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I. INTRODUCTION

attached hereto as Exhibit 1.

This Emergency Motion should be reviewed contemporaneously with the First Appeal and the 27(e) Certificate of Jeffrey P. Luszeck attached hereto. The First Appeal originates, in large part, from the District Court's Decree of Divorce entered on June 3, 2013 (hereinafter referred to as "Divorce Decree"), a copy of which is attached hereto as **Exhibit 2.** In short, the District Court completely disregarded NRS 166 and general principles of Nevada law by "equalizing" the assets owned by the ELN Trust and the LSN NEVADA TRUST dated May 30, 2001 ("LSN Trust") as if said assets were community property by transferring nearly \$4,000,000 worth of assets from the ELN Trust to the LSN Trust. 1

Petitioner, MATT KLABACKA, Distribution Trustee of the Eric L. Nelson

The District Court's purported "equalization" is a misnomer because it overvalued some of the property owned by the ELN Trust, id. at 26:15, and after \$4,000,000 worth of assets was transferred from the ELN Trust to the LSN Trust, the District Court ordered the ELN Trust to pay the LSN Trust an additional \$1,000,000.

To make matters worse, during the pendency of the First Appeal the District Court continues to show his disdain for the Settlor of the ELN Trust, Eric L. Nelson, by granting the LSN Trust additional relief on preexisting claims which were determined or precluded by the Divorce Decree on appeal. Most recently, the District Court in its 6/8/15 Order has retroactively awarded the LSN Trust income collected by the ELN Trust from May 2009-June 2013, although the District Court was aware of said income when it entered its Divorce Decree, thereby giving the LSN Trust and/or its Settlor, Lynita S. Nelson, a greater economic windfall. Indeed, the District Court's recent rulings are contrary to its stated intent in the Divorce Decree to "equalize" the ELN and LSN Trusts as the LSN Trust contends that the rents collected, which are due and owing from the ELN Trust, exceed \$250,000. See Exhibit 3. Simply put, the District Court is allowing Lynita and/or the LSN Trust to re-litigate issues that were encompassed within its Divorce Decree, which are the subject of the First Appeal.

In addition to re-litigating issues in contravention of Nevada law and without jurisdiction, the District Court has also ordered the ELN Trust to pay the LSN Trust \$405,230.53 on or before July 10, 2015. *See* Exhibit 4. If the ELN Trust is required to make said coercive payment, which once again directly affects the Decree which is the subject of the First Appeal, after the ELN Trust has already been forced to transfer over \$4,000,000 worth of its incoming producing assets to the LSN Trust and made hundreds of thousands of additional coercive payments, it will cause irreparable harm to the ELN Trust. Once again, the coercive payments referenced above is the subject of the First Appeal.

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The 6/8/15 Order additionally requires the ELN Trust to vacate the Lindell Office Complex on or before August 31, 2015, which is where the ELN Trust has conducted its business since 2001. The ELN Trust possessed a 50% ownership interest in the Lindell Office Complex before the District Court transferred said interest to the LSN Trust in the Divorce Decree, which is subject to the First Appeal.

II. STATEMENT OF FACTS

The underlying proceeding is a divorce action that was initiated by Eric L. Nelson on May 6, 2009. On August 9, 2011, the ELN and LSN Trusts were added as necessary parties. See Exhibit 5.

The District Court appointed Larry Bertsch as a Special Master to "provide the District Court with an accurate evaluation of the parties' estate." See Exhibit 6. Mr. Bertsch drafted at least 16 reports pertaining to assets owned by the ELN Trust and LSN Trust all of which were admitted as exhibits at trial. The ELN Trust's expert witness, Dan Gerety, CPA, also prepared an accounting of the income received by the ELN Trust. See Exhibit 7.

On June 3, 2013, the District Court issued its Divorce Decree, wherein it found that both the ELN Trust and LSN Trust were "established as a self-settled spendthrift trust in accordance with NRS 166.020," and that the ELN Trust was funded with assets that were previously owned by a separate property trust that had been established by Eric in or around 1993, see Ex. 2 at 4:16-17, and the LSN Trust was funded with assets that were previously owned by a separate property trust that had been established by Lynita in or around 1993. See id. at 5:2-3. The separate property in each trust arose

 from a Separate Property Agreement which the District Court found to be valid. *See id.* at 3:9-11.

Although the District Court recognized that the Nevada State Legislature "approved the creation of spendthrift trusts in 1999 and it is certainly not the purpose of this Court to challenge the merits of spendthrift trusts," *see id.* at 5:13-14, and ordered that the ELN Trust and LSN Trust would remain intact, *see id.* at 44: 9-17, the District Court treated the assets owned by the Trusts as community property (even though each Trust was funded with Eric or Lynita's separate property and none of the Trusts' assets are Eric or Lynita's community or separate property), and proceeded to "equalize" the Trusts.

The District Court transferred approximately four million dollar worth of income producing assets from the ELN Trust to the LSN Trust to "equalize" the Trusts so that the ELN Trust would possess \$8,783,487.50 in assets and the LSN Trust would possess \$8,785,988.50 in assets. *See id.* at 47:2-26.

The Divorce Decree, with the exception for the disposition of property known as Wyoming Downs, made it clear that it disposed of any and all claims and/or issues between the ELN Trust and LSN Trust. *See id.* at 46:2-3.

Lynita conceded in June 2013 that the issues stemming from the rent collected by the ELN Trust from 2009 through June 2013 were fully adjudicated.²

Indeed, in her Motion to Amend or Alter Judgment filed on June 17, 2013, Lynita stated the: "[m]otion [was] brought to ensure clarity of this Court's property division, to allow the parties to begin to effectuate the transfer of assets as ordered by the Court, and

The District Court conducted an additional evidentiary hearing on the disposition of Wyoming Downs on May 30, 2014, which resulted in the entry of an order reaffirming that all of the issues and property had been adjudicated:

IT IS FURTHER ORDERED that this Order disposes of the last known property to be adjudicated between the Parties. See Exhibit 8.³

Although the District Court and the LSN Trust conceded that all of the issues arising from the property owned by the ELN Trust and LSN Trust had been adjudicated, on November 13, 2014, Lynita filed a Motion to Enforce the Divorce Decree, see Exhibit 9, wherein she requested, in part, that the District Court order the ELN Trust to repay the LSN Trust for rents collected from certain properties (the Arnold Property and Mississippi RV Park) from 2009. The Motion thus sought to re-litigate preexisting claims which were adjudicated in the Divorce Decree. Indeed, Mr. Bertsch in his Notice of Filing Source and Application of Funds Pursuant to April 10, 2012, Hearing identifies that from 2009 through April 2012 the ELN Trust, as opposed to the LSN Trust, collected \$14,235.19 in rental/interest income from the Arnold property and \$42,793.09 in rental/interest income from the Mississippi RV Park. See Exhibit 11. This fact was confirmed by the ELN Trust's expert witness Dan Gerety, CPA. In other words, the District Court was aware that the ELN Trust had been collecting rent since 2009 when it

to dispose of the last remaining asset not addressed by the Decree."). See Exhibit 10. (Emphasis Added).

The ELN Trust has appealed portions of said Order on different grounds in the First Appeal.

entered the Divorce Decree, and said fact was litigated and taken into account when the District Court "equalized" the Trusts.

Notwithstanding, the District Court's 6/8/15 Order requires the ELN Trust prepare an accounting for the Arnold Property and Mississippi RV Park by July 31, 2015, and "pay Lynita and the LSN Trust all income received, less all actual and documented expenses, for . . . the period of May 6, 2009 through present, with statutory interest from May 6, 2009, with such payment due on or before August 31, 2015, by 5:00 p.m." *See* Ex. 1 at 21:5-14 and 22:16-27.

Said Order also requires the ELN Trust to vacate the Lindell Office Complex, of which it owned 50% before the District Court transferred said ownership to the LSN Trust in the Divorce Decree. The transfer of the ELN Trust's interest in the Lindell Office Complex is at issue in the First Appeal.

The 6/8/15 Order also requires the ELN Trust to pay the LSN Trust over \$400,000 on or before July 10, 2015, for other rents and sale proceeds collected by the ELN Trust from June 1, 2013, through present. *See* Ex. 1. It is important to note that in calculating said amount, the District Court also failed to credit the ELN Trust for certain costs/expenses incurred in maintaining the properties from which rent was collected. *See* Exhibit 12.

III. <u>LEGAL ARGUMENT</u>

A. Nevada Law Precludes Lynita And/or the LSN Trust From Re-Litigating Issues That Have, Or Could Have Been Litigated At Trial.

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The ELN Trust is likely to prevail on appeal because the District Court is precluded from granting additional relief on preexisting claims which were determined or precluded by the Divorce Decree, specifically, the rents collected by the ELN Trust from the Arnold Property and the Mississippi RV Park from May 2009-June 2013. Indeed, the LSN Trust's First Amended Complaint asserted claims of unjust enrichment and the imposition of a constructive trust over "the assets, income, profits, rents and fees received by" the ELN Trust. See Exhibit 13 at ¶¶ 131-134 and 163-167, and the reports prepared by Mr. Bertsch and Mr. Gerety identified the income received by the ELN Trust.

In Nevada, "[n]o proposition of law is more thoroughly settled than that, when issues between parties to an action have once been tried and finally determined, whether such determination is erroneous or not, the same questions cannot again be litigated by such parties or their privies." Kernan v. Kernan, 78 Nev. 93, 94, 369 P.2d 451, 452 (1962). Further, "a judgment is conclusive not only on the questions actually contested and determined, but on all matters which might have been litigated and decided in the suit." York v. York, 99 Nev. 491, 493, 664 P.2d 967, 968 (1983) (wife made a claim to \$15,000 that could have been litigated in first divorce action).

The District Court already addressed the prior rent issues by equalizing assets; but even if the District Court failed to address the 2009-2013 rent for the Arnold Property and Mississippi RV Park properties in the Divorce Decree, Lynita was required to seek relief in her Motion to Amend or Alter Judgment, which she filed nearly 18 months ago,

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and/or sought a new trial pursuant to NRCP 59.4 Since Lynita failed to do so she is precluded from raising said issue now.

The District Court Is Divested Of Jurisdiction To Revisit Issues В. Pending Before The Nevada Supreme Court.

"[A] timely notice of appeal divests the district court of jurisdiction to act and vests jurisdiction in this court." Rust v. Clark City School Dist., 103 Nev. 686, 688, 747 P.2d 1380, 1382 (1987). Although a "party seeking to alter, vacate, or otherwise change or modify an order or judgment" has the ability to file a motion with the district court, the district court "lacks jurisdiction to enter an order granting such motion." Foster v. Dingwall, 126 Nev. Adv. Op. 5, 228 P.3d 453, 455 (2010). Here, the District Court exceeded its jurisdiction by entering the 6/8/15 Order, which has the effect of modifying the Divorce Decree by granting the LSN Trust additional relief against the ELN Trust.

Without A Stay, The Object Of The Appeal Will Be Defeated And C. Will Cause Irreparable Harm To The ELN Trust.

The object of the First and Second Appeal will be defeated if the stay is denied by this Court because the District Court will continue to issue additional punitive orders forcing the ELN Trust to relinquish its property interests, the majority of which is real property. "[R]eal property and its attributes are considered unique and loss of real

However, even then, such a request would have been inappropriate as motions filed under 59(e) may not be used to "relitigate old matters, or to raise arguments or present evidence that could have been raised prior to the entry of judgment." Stevo Design, Inc. v. SBR Mktg. Ltd., 919 F. Supp. 2d 1112, 1117 (D. Nev. 2013) (citation omitted).

 property rights generally results in irreparable harm."⁵ If the ELN Trust is forced to leave the Lindell Office Complex its office space will likely be leased to another tenant thereby precluding the ELN Trust's ability to return to said property.

The ELN Trust will also suffer irreparable harm should it be required to pay Lynita and/or the LSN Trust the sum of \$405,230.53 by July 10, 2015, plus any rent that it collected from the Arnold Property and Mississippi RV Park by August 31, 2015, which the LSN Trust contends exceeds \$250,000. "[I]rreparable harm may still exist where the moving party's business cannot survive absent a preliminary injunction or where '[d]amages may be unobtainable from the defendant because he may become insolvent before a final judgment can be entered and collected." Unlike the ELN Trust, neither Lynita nor the LSN Trust will suffer irreparable harm if the Stay is granted.

Here, the ELN Trust will suffer irreparable harm if a stay is not imposed because payment of such funds will impede or make impossible the ELN Trust's ability to maintain and run the day-to-day operations of entities wholly owned by the ELN Trust.

⁵ Dixon v. Thatcher, 103 Nev. 414, 415-16, 742 P.2d 1029, 1029-30 (1987); see also Hansen v. Eighth Judicial Dist. Court ex rel. County of Clark, 116 Nev. 650, 658, 6 P.3d 982, 986-87 (2000) (providing that trustee's sale of a house as an example of irreparable harm warranting the imposition of a stay pending appeal).

Hughes Network Sys., Inc. v. InterDigital Commc'ns Corp., 17 F.3d 691, 694 (4th Cir. 1994) (quoting Roland Mach. Co. v. Dresser Indus., Inc., 749 F.2d 380, 386 (7th Cir.1984) (finding a damages remedy may be inadequate for any of four reasons, including: the plaintiff's business may become insolvent, revenues from the plaintiff's business may be necessary to finance the lawsuit, damages may be unobtainable from the defendant because he may become insolvent before a final judgment can be entered and collected, and the loss may be difficult to calculate).

Indeed, the ELN Trust has substantial operating costs that include, but are not limited to, paying employees of entities that it owns, property taxes, *etc*. To make matters worse, the District Court has already forced the ELN Trust to transfer over \$4,000,000 of its assets to the LSN Trust, most of which were the most profitable income producing properties, and the ELN Trust has already paid the LSN Trust hundreds of thousands of additional dollars pursuant to the terms of the Divorce Decree.

IV. CONCLUSION

In light of the foregoing, the ELN Trust respectfully requests that this Court stay of the underlying litigation pending resolution of the First and Second Appeal, including the enforcement of any orders issued by the District Court, or alternatively, a stay of the 6/8/15 Order.

DATED this day of June, 2015.

SOLOMON DWIGGINS & FREER, LTD.

MARK A. SOLOMON, ESQ., NSB 0418 JEFFREY P. LUSZECK, ESQ., NSB 9619 9060 W. Cheyenne Avenue Las Vegas, Nevada 89129

Attorneys for Petitioner, Matt Klabacka as Distribution Trustee of the ELN Nevada Trust

NRAP 27(e) CERTIFICATE

I, Jeffrey P. Luszeck, Esq. declare as follows:

- 1. I am an attorney licensed to practice before the courts of Nevada, and I am an attorney at the law firm of Solomon Dwiggins & Freer, Ltd., Counsel of Record for Appellant, MATT KLABACKA, Distribution Trustee of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001 ("the ELN TRUST"). I make this certificate in support of petitioner's Emergency Motion To Stay Proceeding Pending Resolution of Appeal, or in the Alternative, Motion to Stay Enforcement of Findings of Fact and Order Entered June 8, 2015.
- The office address, telephone and facsimile number of the attorneys for 2. real parties in interest are as follows:

Robert P. Dickerson, Esq.

Katherine L. Provost, Esq. Counsel for Lynita S. Nelson,

individually, and as Investment Trustee of THE DICKERSON LAW GROUP the defendant in District Court 1745 Village Center Circle

Las Vegas, Nevada 89134

Telephone: (702) 388-8600

Facsimile: (702) 388-0210

Rhonda K. Forsberg, Esq.

Forsberg Law Office Counsel for Eric L. Nelson, individually, and as Investment Trustee of the ELN 64 N. Pecos Road, Suite 800

Henderson, Nevada 89074 NEVADA TRUST dated May 30, 2001

Telephone: (702) 990-6468 Facsimile: (702) 990-6459

This is the second appeal that the ELN Trust has been forced to file since 3. the District Court entered its Decree of Divorce on June 3, 2013 (hereinafter referred to

as "Divorce Decree." The ELN Trust filed its first appeal on October 20, 2014, Nevada

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 Supreme Court Case No. 66772 (hereinafter referred to as "First Appeal"). Further, prior to filing the First Appeal, the ELN Trust was forced to seek emergency relief from this Court in two separate writ proceedings, Nevada Supreme Court Case Nos.' 63432 and 63545 because of the LSN Trust's efforts to enforce the Divorce Decree before it became a final order. This Court initially stayed the District Court's coercive payments; however, the Writs of Prohibition were ultimately denied because the Divorce Decree became final thereby allowing the ELN Trust to file the First Appeal.

- 4. A Motion for Stay was made in the District Court and denied on January 26, 2015. Indeed, in response to the ELN Trust's request for a stay the District Court made it clear that it is not concerned if the ELN Trust is harmed during the pendency of the First Appeal because "this litigation has lingered on for far too many years..." *See* Findings of Fact and Order at ¶¶ 7-8 entered by the District Court on June 8, 2015 ("6/8/15 Order"), a copy of which is attached to the Emergency Motion to Stay as Exhibit 1.
- 5. Emergency relief is needed because the District Court continues to exceed its jurisdiction by granting Lynita S. Nelson ("Lynita") and/or the LSN NEVADA TRUST dated May 30, 2001 ("LSN Trust") additional relief on preexisting claims which were determined or precluded by the Divorce Decree on appeal. *See id.* Specifically, the 6/8/15 Order requires, in large part, the ELN Trust to account for and pay the LSN Trust certain income that it collected from 2009 June 2013, despite the fact that said income was identified by the Special Master appointed by the District Court, and the ELN Trust's expert witness. The LSN contends that said amount exceeds \$250,000.

- 6. Emergency relief is also needed because the 6/8/15 Order requires the ELN Trust to make an additional coercive payment in the amount of \$405,230.53 by July 10, 2015. Said payment will likely impede or make impossible the ELN Trust's ability to maintain and run the day-to-day operations of entities wholly owned by the ELN Trust. Indeed, the ELN Trust has substantial operating costs that include, but are not limited to, paying employees of entities that it owns, property taxes, *etc.* To make matters worse, the District Court has already forced the ELN Trust to transfer over \$4,000,000 of its assets to the LSN Trust, most of which were the most profitable income producing properties, and the ELN Trust has already paid the LSN Trust hundreds of thousands of additional dollars pursuant to the terms of the Divorce Decree.
- 7. Emergency relief is additionally needed because the 6/8/15 Order requires the ELN Trust to vacate its office space at the Lindell Office Complex on or before August 31, 2015, which is where the ELN Trust has conducted its business since 2001. If the Emergency Motion is denied, the ELN Trust will be forced to locate alternative office space and move its operations to said location. The ELN Trust possessed a 50% ownership interest in the Lindell Office Complex before the District Court transferred said interest to the LSN Trust in the Divorce Decree, which is subject to the First Appeal.
- 8. On June 24, 2015, this office notified the Clerk of this Court that the ELN Trust would be filing an Emergency Motion to Stay Proceeding Pending Resolution of Appeal, or in the Alternative, Motion to stay Enforcement of Findings of Fact and Order entered June 8, 2015.

9. This office also notified Bob Dickerson, Esq. of The Dickerson Law Group and Rhonda K. Forsberg, Esq. of Forsberg Law Office, that this office would also be filing this Emergency Motion to Stay Proceeding Pending Resolution of Appeal, or in the Alternative, Motion to Stay Enforcement of Findings of Fact and Order Entered June 8, 2015, *via* electronic transmission. This Emergency Motion will be served on Mr Dickerson and Ms. Forsberg by electronic mail and hand-delivery. This Emergency Motion will also be served upon Honorable Frank P. Sullivan by hand-delivery.

I declare under penalty of perjury that the foregoing is true and correct.

DATED this day of June, 2015.

JEFFREY P LUSZECK, ESQ

CERTIFICATE OF SERVICE

2	Pursuant to Nev. R. App. P. 5(b), I hereby certify that I am an employee of the		
3	Tursuant to 11ev. 1c. 11pp. 1. 3(b), 1 hereby verify that 1 am an empreyee of the		
4	law firm of Solomon Dwiggins & Freer, Ltd., and that on June 24, 2015, I filed a true		
5	and correct copy of the foregoing <i>EMERGENCY M</i>	and correct copy of the foregoing EMERGENCY MOTION TO STAY PROCEEDING	
6	6 PENDING RESOLUTION OF APPEAL, OR IN TH	IE ALTERNATIVE, MOTION TO	
7			
8	8 STAY ENFORCEMENT OF FINDINGS OF FACT A	IND ORDER ENTERED JUNE 8	
9	2015; NRAP 27(e) Certificate, WITH THE Clerk of the Court through the Court's		
10	eFlex electronic filing system and notice will be sent electronically by the Court to th		
11		e course of the court to the	
12	following:		
13	13 Robert P. Dickerson, Esq.		
14	Katherine L. Provost, Esq. Counsel THE DICKERSON LAW GROUP District	for Lynita S. Nelson, defendant ir Court	
15	15 1745 Village Center Circle		
16	Las Vegas, Nevada 89134 info@dickersonlawgroup.com		
17			
18	Rhonda K. Forsberg, Esq. Forsberg Law Office Counsel	for Eric L. Nelson, real party in	
19	[CANED D = 1 G '/= 000	, ,	

I also hereby certify that the foregoing document will be hand-delivered on this date to the following:

Hon. Frank P. Sullivan, Department O Robert P. Dickerson, Esq. Rhonda K. Forsberg, Esq.

rforsberg@forsberglaw.com

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DATED: June 24, 2015

An employee of Solomon Dwiggins & Freer, Ltd.