entitled to reasonable attorneys' fees and costs as damages.

WHEREFORE, Plaintiffs, and each of them, pray for judgment against Defendants, and each of them, jointly and severally, as follows:

- For Compensatory damages in a sum in excess of \$10,000.00; 1.
- For Punitive damages in the sum in excess of \$10,000.00; 2.
- 3. For recovery of attorney's fees and costs incurred in this action;
- 4. For such other and further relief as the Court may deem just and proper in the premises.

DATED this 8th day of October 2014.

HOWARD & HOWARD ATTORNEYS PLLC

/s/ Gwen Rutar Mullins GWEN RUTAR MULLINS, ESQ. Nevada Bar No. 003146 WADE B. GOCHNOUR, ESQ. Nevada Bar No. 006314 3800 Howard Hughes Pkwy, Ste. 1000 Las Vegas, Nevada 89169 Attorneys for Plaintiffs Robert L. Mendenhall and Sunridge Corporation

#2690476-v5

EXHIBIT 1

AMERICAN VANTAGE BROWNSTONE, LLC A STREEDULE OF AMERICAN VANTAGE COMPANIES

Phone: (702) 227-9800 - Fex: (702) 227-8525 P.O. Box \$1930, Las Vegas, NV \$9180

CARSON VALLEY CASINO PROJECT TERM SHEET

Transaction:

This term sheet shall serve as an outline of the basic business terms and conditions upon which Brownstone GoldTown, LLC ("Brownstone GoldTown'), a subsidiary of American Vantage Brownstone, LLC ("AVE"), Robert L. Mendanhall, Ph.D. or an actity wholly-covned by Mr. Mendenhall ("Mendenhall"), and other potential equity investor(s) (the "Other Investor(s)"), will acquire membership interests in the Nevada limited Hability company, Brownstone GoldTown CV, LLC (the "Company") for the primary purpose of constructing, owning and operating a hotel casino to be located in Carson Valley, Dongtas County, Nevada (the "Project").

Project Description:

GoldTown Hotel and Casino Resort, to be constructed on 46 acres, with approximately 300 hotel rooms and surles, 92,000- square feet of casino space, three full service restaurants, 8,000 square feet of convention spaces and multiple retail outlets. The project site is located within a few miles of Carson City and Lake Tahoe, Novade and forty-five minutes from Reno, Novada.

The Project also includes the exclusive option to purchase an adjoining 300-aste, 7,000 yard, par 72, championship golf caurse ("Sunridge Golf Chib") with one shop. The option to purchase Sunridge Golf Chib expires on January 11, 2008.

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The Project membership interests (the "Membership Interests") will be allocated based on the following:

For contribution of the 46-acre project site, valued at \$15,000,000,00, Mandenhall will receive a 27.0% Membarship Interest. The acreage will be contributed in full on or before the option expiration date of December 27, 2007 or as mutually agreed between Brownstone GoldTown and Mendenhall.

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Brownstone GoldTown, LLC Carson Valley Casino Project Torm Sheet Page Two

- It is expected that the Other Investor(s) will contribute \$7,000,000.60
 U.S. 60Lars for a 12.6% Membership Interest.
- Brownstone GoldTown will contribute \$1,500,000.00 U.S. dollars for a 2.7% Membership Interest.
- The option to purchase Sunridge Golf Club provides that, at the discretion of Brownstone Gold Town;
 - The total Purchase Price of \$2,500,000.00 U.S. dollars;
 or.
 - o A Purchase Price of \$1,000,000.00 U.S. pius assumption of the golf cart loan, in an amount not to exceed \$150,000.00, and an equity percentage share of the Company in the same manner and terms as the other equity investors of the Company. The equity percentage share is currently equal to a 2.7% Memberchip interest.

If Brownstone GoldTown elects to purchase the Sunridge Golf Course for the total Purchase Price of \$2,500,000.00, the related 2.7% Membership Interest will be allocated on a pro rate basis to Mendenhall, the Other Investor(s) and Brownstone GoldTown.

- The above contributions are collectively defined as the "Project Contributions."
- Brownstone GoldTown will retain the remaining Membership Interest as its founder.

The total Membership Interests may be impacted if there is an increase in the current investment banking equity requirement of \$25,000,000.00.

Allocation of Casino And Retail Business Cash Flows:

The Operating Agreement will provide for quarterly distribution, if and when available, of the Company's Casine cash flow, after payment of operating expenses (including a development fee of 3.0% of the total development costs and an annual management fee of \$1,000,000.00), senior debt covenants and my required reserves, in the following manner:

Fifty-percent (50%) to the pro rata repayment of the Project Contributions until together with the distributions from the Retail Business cash flow (see below), the full value of the Project Contributions is repaid. Distributions from the Company's Cusino

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Brownstone GoldTown, LLC Carson Valley Casino Project Term Sheet Page Three

> cash flow will first satisfy the pro rate repayment of the Project Contributions, with repayment interest terms based on the higher of 90-Day LIBOR (London Interbank Offered Rate) at the date of the contribution or an annual rate of 6%.

 Remaining 50% to be allocated based upon the percentage of Membership Interests held by each member in the Company.

The Operating Agreement will also provide for monthly distributions of the Company's Retail Business cash flow, if and when available, after payment of operating expenses (including development and management fees), senior debt covenants and any required reserves, in the following manner:

- Seventy-percent (70%) to the pro rata repayment of the Project Countbutions until, together with the distributions from the Company's Casino cash flow (as discussed above), the first value of the Project Contributions is repaid. Distributions from the Company's Recall Business cash flow will first satisfy the pro rata repayment of the Project Contributions, with repayment interest terms based on the higher of 90-Day LIBOR (London interbank Offered Rate) at the date of the contribution or an annual rate of 6%.
- Remaining 30% to be allocated based upon the percentage of Membership Interests hald by each member in the Company.

The Operating Agreement shall provide that, upon the repayment of the full value of the Remaining Membership Interests, the Company's Casino and Retail Business sash Zows will be distributed according to the percentage of Montestally Interests held by each member in the Company.

Robertoing

In the event a refinencing of the Project is approved by the Company, after payment of the senior debt, any excess capital realized from the refinancing shall be applied, collectively determined on a pro-mat basis from capital comtributions, in the following manner to: (i) the Other Investor(s), Mendonhall, Brownstone GoldTown, and as applicable, the Sunridge Golf Club seller, to the extent that the Project Contributions have not been repaid from the distributions of Casino cash flow and Recall Business cash flow) and (ii) distributed according to the percentage of Membership Interests held by each member in the Company.

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Brownstone GoldTown, LLC Carson Valley Casino Project Term Sheet Page Four

Licensing

The Project owners will be required to satisfactorily obtain a Nevada gaming license. Costs associated with obtaining a Nevada gaming license for a director, employee or consultant directly associated with the development or management of the Project are the only licensing costs that will be borne by the Project.

Pxalustvity:

Non-exclusive arrangement.

Immination of

A greatent The Term Sheat may be terminated if not executed by the parties on or before

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IN WITNESS WHEREOF, the parties have agreed upon the above terms and conditions of this Term Sheet. This Term Sheet consent may be executed by one or more of the signers hereto in any number of separate commentaris, and all such counterparts taken together shall be deemed to constitute one and the same instrument. Execution of this Term Sheet and delivery thereof by facsimile or email transmission shall be sufficient for all purposes and shall be binding upon any party who so executes.

Dated: 12/4 2007

American Yantage Brownstone, LLC

By: / Name: Ronald J. Taxsjmari Title: Cheirmen

Brownstone Gold Fown, LLC

Name: Robert F. Gross
Title: Chief Executive Officer

Robert L. Mendenhall, Ph.D. or Other:

Name: Title:

Company Name:

Other Investor(s):

Name:

Title:

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DATED this 8th day of October 2014.

HOWARD & HOWARD ATTORNEYS PLLC

/s/ Gwen Rutar Mullins

Gwen Rutar Mullins, Esq. Nevada Bar No. 3146 Wade B. Gochnour, Esq. Nevada Bar No. 6314 3800 Howard Hughes Pkwy., Ste. 1000 Las Vegas, NV 89169 Attorneys for Plaintiffs Robert L. Mendenhall and Sunridge Corporation

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1 2 3 4 5 6 7 8 9	NEO JAMES J. LEE, ESQ. Nevada Bar No. 01909 Legal Offices of James J Lee 2620 Regatta Drive, Suite 102 Las Vegas, Nevada 89128 Telephone (702) 664-6545 Email: james@leelawonline.com HARRY PAUL MARQUIS, ESQ. Nevada Bar No. 001252 HARRY PAUL MARQUIS, CHTD. 400 South Fourth Street, Third Floor Las Vegas, Nevada, 89101 Telephone (702) 382-6700 Email: harry@marquislaw.net Attorneys for Defendants Ronald Tassinari And American Vantage Brownstone, LLC		CLERK OF THE COURT
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12	DISTRIC CLARK COU		
10		.,, _,	2 1.2.1
13	ROBERT L. MENDENHALL, an individual,)	Case no.: A-14-708281-C
14	SUNRIDGE CORPORATION, a Nevada	į	Dept. no.: XXXII
15	Corporation,)	
16	71 1 100	į	
17	Plaintiffs,)	NOTICE OF ENTRY OF
	v.	į	FINDINGS OF FACT,
18	RONALD TASSINARI, an individual,)	CONCLUSIONS OF LAW, AND ORDER GRANTING
19	AMERICAN VANTAGE BROWNSTONE,)	DEFENDANTS' MOTION TO DISMISS
20	LLC, a Nevada limited liability company, DOES 1 through 5, inclusive and ROE)	TO DISMISS
21	CORPORATIONS 1 through 5, inclusive,)	
22	Defendants.		
23	TO: GWEN RUTAR MULLINS, ESO) НОй	WARD & HOWARD, PLLC, attorney for
24		ζ., 110 V	THE WITCHING, I LLC, another for
25	Plaintiffs.		

YOU WILL PLEASE TAKE NOTICE that on the 7TH day of May, 2015, the above-entitled Court entered a Findings of Fact, Conclusions of Law, and Order Granting Defendants' Motion to Dismiss in the above-entitled action. A true copy of the Findings of Fact, Conclusions of Law, and Order Granting Defendants' Motion to Dismiss is attached hereto as Exhibit "1" and incorporated herein by this reference.

DATED this 8th day of May, 2015.

Respectfully submitted,

HARRY PAUL MARQUIS, CHTD.



HARRY PAUL MARQUIS, ESQ.
Nevada Bar No. 1252
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Telephone (702) 382-6700
Attorneys for Defendants Ronald Tassinari
And American Vantage Brownstone, LLC

In Association with:

JAMES J. LEE, ESQ.

Nevada Bar No. 01909 Legal Offices of James J Lee 2620 Regatta Drive, Suite 102 Las Vegas, Nevada 89128 Telephone (702) 664-6545 Email: james@leelawonline.com

Attorney for Defendants

CERTIFICATE OF SERVICE 1 I certify that on the ______day of May, 2015, I served a true copy of the above and 2 foregoing Notice of Entry of Findings of Fact, Conclusions of Law, and Order Granting 3 Defendant's Motion to Dismiss herein electronically via the Court's ECF system upon all parties 4 listed on the electronic service list, as follows: 5 Gwen Rutar Mullins, Esq. Wade B. Gochnour, Esq. HOWARD & HOWARD ATTORNEYS PLLC 3800 Howard Hughes Parkway, Suite 1000 8 Las Vegas, Nevada 89169 Telephone: (702) 257-1483 Facsimile: (702) 567-1568 Email: grm@h2law.com 10 Email: wbg@h2law.com 11 Attorneys for Plaintiffs 12 An employee of 13 HARRY PAUL MARQUIS, CHTD. 14 15 16 17 18 19 20 21 22 23 24

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1	ORDR JAMES J. LEE, ESQ.	
2	Nevada Bar No. 01909	CLERK OF THE COURT
3	Legal Offices of James J Lee	
4	2620 Regatta Drive, Suite 102 Las Vegas, Nevada 89128	
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6	Email: james@leelawonline.com	
	HARRY PAUL MARQUIS, ESQ.	
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10	Telephone (702) 382-6700 Email: harry@marquislaw.net	
11	Attorneys for Defendants Ronald Tassinari	
12	And American Vantage Brownstone, LLC	
12	DISTRICT C	
13	CLARK COUNTY	Y, NEVADA
14		
15	ROBERT L. MENDENHALL, an individual, SUNRIDGE CORPORATION, a Nevada) Case no.: A-14-708281-C .) Dept. no.: XXXII
16	Corporation,) FINDINGS OF FACT,
17) CONCLUSIONS OF
18	Plaintiffs,) LAW, AND ORDER GRANTING
19	V :) DEFENDANTS' MOTION TO DISMISS
20	(v.))
	RONALD TASSINARI, an individual, AMERICAN VANTAGE BROWNSTONE,)
21	LLC, a Nevada limited liability company,)
22	DOES 1 through 5, inclusive and ROE CORPORATIONS 1 through 5, inclusive,	
23	CORPORATIONS I undugit 3, inclusive,)
24	Defendants.	
25		
26	The Motion to Dismiss filed on behalf of	Defendants Ronald Tassinari and America
27	Vantage Brownstone, LLC, having come on for h	nearing on March 17, 2015; with Harry Par
28	Marquis, Esq., of Harry Paul Marquis, Chartered, ORDER GRANTING MOTION TO DISMISS - 1	, appearing on behalf of Defendants Ronal

Tassinari and American Vantage Brownstone, LLC; with Gwen Rutar Mullins, Esq. and Jay Young, Esq., of Howard & Howard Attorneys, PLLC, appearing on behalf of Plaintiffs, Robert L. Mendenhall ("Mendenhall") and Sunridge Corporation ("Sunridge"); the Court, having considered the Motion, the Opposition and Reply thereto, and oral arguments by counsel, and good cause appearing therefor, the Court rules as follows:

- 1. THE COURT HEREBY FINDS AND CONCLUDES that Defendants have satisfied the three-part test for determining whether claim preclusion applies which the Nevada Supreme Court established in *Five Star Capital Corp v Ruby*, 124 Nev. 1048, 194 P3d 709, 713 (2008);
- 2. THE COURT HEREBY FINDS AND CONCLUDES that Defendant American Vantage Brownstone LLC is the owner of both Brownstone Gold Town, LLC, and Brownstone Gold Town CV, LLC, (collectively the "First Case Plaintiffs") the Plaintiffs in *Brownstone Gold Town LLC v. Robert Mendenhall et al*, A-11-653822-C (the "First Case") and that Defendant American Vantage Brownstone LLC signed the Term Sheet which was attached as Exhibit 1 to the Complaint herein (the "Term Sheet");
- 3. THE COURT HEREBY FINDS AND CONCLUDES that Defendant Ronald Tassinari signed the Term Sheet in his capacity as chairman of Defendant American Vantage Brownstone LLC;
- 4. THE COURT HEREBY FURTHER FINDS AND CONCLUDES that Defendant Ronald Tassinari managed, led, and acted on behalf of the Brownstone Plaintiffs and the interests and motivations of Defendant Ronald Tassinari and the Brownstone Plaintiffs have sufficient commonality and alignment that privity exists;

- 5. THE COURT HEREBY FURTHER FINDS AND CONCLUDES that, Defendant American Vantage Brownstone LLC managed, led, owned, and acted on behalf of the Brownstone Plaintiffs and the interests and motivations of Defendant American Vantage Brownstone LLC and the Brownstone Plaintiffs have sufficient commonality and alignment that privity exists;
- 6. THE COURT HEREBY FURTHER FINDS AND CONCLUDES that Defendants Ronald Tassinari and American Vantage Brownstone, LLC are both privies with Brownstone Gold Town, LLC and Brownstone Gold Town CV, LLC, the Plaintiffs in the First Case;
- 7. THE COURT HEREBY FURTHER FINDS AND CONCLUDES that the first part of the *Five Star Capital Corp v Ruby*, *Supra*, test that the parties or their privies are the same has been satisfied;
- 8. THE COURT HEREBY FURTHER FINDS AND CONCLUDES that the Order of Dismissal of Action with Prejudice (the "Order of Dismissal") filed in the First Case on August 29, 2014 is a final valid judgment;
- 9. THE COURT HEREBY FURTHER FINDS AND CONCLUDES that the second part of the *Five Star Capital Corp v Ruby*, *Supra*, test that the final judgment is valid has been satisfied;
- 10. THE COURT HEREBY FURTHER FINDS AND CONCLUDES that on July 21, 2014, the Plaintiffs herein, Mendenhall and Sunridge, filed a Motion for Leave to Amend in the First Case seeking to assert a counterclaim and a third-party complaint against Defendants Ronald Tassinari and American Vantage Brownstone, LLC containing virtually the same allegations as those set forth in the current Complaint filed herein on October 8, 2014; ORDER GRANTING MOTION TO DISMISS 3

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- THE COURT HEREBY FURTHER FINDS AND CONCLUDES that claims 11. asserted in this action through the Complaint filed herein on October 8, 2014 are based on the same claims or any part of them that were or could have been brought in the First Case;
- THE COURT HEREBY FURTHER FINDS AND CONCLUDES that the third 12. and final part of the Five Star Capital Corp v Ruby, Supra, test that the subsequent action is based on the same claims or any part of them that were or could have been brought in the first case has been satisfied;
- THE COURT HEREBY FURTHER FINDS AND CONCLUDES that Plaintiffs 13. claims herein are barred by the doctrine of claim preclusion;
- IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant's 14. Motion to Dismiss is hereby GRANTED in its entirety;
- IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this action is 15. hereby dismissed, with prejudice as to all parties and all claims.

DATED this 28 day of April, 2015.

Respectfully Submitted By:

HARRY PAUL MARQUIS, CHARTERED

DISTRICT COURT JUDGE JUDGE, DISTRICT COURT, DEPARTMENT 32

Approved as to Form Only:

HOWARD & HOWARD ATTORNEYS

HARRY PAUL MARQUIS, ESQ.

Nevada Bar No. 1252

400 South Fourth Street, Third Floor

Las Vegas, Nevada 89101

Tel. No.: (702) 382-6700

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Email: harry@marquislaw.net

Attorney for Defendants

ORDER GRANTING MOTION TO DISMISS - 4

Nevada Bar No. 003146

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Las Vegas, Nevada 89169

Tel. No.: (702) 257-1483

Attorney for Plaintiffs

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