

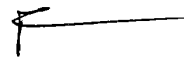
1 and lying under oath are very serious offenses that justify serious sanctions. The Monas must be  
2 made to understand that the orders of this Court and their obligation to tell "the truth, **the whole**  
3 **truth**, and nothing but the truth" must be honored and respected. Unfortunately, having a  
4 \$23MM judgment hanging over their heads is not enough to force the Monas to take this  
5 proceeding seriously. For these reasons, the sanctions requested in the Application for the Order  
6 to Show Cause are warranted and necessary.

7 **CONCLUSION**

8 For these reasons, Plaintiff respectfully requests that this Court issue an order that the  
9 funds in the bank accounts in Mrs. Mona's name be applied toward the satisfaction of Plaintiff's  
10 judgment and that the Court sanction the Monas as set forth in the Application for the Order to  
11 Show Cause for failure to comply with Court orders demanding production of documents and for  
12 lying during the previous judgment debtor examination. Further, to prevent any additional  
13 fraudulent transfers, Plaintiff requests that the Court extend its order that Mr. and Mrs. Mona be  
14 prohibited from effectuating any transfers or otherwise disposing of or encumbering any property  
15 not exempt from execution until their assets have been applied toward the satisfaction of  
16 Plaintiff's judgment.

17 Dated this 8<sup>th</sup> day of July, 2015.

18 **HOLLEY DRIGGS WALCH**  
19 **FINE WRAY PUZEY & THOMPSON**

20 

21 F. THOMAS EDWARDS, ESQ.  
22 Nevada Bar No. 9549  
23 ANDREA M. GANDARA, ESQ.  
24 Nevada Bar No. 12580  
25 400 South Fourth Street, Third Floor  
26 Las Vegas, Nevada 89101

27 *Attorneys for Plaintiff Far West Industries*

1 CERTIFICATE OF SERVICE

2 I certify that I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey &  
3 Thompson, and that on the 8th day of July, 2015, I served via electronic service in accordance  
4 with Administrative Order 14.2, to all interested parties, through the Court's Wiznet/Odyssey E-  
5 File & Serve, a true copy of the foregoing REPLY IN SUPORT OF ORDER TO SHOW  
6 CAUSE WHY ACCOUNTS OF RHONDA MONA SHOULD NOT BE SUBJECT TO  
7 EXECUTION AND WHY THE COURT SHOULD NOT LFIND THE MONAS IN  
8 CONTEMPT in the above matter, addressed as follows:

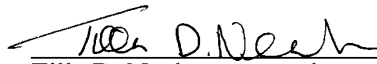
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25  
26  
27  
28  
  
Tilla D. Nealon, an employee of  
Holley, Driggs, Walch, Ray, Fine, Puzey &  
Thompson

# **EXHIBIT 5**

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**DECLARATION OF JOAN WILEY**

I, Joan Wiley, ACP declare as follows:

1. I am an advanced certified paralegal with the law firm of Holley Driggs Walch Fine Wray Puzey & Thompson. The following is based on my own personal knowledge, and if called as a witness, I could and would testify to the following:

2. I am familiar with the documents produced by the Michael J. Mona, Jr. in 2013 in advance of his judgment debtor examination totaling 33,006 pages (the "Documents").

3. Given the volume of the Documents, I processed the documents to make them searchable.

4. In an attempt to determine whether the Post-Marital Property Settlement Agreement was produced along with the Documents in 2013, I ran multiple searches on the Documents including the following terms: "marital", "post-marital", and "settlement". Despite running these search terms, I was unable to locate the Post-Marital Property Settlement Agreement.

5. Moreover, I manually searched the Documents for the Post-Marital Property Settlement Agreement and have been unable to locate the agreement.

6. For these reasons and based upon my searches of the Documents, the Post-Martial Property Settlement Agreement was not produced with the Documents in 2013.

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

Executed this 8th day of July, 2015.

  
JOAN WILEY



# EXHIBIT 6

1 ROUGH DRAFT TRANSCRIPT

2 DEPOSITION OF

3 RHONDA H. MONA

4

5 June 26, 2015

6 10:32 a.m.

7

8 \* \* \* \* \*

9 The following transcript of proceedings,

10 or any portion thereof, is being delivered

11 UNCERTIFIED by the court reporter.

12 This transcription has not been  
13 proofread. It is a draft transcript, **NOT** a  
14 certified transcript. As such, it may contain  
15 computer-generated mistranslations of stenotype  
16 code or electronic transmission errors, resulting  
17 in inaccurate or nonsensical word combinations or  
18 symbols which cannot be deciphered by  
19 non-stenotypists.

16 The purchaser agrees not to disclose this  
17 realtime, unedited transcription in any form  
18 (written or electronic) to anyone who has no  
19 connection to this case. This is an unofficial  
20 transcription which should **NOT** be relied upon for  
21 purposes of verbatim citation of testimony, nor  
22 shall it be used or cited from at any time to rebut  
23 or contradict the official, certified transcript.

20 Corrections will be made in the  
21 preparation of the certified transcription,  
22 resulting in differences in content, page and line  
23 numbers, punctuation and formatting.

22

23 Heidi K. Konsten, RPR, CCR # 845

24

25

1           Q     And, I'm sorry, I probably asked this,  
2     but as to those three different accounts we talked  
3     about -- the money market account, the checking  
4     account, both at the Bank of George and the Bank  
5     of Nevada account -- you are the sole signatory;  
6     correct?

7           A     Sole.

8           Q     You're still happily married, right?

9           A     Yes.

10          Q     Not planning to get divorced?

11                 MR. COFFING: That's a day to day  
12     question; right?

13                 THE WITNESS: It depends.

14     BY MR. EDWARDS:

15          Q     You're not planning to get divorced, are  
16     you?

17          A     Not at this time.

18                 MR. COFFING: Well -- okay.

19                 THE WITNESS: Not today.

20     BY MR. EDWARDS:

21          Q     You're not contemplating getting  
22     divorced, that's --

23                 MR. COFFING: I mean, this really does  
24     go into conversations she might have had with her  
25     spouse, so to the -- unless you have a personal

# **EXHIBIT 7**

1       UNCERTIFIED TRANSCRIPT DISCLAIMER IN THE MATTER OF  
2               FAR WEST INDUSTRIES VS. RIO VISTA NEVADA  
3               JUDGEMENT DEBTOR EXAMINATION OF MICHAEL MONA  
4               TUESDAY, JUNE 30, 2015

5                       -o0o-

6       THIS REALTIME TRANSLATION IS A ROUGH DRAFT AND IS  
7       NEITHER CERTIFIED, EDITED, NOR PROOFREAD BY THE COURT  
8       REPORTER. THIS UNCERTIFIED, UNEDITED ROUGH REALTIME  
9       DRAFT MAY CONTAIN UNTRANSLATED STENOGRAPHIC SYMBOLS, AN  
10      OCCASIONAL REPORTER'S NOTE, A MISSPELLED PROPER NAME,  
11      AND/OR NONSENSICAL WORD COMBINATIONS. ALL SUCH ENTRIES  
12      WILL BE CORRECTED ON THE FINAL TRANSCRIPT.

13      THIS ROUGH REALTIME DRAFT CAN ONLY BE USED FOR THE  
14      PURPOSE OF AUGMENTING COUNSEL'S NOTES AND CANNOT BE USED  
15      OR CITED IN ANY COURT PROCEEDING OR DISTRIBUTED TO ANY  
16      OTHER PARTIES. THIS IS AN UNOFFICIAL TRANSCRIPT, WHICH  
17      SHOULD NOT BE RELIED UPON FOR PURPOSES OF VERBATIM  
18      CITATION OF TESTIMONY.

19      THE PURCHASER ACKNOWLEDGES THAT THEY WILL BE BILLED  
20      AN ADDITIONAL PRICE PER PAGE FOR THE REALTIME ROUGH  
21      DRAFT TRANSCRIPT; AND, FURTHERMORE, THAT THIS  
22      CONSTITUTES THE PURCHASER'S ORDER FOR A CERTIFIED COPY  
23      OF THE FINAL TRANSCRIPT.

24

25

1 BY MR. EDWARDS:

2 Q. Sir, as you sit here today, what's your net  
3 worth?

4 A. I haven't had a financial done in a long time,  
5 but I have to guess negative something. I have no idea.

6 Q. How long would you estimate your net worth has  
7 been negative?

8 A. '08, '09, maybe.

9 Q. Okay.

10 A. You know, when that big depression hit.

11 Q. And so to the best of your recollection, you have  
12 not had a positive net worth since 2008 or 2009?

13 A. Correct. And again, that's a rough date, 2009,  
14 yes.

15 Q. Understood.

16 If you had to estimate just the value of the  
17 assets you currently hold, what would that be?

18 A. Below zero.

19 Q. Not taking in account your liabilities, just your  
20 assets.

21 A. Zero.

22 Q. Zero assets?

23 A. My assets, yeah.

24 Q. And when was the last time you held more than say  
25 \$5 million in assets?

1 A. I don't remember. I'm guessing her bank of  
2 George account. I'm guessing. I don't remember.

3 Q. Just one account, multiple accounts at bank of  
4 George?

5 A. I believe she has one account there.

6 Q. Okay.

7 A. Or maybe a checking account there also. I'm not  
8 sure. I don't deal with my wife's money.

9 Q. So to your knowledge there is some money left  
10 from this 3.4 million that you gave to your wife?

11 A. I don't know.

12 Q. You had your judgment debtor exam taken back in  
13 2013; right?

14 A. Correct.

15 Q. Why didn't you produce this document in advance  
16 of that judgment debtor examination?

17 A. I believe it was produced.

18 Q. Unfortunately, I can tell you I looked through  
19 the documents and I know it wasn't produced. So do you  
20 know why it wasn't produced?

21 A. No.

22 Q. Do you agree it should have been produced?

23 A. Definitely.

24 Q. When you were asked at your previous judgment  
25 debtor examination what you did with the \$6.8 million

1 from the sale of the stock, why didn't you tell us that  
2 you split the money with your wife?

3 A. I don't recall what I said.

4 Q. Okay. Let's take a look.

5 (Exhibit 2 was marked for identification.)

6 MR. COFFING: Is this just an excerpt?

7 MR. EDWARDS: Just an excerpt.

8 BY MR. EDWARDS:

9 Q. So I'm showing you what's been marked as Exhibit  
10 2. Do you recognize this document?

11 A. Yes.

12 Q. What is it?

13 A. It's a transcript of my debtor's exam on November  
14 25th of 2013.

15 Q. And you see on page 90 where he asks you what you  
16 did with the money from the stock sale?

17 A. Correct.

18 Q. And you see your answer was you just paid  
19 personal bills and gave 2.6 million to Roen; correct?

20 A. Correct.

21 Q. Do you see any testimony here where you advised  
22 us that you split the money with your wife?

23 A. No.

24 Q. Why didn't you tell us that you split the money  
25 with your wife?



1 A. No idea.

2 Q. Were you trying to conceal that transfer?

3 A. Not at all.

4 Q. Then again, why wouldn't you tell us?

5 A. It's in bank records. You can't conceal that. I  
6 wouldn't try to conceal that.

7 Q. Again, when you were asked under oath back in  
8 2013, just a few weeks after you made this transfer, why  
9 didn't you tell us that you made this transfer to your  
10 wife?

11 A. I have no idea.

12 Q. Do you agree you should have told us?

13 A. Definitely.

14 Q. Did you have any plans to get divorced from your  
15 wife?

16 A. I don't, but it's been a very rough period. And  
17 the deposition last week didn't help any. So as of  
18 right now no, but we're talking about it. Let's put it  
19 that way.

20 Q. Talking about potentially getting divorced?

21 A. No. Just I got home from Germany yesterday, and  
22 it was a long day and a long night. And I was really  
23 too tired to talk, and she said we're talking tonight.  
24 She's just not --

25 Q. Okay.

1 A. So do I have any plans right now? No. Is she  
2 happy? No.

3 (Exhibit 3 was marked for identification.)

4 BY MR. EDWARDS:

5 Q. Sir, I'm showing you what's been marked as  
6 Exhibit 3.

7 Do you recognize this document?

8 A. I don't recognize it, but I signed it.

9 Q. You recognize your signature at the bottom of the  
10 page on the left?

11 A. Correct.

12 Q. You had an account at State bank of southern  
13 Utah?

14 A. That was one of the numbers banks, yes.

15 Q. Do you recall wiring a million dollars to Roen  
16 Ventures, LLC?

17 A. I do not recall it, but obviously I did. I'm  
18 looking at it.

19 Q. Under special instructions can you read that  
20 language?

21 A. Correct.

22 Q. What does it say?

23 A. Wire towards debt/loan.

24 Q. Is that your handwriting?

25 A. Correct.

1 Q. Can you spell those first names?

2 A. H-A-M-M-I-D and R-O-C-H-E. Again, I'm guessing.

3 Looks like he wrote it out of his Auto Boutique,  
4 his car lot. And Mike Minetti is a friend of mine.

5 Q. Have you made any payments on these loans?

6 A. I haven't made payments on any loans.

7 Q. On any of those loans?

8 A. No.

9 Q. Or any loans period?

10 A. Any loans period.

11 Q. At what point in time did you stop making  
12 payments on your loans in general?

13 A. I don't think I ever really started making  
14 payments.

15 Q. So November 18, 2013, the date of these loan  
16 agreements, it's fair to state that you were not paying  
17 loans that you owed?

18 A. I believe so.

19 Q. You believe that's accurate?

20 A. Correct.

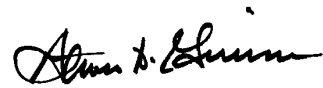
21 (Exhibit 16 was marked for identification.)

22 BY MR. EDWARDS:

23 Q. I'm showing what's been marked as Exhibit 16.

24 Do you recognize this document?

25 A. Yes, I do.



CLERK OF THE COURT

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7 *Attorneys for Plaintiff Far West Industries*

8 **DISTRICT COURT**

9 **CLARK COUNTY, NEVADA**

10 FAR WEST INDUSTRIES, a California  
11 corporation,

12 Plaintiff,

13 v.

14 RIO VISTA NEVADA, LLC, a Nevada limited  
liability company; WORLD DEVELOPMENT,  
15 INC., a California corporation; BRUCE MAIZE,  
an individual; MICHAEL J. MONA, JR., an  
16 individual; DOES 1 through 100, inclusive,

17 Defendants.

Case No.: A-12-670352-F  
Dept. No.: XV

**Date of Hearing: July 9, 2015**  
**Time of Hearing: 9:00 a.m.**

18 **DECLARATION IN SUPPORT OF REQUEST FOR CONTEMPT**

19 I, F. Thomas Edwards, Esq., declare as follows:

20 1. I am an attorney with the law firm of Holley Driggs Walch Fine Wray Puzey &  
21 Thompson. The following is based on my knowledge gathered from my review of the  
22 documents and transcripts in this proceeding, and if called as a witness, I could and would testify  
23 to the following:  
24

25 2. On January 30, 2013, the Court entered its original order for the judgment debtor  
26 examination of Mr. Mona. The order set forth a list of documents that Mr. Mona was required to  
27 produce, including:  
28

1 8. Documents reflecting all assets (real, personal or mixed),  
2 whether owned by you individually, in any partnership or  
3 corporation form or in joint tenancy or in tenancy in common for  
4 the past five (5) years.

5 11. A copy of all statements, and a copy of each check  
6 register for each account, for each and every financial  
7 institution (including but not limited to all banks, savings and  
8 loans, credit unions, and brokerage houses) where you have an  
9 account, where you have signature authority on an account, or in  
10 which you have held or now hold an interest from January 2005  
11 through to the present.

12 12. A copy of all bank statements, deposit slips, and canceled  
13 checks for all bank, money market accounts which you own or in  
14 which you owned any interest whatsoever, or on which you were  
15 authorized to draw checks, whether said documents were in your  
16 name alone, in the name of another person/entity, or in the  
17 name of another and yourself as joint tenants, for the period of  
18 three (3) years prior to the date hereof.

19 13. All savings account passbooks, bank statements and  
20 certificates of deposit for any and all accounts, in which you  
21 owned any interest whatsoever, or from which you were  
22 authorized to make withdrawals, whether said accounts were in  
23 your name alone, in the name of any other person, or in your name  
24 and another as joint tenants, for the period of five (5) years prior to  
25 the date hereof.

26 39. Copies of any and all contracts to which you are a party  
27 entered into within the last five (5) years.

28 See Ex. A to Order entered 1/30/13 (emphasis added).

3. The Court entered another order on October 7, 2013 setting forth deadlines for the  
completion of the document production by Mr. Mona and for the scheduling of the judgment  
debtor examination for no later than November of 2013. Specifically, the Court ordered that Mr.  
Mona complete his production of the documents by September 25, 2013:

IT IS HEREBY ORDERED AND ADJUGED AND DECREED  
that said Defendants shall complete their production, constituting  
approximately two additional boxes of documents and represented  
by said Defendant's counsel, to counsel for Plaintiff, no later than  
5:00 p.m. (PDT) on Wednesday, September 25, 2013.

See Order entered 10/7/13, 2:9-13.

4. Mr. Mona purportedly complied with the Court's orders by producing  
approximately 33,000 pages of documents.

///

1           5.       Unbeknownst to Plaintiff, despite the substantial production, Mr. Mona failed to  
2 produce his Post-Marital Property Settlement Agreement.

3           6.       In the Post-Marital Property Settlement Agreement, Mr. and Mrs. Mona explain  
4 that they have sold their community property shares of Medical Marijuana, Inc., for  
5 \$6,813,202.20. See Exhibit 1 to the Ex Parte Application for Order to Show Cause.

6           7.       The Agreement then purports to divide the proceeds equally between themselves  
7 as their separate property, with each receiving \$3,406,601.10. Id.

8           8.       Notably, the Post-Marital Property Settlement Agreement was purportedly  
9 executed by the Monas on September 13, 2013. Id. This date is significant for two primary  
10 reasons. First, the Agreement was in existence prior to the Court ordered deadline for Mr. Mona  
11 to supplement his document production on September 25, 2013. As the Post-Marital Property  
12 Settlement Agreement was a contract to which Mr. Mona was a party, Mr. Mona had an  
13 obligation to produce the Agreement pursuant to the Court order scheduling the examination and  
14 the subsequent order re-setting the deadline to supplement the production. See Court orders  
15 dated 1/30/13 and 10/7/13. Mr. Mona's failure to produce the Agreement was a blatant violation  
16 of the Court's orders and shows that he was attempting to conceal the purported transfer to his  
17 wife. Second, the proximity in time between the September 13, 2013, Post-Marital Property  
18 Settlement Agreement and the upcoming judgment debtor examination on November 25, 2013,  
19 shows that the intent of the Agreement was to hinder, delay and defraud Plaintiff in its efforts to  
20 execute upon the Judgment.

21           9.       Moreover, when asked at his judgment debtor examination what he did with the  
22 more than \$6MM in stock sale proceeds, Mr. Mona testified as follows:

23                   **Q. When you got out of Alpine Securities, how much was the**  
24                   **stock worth?**

25                   A. About \$0.12 a share.

26                   **Q. And translate that into an aggregate.**

27                   A. About \$6 million.

28                   **Q. Did you cash out?**

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A. Yes.

**Q. What did you do with that \$6 million?**

A. Paid bills.

**Q. What bills?**

A. Paid off some debts that I had.

**Q. What bills?**

A. Just personal bills. Gave 2.6 – loaned \$2.6 million to Roen Ventures.

See Transcript of 11/25/13 Judgment Debtor Examination of Mr. Mona, 9:8-21, attached to the Ex Parte Application for Order to Show Cause as Exhibit 2.

10. On May 13, 2015, the Court entered orders scheduling the judgment examinations of Mr. and Mrs. Mona. The order set forth a list of documents that Mr. and Mrs. Mona were required to produce, including:

1. For the period beginning April 2012 through the present date, **financial documents of Judgment Debtor, including, but not limited to, but not limited to, statements for checking, savings or other financial accounts**, securities brokerage accounts, certificates of deposit, shares in banks, savings and loan, thrift, building loan, credit unions, or brokerage houses or cooperative, and records of income, profits from companies, cash on hand, safe deposit boxes, deposits of money with any other institution or person, cash value of insurance policies, federal and state income tax refunds due or expected, any debt payable to or held by or for Judgment Debtor, checks, drafts, notes, bonds, interest bearing instruments, accounts receivable, liquidated and unliquidated claims of any nature, or any and all other assets.

23. For the period beginning April 2012 through the present date, Documents relating to monies, gifts, bequests, **dispositions, or transfers paid or given to Judgment Debtor.**

26. For the period beginning April 2012 through the present date, Documents relating to all tangible or intangible property or **other assets sold, assigned, transferred, or conveyed by Judgment Debtor to any person** or entity.

29. Documents evidencing any and all other intangible personal, tangible, and/or real property of Judgment Debtor not already identified in the items set forth above.

See Orders entered 5/13/15.

///

1           11.    The Monas purported to comply with their production obligations by producing  
2 approximately 1,000 documents.

3           12.    Among the documents recently produced was the Post-Marital Property  
4 Settlement Agreement that the Monas should have produced almost 2 years ago. However, as  
5 Plaintiff only learned at the judgment debtor examination of Mrs. Mona, the Monas are still  
6 withholding bank records on the basis that a number of bank accounts are in the name of Mrs.  
7 Mona only, despite the fact that the accounts hold community property.

8           13.    Mrs. Mona begrudgingly testified at her judgment debtor examination that she has  
9 three (3) different bank accounts in her name. The first account is a checking account at Bank of  
10 George, which contains earnings from design projects performed by Mrs. Mona during the  
11 marriage. See Rough Transcript of 6/26/15 Judgment Debtor Examination of Mrs. Mona, 26:6-  
12 14; 27:19-29:19, attached to the Ex Parte Application for Order to Show Cause as Exhibit 3. The  
13 second account is a money market account at the Bank of George, which contains the remainder  
14 on the \$6.8MM purportedly split between Mr. and Mrs. Mona. Id. at 32:7-11. The third account  
15 is a checking account from Bank of Nevada, which is purportedly funded through the money  
16 market account at Bank of George, and thus also contains community property. Id. at 32:7-14.  
17 The Monas failed to produce any records related to these three (3) accounts.

18           14.    At his recent judgment debtor examination, Mr. Mona conceded that he  
19 “definitely” should have produced the Post-Marital Property Settlement Agreement in 2013 and  
20 that he “definitely” should have testified that he split the \$6.8MM with his wife at the 2013  
21 judgment debtor examination.

22                   **Q. Why didn't you produce this document in advance of that**  
23                   **judgment debtor examination?**

24                   A. I believe it was produced.

25                   **Q. Unfortunately, I can tell you I looked through the**  
26                   **documents and I know it wasn't produced. So do you know**  
27                   **why it wasn't produced?**

28                   A. No.

**Q. Do you agree it should have been produced?**



1 A. Definitely.

2 See Rough Transcript of Judgment Debtor Examination of Michael Mona, 06/30/15, 7:15-23,  
3 attached to the Reply in Support of the Order to Show Cause as Exhibit 7.

4 **Q. So I'm showing you what's been marked as Exhibit 2. Do**  
5 **you recognize this document?**

6 A. Yes.

7 **Q. What is it?**

8 A. It's a transcript of my debtor's exam on November 25th of  
9 2013.

10 **Q. And you see on page 90 where he asks you what you did**  
11 **with the money from the stock sale?**

12 A. Correct.

13 **Q. And you see your answer was you just paid personal bills**  
14 **and gave 2.6 million to Roen; correct?**

15 A. Correct.

16 **Q. Do you see any testimony here where you advised us that**  
17 **you split the money with your wife?**

18 A. No.

19 **Q. Why didn't you tell us that you split the money with your**  
20 **wife?**

21 A. No idea.

22 **Q. Were you trying to conceal that transfer?**

23 A. Not at all.

24 **Q. Then again, why wouldn't you tell us?**

25 A. It's in bank records. You can't conceal that. I wouldn't try to  
26 conceal that.

27 **Q. Again, when you were asked under oath back in 2013, just**  
28 **a few weeks after you made this transfer, why didn't you tell us**  
**that you made this transfer to your wife?**

A. I have no idea.

**Q. Do you agree you should have told us?**

A. Definitely.

1 Id. at 8:9-9:13.

2 I declare under penalty of perjury under the laws of the State of Nevada that the  
3 foregoing is true and correct to the best of my knowledge and belief.

4 Executed this 8th day of July, 2015.

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8 F. THOMAS EDWARDS  
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1 **CERTIFICATE OF SERVICE**

2 I certify that I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey &  
3 Thompson, and that on the 8<sup>th</sup> day of July, 2015, I served via electronic service in accordance  
4 with Administrative Order 14.2, to all interested parties, through the Court's Wiznet/Odyssey E-  
5 File & Serve, a true copy of the foregoing DECLARATION IN SUPPORT OF REQUEST FOR  
6 CONTEMPT in the above matter, addressed as follows:

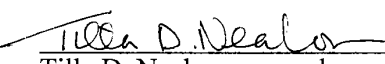
7 Terry A. Coffing, Esq.  
8 Tye S. Hanseen, Esq.  
9 MARQUIS AURBACH COFFING  
10 10001 Park Run Drive  
11 Las Vegas, NV 89145  
12 E-mail: [tcoffing@maclaw.com](mailto:tcoffing@maclaw.com)  
[thanseen@maclaw.com](mailto:thanseen@maclaw.com)

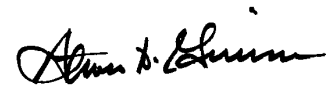
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20  
21   
22 Tilla D. Nealon, an employee of  
23 Holley, Driggs, Walch, Ray, Fine, Puzey &  
24 Thompson  
25  
26  
27  
28



CLERK OF THE COURT

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Attorneys for Michael J. Mona, Jr.

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

FAR WEST INDUSTRIES, a California  
corporation,

Plaintiff,

vs.

RIO VISTA NEVADA, LLC, a Nevada limited  
liability company; WORLD DEVELOPMENT,  
INC., a California corporation; BRUCE MAIZE,  
and individual; MICHAEL J. MONA, JR., an  
individual; DOES I through 100, inclusive,

Defendants.

Case No.: A-12-670352-F  
Dept. No.: XV

**SUPPLEMENT TO RESPONSE TO ORDER TO SHOW CAUSE WHY ACCOUNTS OF  
RHONDA MONA SHOULD NOT BE SUBJECT TO EXECUTION AND WHY THE  
COURT SHOULD NOT FIND THE MONAS IN CONTEMPT**

Defendant Michael J. Mona, Jr. ("Mona"), by and through the law firm of Marquis Aurbach Coffing, hereby submits this Supplement to Response to Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt.

The reason for the Supplement is that additional arguments refuting plaintiff's improper attempt to execute on Rhonda Mona's bank accounts and hold the Mona's in contempt continue to arise. And, considering that plaintiff obtained the order to show cause without notice or security and on shortened time, Mona requests the Court's leniency with this Supplement to ensure that the record is as complete as possible.

Specifically, Mona raises the contempt issues the Nevada Supreme Court addressed in Awad v. Wright, 794 P.2d 713, 714-16 (Nev. 1990) (abrogated on other grounds by Pengilly v. Rancho Santa Fe Homeowners Ass'n, 5 P.3d 569 (Nev. 2000)) and the Nevada Legislature addressed in NRS 22.030(2). In Awad, Wright's husband moved the district court to hold her and her attorney, Awad, in contempt for the alleged violation of a court order. Awad, at 408-12. Awad objected to the district court judge overseeing the contempt hearing, as opposed to recusing herself. Id. Despite Awad's objection, the judge oversaw the hearing and held Awad in contempt. Id. Awad appealed. Id.

***Lack of Jurisdiction to Hold the Monas in Contempt Due to No Affidavit:***

On appeal in Awad, Awad first argued that the trial court lacked jurisdiction to oversee the contempt hearing because there was no affidavit submitted to support the order to show cause. Id. In response, the Nevada Supreme Court stated:

The law is clear in Nevada that before a court can assume jurisdiction to hold a person in contempt, an affidavit must be filed. See Steeves v. District Court, 59 Nev. 405, 413, 94 P.2d 1093, 1095-96 (1939). Moreover, the court in Lutz v. District Court, 29 Nev. 152, 86 P. 445 (1906), stated that "the affidavit showed no more than did the finding, and the affidavit itself is jurisdictional." Id. at 153, 86 P. at 445 (emphasis added in original).

Awad, at 409. Thus, the Supreme Court held that because Wright did not file an affidavit with the order to show cause, the district court did not have jurisdiction to oversee the contempt hearing or hold Awad in contempt. Id.

Here, similar to Wright, plaintiff did not submit an affidavit in support of the order to show cause. See Pltf's June 29, 2015 Ex Parte Appl., *generally*. Plaintiff submitted the ex parte application and four exhibits, but no affidavit. Id. Thus, this Court does not have jurisdiction to hold the Monas in contempt. Awad, at 409 (citations omitted).

***Contempt Not Appropriate Because Affidavit Necessary When Conduct Not Committed in Presence of Judge:***

Awad's second argument was that because the complained of conduct was not committed in the immediate view and presence of the court, the order to show cause must have been

1 accompanied by an affidavit pursuant to NRS 22.030(2). Id. The Nevada Supreme Court again  
2 agreed with Awad. Id. The Supreme Court stated:

3 NRS 22.030(2) provides in relevant part: When the contempt is not committed in  
4 the immediate view and presence of the court or judge at chambers, an affidavit  
5 shall be presented to the court or judge of the facts constituting the contempt, or a  
6 statement of the facts by the masters or arbitrators.

7 Id. and NRS 22.030(2). Further, in Awad, the Supreme Court also addressed the allegation of  
8 violating a court order and how it impacts the presence and affidavit requirements of NRS  
9 22.030(2). The Supreme Court stated:

10 Even if we were to believe that the [alleged contemptuous conduct] . . . was in  
11 violation of the court's order, NRS 22.030(2) specifically requires that an  
12 'affidavit be presented to the court or judge of the facts constituting the  
13 contempt.' While courts have inherent power 'to protect and defend their decrees  
14 by contempt proceedings,' Noble v. Noble, 86 Nev. 459, 463, 470 P.2d 430, 432  
15 (1970), they are nevertheless bound by statute. Brown v. Brown, 101 Nev. 144,  
16 146, 696 P.2d 999, 1000 (1985).

17 Awad, at 409. As result, when the alleged conduct is not committed in the presence of the judge,  
18 the affidavit is still required even if there was a violation of a court order. Id. Affidavits are  
19 critical in contempt proceedings. Id. In Whittle v. Seehusen, 113 Idaho 852, 748 P.2d 1382,  
20 1387 (Ct.App.1987), the court stated that the "court presiding over indirect contempt  
21 proceedings acquires no jurisdiction to proceed until a sufficient affidavit is presented." Id.  
22 (citing Seehusen, at 1387). Moreover, in Jones v. Jones, 91 Idaho 578, 428 P.2d 497 (1967), the  
23 court held that even when an affidavit is provided, if it fails to allege all essential material facts,  
24 the deficiency cannot be cured by proof at the hearing. Id. at 410 (citing Jones, at 500)

25 Here, like Awad, the alleged contemptuous conduct was not committed in the "immediate  
26 view and presence of the court or judge at chambers," which is required to avoid the affidavit  
27 requirement. NRS 22.030(2). Rather, the alleged conduct occurred in response to document  
28 requests and at a judgment debtor examination, neither of which involved the judge. Further,  
despite plaintiff's allegation that Mona violated an order, under Awad, the affidavit is still  
required. As a result, plaintiff cannot proceed because it has failed to comply with the affidavit  
requirement of NRS 22.030(2) and, like Awad, any contempt order here would violate NRS  
22.030(2).

***The Court Must Recuse Itself if it Decides to Proceed with the Hearing:***

Awad's third argument was that the district court committed reversible error because the judge failed to recuse herself under NRS 22.030(3). Awad, at 410. For a third time, the Supreme Court agreed with Awad. Id. NRS 22.030(3) provides in pertinent part:

In all cases of contempt arising without the immediate view of the court, the judge of such court in whose contempt the defendant is alleged to be shall not preside at such trial over the objection of the defendant.

Id. and NRS 22.030(3). In McCormick v. The Sixth Judicial Court, 67 Nev. 318, 218 P.2d 939 (1950), the court indicated that in cases of contempt arising outside the presence of the court, the judge in whose contempt the defendant is alleged to be shall not preside at trial over the objection of the defendant. Awad, at 410 (citing McCormick, 218 P.2d 939). The McCormick court stated that:

The legislature has thus declared the public policy of the state, not so much for the protection of an individual litigant, as for the preservation of the respect and high regard the public has always maintained for the courts . . . And so the legislature of this state felt it important to eliminate the possibility of a reasonable apprehension that a judge might not be entirely free from bias in enforcing the orders and decrees of the court of which [she] he is the judge.

Awad, at 10 (citing McCormick, at 945 (emphasis added)).

Here, under NRS 22.030(3), even if plaintiff had complied with the affidavit requirement, which it did not, this Court would not be allowed to oversee the contempt hearing. And, if the Court is not persuaded that plaintiff failed to satisfy the affidavit requirement and proceeds with the hearing, Mona objects to the Court doing so. Thus, this Court cannot hear any contempt hearing because the alleged conduct did not occur within the Court's presence.

***An Evidentiary Hearing is Required:***

Awad's fourth argument was that the district court committed reversible error in denying his request for an evidentiary hearing during the contempt proceedings. Awad, at 411. The Nevada Supreme Court again agreed Awad was correct, even if the trial court had acquired jurisdiction, which it had not. Id. In Burgers v. Maiben, 652 P.2d 1320 (Utah 1982), the Utah Supreme Court articulated the due process requirement in indirect contempt proceedings stating:

1 in a prosecution for contempt, not committed in the presence of the court, due  
2 process requires that the person charged be advised of the nature of the action  
3 against him, have assistance of counsel, if requested, have the right to confront  
witnesses, and have the right to offer testimony on his behalf.

4 Awad, at 411 (citing Burgers, at 1322). In Awad, the Supreme Court, referencing Burgers,  
5 further stated that “for a contempt charge to stand, the contemnor should be afforded the  
6 opportunity to offer testimony on his behalf.” Id. And, when the district court “denied Awad an  
7 evidentiary hearing, it violated his due process rights” and committed reversible error. Id. (citing  
8 State v. Halverson, 754 P.2d 1228, 1230 (Utah Ct.App.1988).

9 Here, Mona is not being afforded an evidentiary hearing, which he desires if this  
10 proceeding moves forward. Instead, Mona has been forced to respond on shortened time to  
11 contempt allegations in an application and related order, which order amounts to an injunction  
12 without notice or security. This is not proper because even if the Court acquired jurisdiction and  
13 Mona agreed with the Court overseeing the contempt allegations, Mona would still be entitled to  
14 an evidentiary hearing under Nevada law. Thus, this Court, at least under the present  
15 circumstances, cannot hold Mona in contempt.

16 ***Conclusion:***

17 In addition to Mona’s initial Response to the order to show cause, there are at least four  
18 additional reasons why this Court cannot hold the Monas in contempt. First, the Court does not  
19 have jurisdiction. Second, the plaintiff failed to provide an affidavit as Nevada law requires.  
20 Third, this Court must recuse itself. And, fourth, Mona is entitled to an evidentiary hearing.

21 Dated this 8th day of July, 2015.

22 MARQUIS AURBACH COFFING

23  
24 By /s/ Tye S. Hanseen  
Terry A. Coffing, Esq.  
Nevada Bar No. 4949  
Tye S. Hanseen, Esq.  
Nevada Bar No. 10365  
10001 Park Run Drive  
Las Vegas, Nevada 89145  
Attorneys for Mike Mona



**CERTIFICATE OF SERVICE**

I hereby certify that the **SUPPLEMENT TO RESPONSE TO ORDER TO SHOW CAUSE WHY ACCOUNTS OF RHONDA MONA SHOULD NOT BE SUBJECT TO EXECUTION AND WHY THE COURT SHOULD NOT FIND THE MONAS IN CONTEMPT** was submitted electronically for filing and/or service with the Eighth Judicial District Court on the 8th day of July, 2015. Electronic service of the foregoing document shall be made in accordance with the E-Service List as follows:<sup>1</sup>

**Holley Driggs Walch Fine Wray Puzey & Thompson****Contact**

Andrea M. Gandara  
Norma  
Tilla Nealon  
Tom Edwards

**Email**

[agandara@nevadafirm.com](mailto:agandara@nevadafirm.com)  
[nmoseley@nevadafirm.com](mailto:nmoseley@nevadafirm.com)  
[tnealon@nevadafirm.com](mailto:tnealon@nevadafirm.com)  
[tedwards@nevadafirm.com](mailto:tedwards@nevadafirm.com)

I further certify that I served a copy of this document by mailing a true and correct copy thereof, postage prepaid, addressed to:

N/A

/s/ Tye S. Hanseen  
an employee of Marquis Aurbach Coffing

<sup>1</sup> Pursuant to EDCR 8.05(a), each party who submits an E-Filed document through the E-Filing System consents to electronic service in accordance with NRCP 5(b)(2)(D).

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

Foreign Judgment

COURT MINUTES

July 09, 2015

A-12-670352-F      Far West Industries, Plaintiff(s)  
vs. Rio Vista Nevada, LLC , Defendant(s)

**July 09, 2015      9:00 AM      Show Cause Hearing**

**HEARD BY:** Hardy, Joe      **COURTROOM:** Phoenix Building Courtroom -  
11th Floor

**COURT CLERK:** Jennifer Kimmel

**RECORDER:** Matt Yarbrough

**PARTIES**

<b>PRESENT:</b>	Coffing, Terry A.	Def't's Attorney
	Edwards, F. Thomas	Pltf's Attorney
	Gandara, Andrea	Pltf's Attorney

**JOURNAL ENTRIES**

Also present Mssrs. Ed Kainen, Esq. and Andrew Kynaston, Esq. in interest for Ms. Rhonda Mona as counsel in the divorce case. Mr. Coffing, Esq. present on behalf of Mr. Mona and Ms. Mona only as limited to this Motion for the Order to Show Cause (OSC) and Mr. Mona has waived any potential conflict concerning same.

Court having reviewed the Ex-parte Application for OSC, Order to Show Cause, Notice of Entry of Order on the OSC , Receipt of Copy and Mr. Mona s Response to the OSC, Pltf s Reply in support of the OSC as well as Mr. Mona's Supplement to the Response to the OSC, which was received yesterday, late. As well as several Nevada cases and cites and the exhibits attached to the briefs. Court is familiar with the issues and given the seriousness of these issues Court expects to entertain arguments. Courtesy copy of Ms. Mona's declaration was provided to the Court by Mr. Edwards.

Matter argued and submitted by Mr. Edwards. Court appreciates the concession by Pltf. that if Mr. or Mrs. Mona do want another Judge to rule on the contempt issue they are entitled to that right. Court did review that statute and a couple of the cases therefore COURT is NOT FINDING CONTEMPT by either Mr. or Ms. Mona, unless they want the Court to consider it today, and the Court would presume they do not. Therefore the request for contempt is DENIED WITHOUT PREJUDICE and if the Pltf. wants to follow up with another Judge on that ground, the Court will consider whether or

PRINT DATE: 07/13/2015

Page 1 of 4

Minutes Date: July 09, 2015

not sanctions should be issued.

The Court appreciates the supplement filed by Mr. Mona, and although the timing was not appreciated, the Court does find it to be understandable given the timing of the hearing today.

Matter argued and submitted by Mr. Coffing. Mr. Coffing concedes that Mr. Edwards' offered to continue this hearing. Court inquired if counsel want a continuance to which Mr. Coffing advised there is injunctive language that his client could not live with within the time frame his and all interested parties would permit therefore it was necessary to go forward today. Court inquired as to why Mr. Mona has not provided the documents requested in the examination of judgment debtor, given he is the debtor. Mr. Coffing explained the bank accounts were no longer in Mr. Mona's name and they were no longer his records.

COURT ORDERED, matter is GRANTED in PART and DENIED in PART the sanctions requested.

Norwest and Hogevooll cases, cited by Mr. and Mrs. Mona do not apply in this situation. Those cases are distinguishable in that neither of them dealt with collection of judgment as we have here. Additionally the fact that appears undisputed that Ms. Mona had nothing to do with the underlying transactions is largely irrelevant at this judgment execution stage.

In the Opposition, Pg. 6, line 13 Mr. & Mrs. Mona's are in the process of a divorce but left out this fact at that proceedings were filed 7/2 and both had testified in their examination shortly before the 7/2 hearing and did not indicate, at that time of any plans to get divorced.

The Monas argue that the Court does not have authority to rule, due to the pending divorce action, but they provide no authority by case law or statute that says a Judge must stay or defer ruling to a recently filed divorce proceeding that was initiated after the Court issued several Orders to Show Cause.

The Monas admit on Pg. 7, line 9 of their Opposition that the rule is that all property acquired after marriage is presumed to be community property and the Court agrees with that. It is undisputed the parties were married for thirty years. There has been no evidence, before the Court, that the assets and debts and property we are dealing with were acquired prior to their marriage and therefore the Court considers those assets, debts and property to be community property due to lack of evidence to the contrary.

Court has authority under NRS 21.280 and 21.330 to order parties, judgment debtors and even non-parties, to the extent Ms. Mona is considered to be a non-party, not to transfer or dispose of assets as the Court has and is doing today.

COURT FINDS, regarding the Post-Marital Property Settlement Agreement after considering the factors set forth in NRS 112.180(1)(a) that the distribution is or was a fraudulent transfer made to hinder, delay or otherwise defraud Pltf. in its efforts to execute on the judgment. Therefore COURT

FINDS the property contained therein; the 6.8 million or so in proceeds does remain to be community property, subject to execution.

COURT FINDS, Mr. Mona lied on 11/25/13 examination regarding what he did with the stock sale proceeds ie: paid bills, which was obviously not entirely true. Then he indicated he paid off some debts, just personal bills and loaned 2.6 million to Roen Ventures. But at no time did he report or disclose, in either the document production or at his examination hearing, of the purported transfer of 3.4 million to Ms. Mona. Sometimes, parties can say, I forgot however the problem with Mr. Mona taking that position is that the purported transfer occurred just a few weeks before his examination. Additionally COURT FINDS, Mr. Mona violated the 1/30/13 order by not producing the agreement or the bank account records that purportedly are Ms. Mona's separate bank account. COURT FINDS that those would constitute community property and should have been disclosed and were not. COURT further FINDS, Mr. Mona did violate the order of 10/7/13 to complete production of documents. Violated the 5/13/15 order by failing to produce the community property bank records. Specified these bank accounts are the Bank of George checking account, Bank of George Money Market Account and the Bank of Nevada checking account. Given the bank account numbers were not provided in Ms. Mona's examination the court does not have them and hopes this description is sufficient.

Under NRS 21.320 the money in the Bank of Georgia and Bank of Nevada is subject to and shall be used to satisfy this judgment in accordance with the rules of execution on judgment including the various exemptions that may apply.

Mr. Mona further admits he should have provided the Post Marital Agreement, thought he did produce it, but does not know why he did not disclose that information.

Court looks at the Nevada Supreme Court cited by Pltf. and Henry vs. Rizzolo case and FINDS transfer set forth in the Post Marital Agreement was transfer to an insider. There is some question as to whether Ms. Mona received 3.4 million or 2 million and if it was 2 million, certainly Mr. Mona, as the judgment debtor, did retain some possession or control after the ostensible transfer of 3.4 million. COURT FINDS the transfer was concealed and was not produced. Mr. Mona was not truthful in his answers at the examination.

Before the transfer was made, certainly the debtors, knew they had been sued and he had a judgment against him. The transfer was of substantially all of the debtor's assets as Mr. Mona testified he was insolvent. Again, debtor removed or concealed assets by effectuating that purported transfer and not disclosing it either in the production nor in the examination testimony. Additionally, the debtor was insolvent or became insolvent shortly after the transfer.

Court agrees with Pltf. in characterizing "Badges of Fraud" or factors and they are not an exhaustive list such as elements in a complaint and you do not have to meet every one of the factors to reach a conclusion that a fraudulent transfer was made.

COURT ORDERED the purported transfer, pursuant to the Post-Marital Property Settlement Agreement is a fraudulent transfer, and the facts proving the fraudulent transfer, including badges of fraud as discussed previously, are deemed established. COURT issues an order entitling Plaintiff to execute upon the bank accounts at Bank of George and Bank of Nevada in the name of Ms. Mona are deemed established.

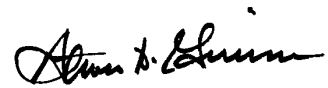
COURT FURTHER ORDERED, the Monas are prohibited from claiming that any money purportedly transferred pursuant to the Post-Marital Property Settlement Agreement and any money in the bank accounts in the name of Ms. Mona are exempt from execution. The Court does not issue 4, does not issue 5 as those are the contempt related sanctions.

COURT FURTHER ORDERED, Mr. and Ms. Mona, produce within seven days (7) from today, any previously undisclosed bank records for the past five years, regardless of whose name is on the account.

COURT FURTHER ORDERED, Pltf. awarded reasonable expenses, including attorney s fees and costs incurred, as a result of the failure to comply with the Court's orders. Pltf. is directed to submit a bill of fees and costs within seven (7) days from today. Court will not order Mr. Mona be imprisoned.

COURT FURTHER ORDERED, Mr. and Ms. Mona are prohibited from effectuating any transfer or otherwise disposing of or encumbering any property not exempt from execution until their assets have been applied toward satisfaction of Pltf s judgment.

Mr. Coffing moved for SEVEN (7) DAY STAY of the Court's ruling, additional argument ensued. COURT FURTHER ORDERED, request is GRANTED.



CLERK OF THE COURT

TRAN

DISTRICT COURT  
CLARK COUNTY, NEVADA  
\* \* \* \* \*

FAR WEST INDUSTRIES,	.	CASE NO. A-670352
	.	
Plaintiff,	.	DEPT. NO. XV
	.	
vs.	.	<b>TRANSCRIPT OF</b>
	.	<b>PROCEEDINGS</b>
RIO VISTA NEVADA, LLC, et al..	.	
	.	
Defendants.	.	
. . . . .	.	
<u>And all related claims.</u>	.	

BEFORE THE HONORABLE JOE HARDY, DISTRICT COURT JUDGE

**SHOW CAUSE HEARING: WHY ACCOUNTS OF RHONDA MONA SHOULD NOT BE  
SUBJECT TO EXECUTION AND WHY THE COURT SHOULD NOT FIND MONAS  
IN CONTEMPT**

THURSDAY, JULY 9, 2015

APPEARANCES:

FOR THE PLAINTIFF: F. THOMAS EDWARDS, ESQ.  
ANDREA GANDARA, ESQ.

FOR THE DEFENDANTS: TERRY A. COFFING, ESQ.

ALSO PRESENT:

FOR RHONDA MONA: ANDREW KYNASTON, ESQ.  
ED KAINEN, ESQ.

COURT RECORDER:

MATTHEW YARBROUGH  
District Court

TRANSCRIPTION BY:

VERBATIM DIGITAL REPORTING, LLC  
Englewood, CO 80110  
(303) 798-0890

Proceedings recorded by audio-visual recording, transcript  
produced by transcription service.

1        LAS VEGAS, NEVADA, THURSDAY, JULY 9, 2015, 10:10 A.M.

2                THE COURT: Far West Industries vs. Rio Vista  
3 Nevada, A-670352. We have a few appearances here. Could you  
4 please make them?

5                MR. COFFING: Terry Coffing on behalf of Mike Mona,  
6 and for the purposes of this motion, on behalf of Rhonda Mona.

7                MR. EDWARDS: Tom Edwards on behalf of Far West.

8                MS. GANDARA: Andrea Gandara, also on behalf of Far  
9 West.

10               THE COURT: I'm sorry. What was your last name,  
11 ma'am?

12               MS. GANDARA: It's Gandara.

13               THE COURT: How do you spell that?

14               MS. GANDARA: G-a-n-d-a-r-a.

15               MR. COFFING: Go ahead.

16               MR. our Honor, Andrew Kynaston and Ed Kainen. We're  
17 not appearing officially in this case, but we represent Rhonda  
18 Mona in the divorce case that's been filed in Family Court.  
19 And she asked us to be present today for this hearing.

20               THE COURT: Did you bring popcorn?

21               MR. KYNASTON: Next time, Your Honor.

22               THE COURT: So, Mr. Coffing, for purpose -- for  
23 generally, you represent Mr. Mona. For purposes of this  
24 hearing, you represent both Mr. Mona and Mrs. Mona; is that  
25 correct?

1 MR. COFFING: Yes, Your Honor.

2 THE COURT: Okay.

3 MR. COFFING: Because of the timing, you'll recall  
4 we're here on an ex-parte shortening -- Order Shortening Time.  
5 And obviously, since you signed your order, Ms. Mona has  
6 sought divorce counsel, but she hasn't had the opportunity to  
7 get separate counsel in this. And I think to the extent Mike  
8 and Rhonda's interests are aligned in the same -- for the  
9 purpose of this motion, my client has agreed to waive any  
10 potential conflict that might exist.

11 THE COURT: Okay. Thank you. Mr. Edwards, go  
12 ahead.

13 MR. EDWARDS: Your Honor --

14 THE COURT: Oh, before -- sorry. Sorry for saying  
15 go ahead and then cutting you off about a split second later.

16 Just so everyone knows, I have reviewed the Ex-Parte  
17 Application for OSC, the OSC that I signed, a Notice of Entry  
18 of the OSC, ROC of the Ex-Parte Application, and Order to Show  
19 Cause, Mr. Mona's Response to the Order to Show Cause,  
20 Plaintiff's Reply in Support of the Order to Show Cause. And  
21 Mr. Mona's Supplement to the Response to the Order to Show  
22 Cause that the Court received via facsimile sometime very late  
23 yesterday, as well as several Nevada cases and statutes, and  
24 the exhibits, the transcripts, etcetera, that were attached to  
25 the briefs.



1           So I think I'm familiar with the issues. I also do  
2 recall the prior hearing that we were here on as well as the  
3 telephonic hearing that we had prior to, or during the  
4 examination.

5           So having said all that, I think I'm pretty  
6 familiar. But due to these issues being, in my mind,  
7 extremely serious, I welcome counsel to present their  
8 arguments. One of the reasons I saved you all to the end,  
9 because I do expect arguments, you know, even though I have  
10 read everything.

11           And again, this is some serious accusations, serious  
12 conduct. And so with that in mind, I will try not to cut you  
13 off again, at least for now.

14           MR. EDWARDS: Feel free to cut me off, Your Honor.  
15 I'd love you to direct my argument if you can help.

16           As to the supplement they filed late last night  
17 addressing the issue of contempt, they essentially make two  
18 arguments, that you can't hear the issue of contempt, because  
19 we haven't submitted a declaration.

20           You may not have received it yet, but we have in  
21 response essentially copied and pasted out of our brief, put  
22 it into a declaration. You have the declaration filed on the  
23 record now. Their second issue --

24           THE COURT: Do you have a copy with you?

25           MR. EDWARDS: I do, Your Honor. But I guess for the

1 second issue, I'm not quite sure you even need to review it.  
2 They --

3 THE COURT: Since we're talking about it, you can  
4 bring it up. Make sure you keep a copy for yourself.

5 MR. EDWARDS: I might have to steal a copy from Mr.  
6 Coffing (inaudible).

7 THE COURT: Thanks.

8 MR. EDWARDS: There's nothing new in this  
9 declaration, Your Honor, that's not already contained in the  
10 briefs, so we're just doing it to make sure we trigger the  
11 statute.

12 Another issue raised in the supplemental brief last  
13 night is that the Monas have the ability to preempt you from  
14 hearing the issue of contempt. And although -- and we only  
15 received it last night, haven't had a tremendous opportunity  
16 to look at that completely. My initial glance says, I think  
17 they're right. And to the extent they want to preempt you  
18 from hearing the issue of contempt, they can do so. We'd have  
19 to be set in front of another Judge.

20 But keep in mind, only on the issue of contempt.  
21 And that's what I want to stress is, the issue of contempt  
22 before you is, frankly, very limited. If we take contempt off  
23 the table, that means you can't issue a \$500 sanction and you  
24 can't imprison him for 25 days. That's it. Everything else  
25 is still on the table.

1           Because the sanctions we requested under Rule 37 are  
2 entirely separate from the contempt portion, and they don't  
3 have these same requirements. There's no opportunity for them  
4 to preempt you. There's no requirement for a declaration and  
5 so forth.

6           So we're really here today to allow my client to  
7 execute on three different bank accounts, three different bank  
8 accounts held in the name of Mrs. Mona, and upon that basis,  
9 the defendants don't think we can get them.

10           The first account is a checking account at Bank of  
11 George that contains about \$190,000. Mrs. Mona admitted in  
12 her judgment debtor examination, the recent judgment debtor  
13 examination, that this is income that she earned during the  
14 marriage, and therefore it is community property. No dispute  
15 about that.

16           The only issue of whether we can execute is, when  
17 did our judgment arise? Did it arise during the marriage? It  
18 did. And therefore, we are entitled -- it is a community debt  
19 and we are entitled to satisfy that community debt with  
20 community property.

21           The case I'd like you to review, Your Honor, it's  
22 cited in our reply brief, is the Randano case. It's 86 Nevada  
23 123. And it analyzed in an almost identical situation with a  
24 fraud judgment against the husband, could the creditor collect  
25 against the community estate.

1           And the courts -- the Nevada Supreme Court's  
2 analysis is very straightforward. It said, if they incurred  
3 the judgment during the marriage, it's a community debt that  
4 can be satisfied with community property. It's that  
5 straightforward.

6           Now, the Monas have cited some case law involving  
7 bank loans. And in bank loans, in certain situations, a court  
8 will try to consider, well, was this a loan to just the  
9 husband, or was this a loan to the husband and the wife, to  
10 try to determine what assets the lender can go after.

11           But this isn't a lending case, Your Honor. We are a  
12 bank. This is a fraud judgment. And the intent analysis  
13 simply doesn't make sense in this context. All right. My  
14 client did not intend to be defrauded by Mr. Mona. And that  
15 -- for that reason, Your Honor, the Randano court did not  
16 consider intent at all. It simply looked at, when was the  
17 judgment entered? If it was entered during the marriage, it's  
18 a community debt, able to satisfy it under community property.

19           And other than that argument, the Monas don't  
20 dispute any of the issues associated with this checking  
21 account at Bank of George.

22           The next two accounts, Your Honor, I'd like to lump  
23 together. There's the money market account at Bank of George  
24 for \$300,000, and a checking account with Bank of Nevada that  
25 is supposedly funded exclusively from the money in the Bank of

1 George money market account.

2           So essentially, we have one pool of money in two  
3 different accounts, both in the name of Mrs. Mona. And  
4 unfortunately, we're relying exclusively upon Mrs. Mona's  
5 testimony because the defendants have never produced any  
6 records associated with any three of these accounts, despite  
7 court orders to do so.

8           So the question is, where did this pool of money  
9 come from? Back in 2003 -- excuse me -- 2013, the Monas sold  
10 stock worth roughly \$6.8 million. And you'll remember, during  
11 this time period, our judgment had already been entered, and  
12 we were -- we were knocking at the door begging to get a  
13 judgment debtor examination.

14           We started the process back in January. We weren't  
15 able to actually get it on until November. But we were  
16 breathing down his neck trying to get the judgment debtor  
17 exam. So Mr. Mona finds himself -- or excuse me -- the Mona  
18 family finds themselves sitting on \$6.8 million. They need to  
19 figure out a way to get rid of it before my client gets it.

20           So what do they? September 13th, 2013, they signed  
21 a Post-Marital Settlement Agreement to split the money between  
22 husband and wife as their separate property. So, thank  
23 goodness, Mr. Mona got rid of half of the money. And then he  
24 takes essentially the remainder of the money and loans it to  
25 one of his companies, Roen Ventures which is the subject of a

1 separate fraudulent transfer action.

2           Then late September, 2013, Mr. Mona produced 33,000  
3 documents to my client, which is obviously just a document  
4 dump. Most of the documents had nothing to do with any assets  
5 he actually held. But what was not included in that document  
6 dump was the Post-Marital Settlement Agreement he signed just  
7 a few days earlier, despite a court order saying, you must  
8 produce any documents to which you were a party in the last --  
9 or any contracts to which you were a party in the last five  
10 years.

11           Then November 2013, he shows up for his judgment  
12 debtor exam and says, I'm sorry, guys, I'm broke. Yeah, he's  
13 broke. He just, you know, dealt out (sic) \$6.8 million.  
14 When asked specifically, what did you do with that \$6.8  
15 million? Specifically. He said, I paid some personal bills  
16 and then loaned the rest to Roen Ventures.

17           He didn't mention the Post-Marital Settlement  
18 Agreement and he made no mention of splitting the money with  
19 his wife. Yet at his recent judgment debtor examination, he  
20 admitted that he definitely should have produced the Post-  
21 Marital Settlement Agreement, and he definitely should have  
22 testified that he split the money with his wife. But he  
23 didn't do either.

24 //

25           The first time we learned of the Post-Martial

1 Settlement Agreement is just a few weeks ago when they --  
2 about two weeks ago when they produced it to us subject to the  
3 subsequent judgment debtor examination orders. Keep in mind,  
4 this is almost two years after they should have produced it in  
5 the first place and after almost all of that money has already  
6 been spent, dissipated.

7           So my client, because of this delay, potentially  
8 lost millions of dollars, \$3.4 million, because they didn't  
9 timely produce it pursuant to court order.

10           So when they try to convince you, hey, Judge, we  
11 produced it, no harm, no foul, that's not the case. There was  
12 absolutely harm. There was absolutely foul. We lost millions  
13 of dollars because of their non-disclosure.

14           So then the question is, how do we get to this money  
15 sitting in these two bank accounts? Well, the Post-Martial  
16 Settlement Agreement is, in and of itself, a fraudulent  
17 transfer. A fraudulent transfer is any transfer intended to  
18 hinder, delay or defraud a creditor.

19           When analyzing whether it is a fraudulent transfer,  
20 you consider -- the Court considers badges of fraud -- there's  
21 a non-exclusive list of -- of those badges in the statute.  
22 One of those is a transfer to an insider. This is clearly a  
23 transfer to an insider. This was community property. They  
24 transferred it to each other individually. It was transferred  
25 to insiders.

1 THE COURT: When you say badges of fraud, the Court  
2 doesn't necessarily have to find that every single one of  
3 those is met; is that your argument?

4 MR. EDWARDS: That's correct, Your Honor. These --  
5 there's factors for you to consider. And frankly, it's a  
6 non-exclusive list. There are other factors or related  
7 factors that you can consider as well in making the ultimate  
8 determination. And the statute, in fact, says that. It says,  
9 you can consider these factors among others. So we had  
10 transfer to the insider. They can't dispute that.

11 That the debtor retained possession or control of  
12 the assets. Well, it -- again, they haven't produced the bank  
13 records so we have to rely on Mrs. Mona's testimony where she  
14 said, even though I was supposed to get \$3.4 million, I think  
15 I only got \$2 million. That means Mr. Mona continued to have  
16 control over another \$1.4 million. He continued to be in  
17 possession and control.

18 The transfer was concealed. This another badge of  
19 fraud. Because he didn't provide the Post-Martial Settlement  
20 Agreement pursuant to court order, because he lied about it in  
21 the judgment debtor examination, he absolutely tried to  
22 conceal this transfer.

23 One of the other badges is, before the transfer the  
24 debtor was sued. And my client had sued well in advance.

25 THE COURT: Already had a judgment, right?



1           MR. EDWARDS: Exactly. The judgment had already  
2 been entered.

3           Another badge is, the transfer was substantially all  
4 of the debtor's assets. He was sitting on \$6.4 million in  
5 roughly September of 2013. When he shows up at the judgment  
6 debtor exam in November he says, I'm broke. He transferred  
7 away substantially all of his assets.

8           The debtor concealed assets. For the same reasons  
9 as stated before, he concealed the agreement, he concealed the  
10 testimony at the judgment debtor exam, and never gave us the  
11 bank accounts with which we could've seen these transfers in  
12 the first place to his wife.

13           The other badge of fraud is that the debtor was  
14 insolvent when the transfer was made. Well, they argue that  
15 he wasn't insolvent in the brief. At the judgment debtor  
16 examination he freely admitted, he's been insolvent since 2008  
17 or 2009.

18           And then the last badge of fraud that we think  
19 applies, Your Honor, is the transferred occurred shortly after  
20 substantial debt was incurred. Now, this is -- our judgment  
21 was entered a year, year-and-a-half before the actual transfer  
22 occurred. But we think that with this factual -- what this  
23 badge of fraud tells you is that timing of the transfer is  
24 something you should consider. And the timing of this  
25 transfer on the eve of the judgment debtor examination

1 suggests that the intent was to defraud, delay and hinder my  
2 client.

3 And so because the Post-Martial Settlement Agreement  
4 is, in and of itself, a fraudulent transfer, that money  
5 remains community property upon which we can execute. And  
6 again, we're talking about the money market account at Bank of  
7 George that we think has \$300,000 in it, and the checking  
8 account with Bank of Nevada that is funded by the Bank of  
9 George account.

10 As to the issue of sanctions. We've asked for  
11 sanctions under Rule 37, which allows you to sanction a party  
12 for failing to disclose documents in violation of a court  
13 order. And those documents specifically are the failure to  
14 disclose the Post-Martial Settlement Agreement in 2013, and  
15 the failure to produce the bank records in Mrs. Mona's name  
16 containing community property in both 2013 and 2015.

17 Rule 37 gives you broad authority to issue sanctions  
18 for failure to produce records. And some of the enumerated  
19 sanctions that you can do are, designate facts deemed  
20 established, and you can refuse to allow the Monas to oppose a  
21 claim or an issue.

22 So, Your Honor, because of that, we ask that you  
23 deem establish that the Post-Martial Settlement Agreement is  
24 itself a fraudulent transfer. You can establish that our  
25 rights are established to execute upon the three accounts that

1 we're talking about today, and prevent the Monas from claiming  
2 that any of the funds are exempt from execution.

3 An additional remedy under Rule 37 is an award of  
4 attorneys fees and costs. I request that, although he already  
5 has a \$23 million judgment hanging over his head so I'm not  
6 quite sure how much my fees and costs are going to scare him.

7 But to reiterate, Your Honor, the failure to produce  
8 that Post-Martial Settlement Agreement in 2013, and the  
9 associated bank records in Mrs. Mona's name cost us millions  
10 of dollars. This is not a situation of no harm, no foul,  
11 because they produced it two years later. It cost my client  
12 millions, and that's why these sanctions are warranted.

13 Thank you.

14 THE COURT: Thank you. Before you begin, Mr.  
15 Coffing, I might save you some time and argument. You're  
16 certainly welcome to address what it is I'm going to say right  
17 now, but I'm going to say it now because it might save some  
18 time for everyone.

19 The Court appreciates the supplement submitted and  
20 filed by Mr. Mona. I don't necessarily appreciated the  
21 timing, but it's somewhat understandable given the timing of  
22 the hearing today. But certainly appreciate the arguments  
23 made in there regarding the contempt, including the necessary  
24 affidavit and the jurisdictional issue.

25 I also appreciate concession, if you will, by

1 plaintiff that if Mr. or Mrs. Mona do want another Judge to  
2 rule on the contempt, then they are entitled to that right. I  
3 did review the statute, as well as a couple of those cases,  
4 and therefore, I am not going to find contempt of either Mr.  
5 or Mrs. Mona, unless they want me to consider that today,  
6 which I assume they don't. That denial, if you will, is  
7 obviously without prejudice to the extent plaintiff wants to,  
8 you know, follow up with another Judge on that ground.  
9 However, I am going to consider whether sanctions should be  
10 issued.

11           So again, if you want to address the contempt issue  
12 and my ruling on that, you're certainly welcome to. But I  
13 wanted to make that now, because it might save you a little  
14 time and argument.

15           MR. COFFING: Well, I appreciate that, Your Honor.  
16 But I want to be -- I think while I am a former law clerk, I  
17 am loathe to last minute filings, so I appreciate your concern  
18 with the timing of it. But, Your Honor, look at the timing  
19 from my perspective. While I'm exiting the judgment debtor  
20 exam of Mike Mona, I'm asked to sign documents here, receipt  
21 of copy, you've got an ex-parte order, granting an Order to  
22 Show Cause, while I'm walking out the door before a holiday  
23 weekend. And so the timing of all of this, Your Honor, is  
24 very troubling and problematic to both my clients.

25           THE COURT: Do you want to continue the hearing for

1 a week?

2 MR. COFFING: Well, that's the dilemma. And Mr.  
3 Edwards did say, he's absolutely correct, he did offer me the  
4 opportunity to continue the hearing. He offered that.

5 However, your Order to Show Cause contains  
6 injunctive language that my client couldn't live with in the  
7 time frames in which he -- his calendar, your calendar, my  
8 calendar would allow.

9 So I'm in a dilemma. Yeah, would I like to see this  
10 45 days out? I absolutely would. But I'm in a dilemma where  
11 you've signed an order already as against two clients, one of  
12 whom is not a party, that effectively enjoined them from using  
13 -- using their money.

14 So I'm in a rock and a hard place as from that  
15 respect, Your Honor. So yeah, I'd love to have time. But at  
16 this point, I don't think that that's available to me with the  
17 status of your order. So, I have that I have that dilemma and  
18 so that's where I stand.

19 But let me first address the fact that we can't  
20 dispute here; Rhonda Mona is not a party to this case. She  
21 has not been served with any process. There's no fraudulent  
22 conveyance claims made against her. There is nothing that  
23 brings Rhonda Mona before this Court other than the fact that  
24 you signed a judgment debtor exam order requiring her to  
25 appear and produce documents.

1           And you'll recall at our telephonic conference, I  
2     raised this very issue. I have no doubt or dispute that they  
3     are entitled to take discovery from Rhonda Mona. But to call  
4     her a judgment debtor defendant -- calling her a judgment  
5     debtor is simply an error.

6           So when they stand before you and say the Monas did  
7     not produce documents; number one, Mike Mona did not have the  
8     obligation to produce documents that were not in his name, nor  
9     is he required to make his own determinations as to what  
10    constitutes community property.

11           Number two, the request of documents from Rhonda  
12    Mona said, produce documents related to the judgment debtor.  
13    And so they're here complaining that Rhonda Mona didn't  
14    produce her bank account records when their own request says,  
15    judgment debtor, you produce -- or produce documents for -- in  
16    the judgment debtor which she is not one.

17           So, Your Honor, we have some serious procedural --

18           THE COURT: So that begs the question though, why  
19    hasn't Mr. Mona produced them, because he is a judgment  
20    debtor?

21           MR. COFFING: Because they weren't his -- his --  
22    they're not his records.

23           THE COURT: So aren't they --

24           MR. COFFING: They're not his bank accounts.

25           THE COURT: -- community property?

1 MR. COFFING: Well, Your Honor, you're making that  
2 determination, right? It sounds like you're making that  
3 determination.

4 THE COURT: I'm asking a question.

5 MR. COFFING: Okay.

6 THE COURT: You can --

7 MR. COFFING: I don't --

8 THE COURT: -- answer or not.

9 MR. COFFING: No. I don't believe they are  
10 community property, Your Honor. And I believe that Mr.  
11 Kainen, at some point in time, will argue long and loud that  
12 they are not. The parties entered into an agreement  
13 authorized by Nevada statute in which their -- their separate  
14 assets would be characterized.

15 And what counsel needs to clarify for you, and I  
16 think will agree, that as it relates to the \$190,000, Mrs.  
17 Mona testified that those were her earnings deposited in a  
18 separate account before this judgment arose. And now they're  
19 saying, well, it was during the marriage. But it was before  
20 the judgment and that puts us in par with, I believe it's the  
21 Jewett v. Patt case.

22 They want to attach separate property. And when she  
23 deposits money in an account with her name on it, there's a  
24 presumption of separate property.

25 Now, that presumption can be overcome. And so my

1 client, Ms. Mona, has not had the opportunity to present you  
2 the facts as required under the Norwest case, to present you  
3 the facts that would overcome a presumption of community  
4 property which I think you'll probably tell me is my burden.  
5 But I think it's their burden to overcome the presumption of  
6 community property when it's deposited in an account that is  
7 titled that way.

8 I get a paycheck, go home and give my wife \$50, and  
9 she deposits it in an account that says, Jane Coffing, in her  
10 sole and separate property, that's what it is. Now, they can  
11 argue transmutation, they can argue a whole bunch of things  
12 that happen in Family Court, but we don't have in front of  
13 here, because Rhonda Mona is not a party. They hadn't served  
14 her with process. They have no ability, I dare say,  
15 respectfully, the Court has no ability to enjoin the use of  
16 these funds until such time as she's a party to an action  
17 which is required under NRS 22, the statute that they cite to  
18 you.

19 So, Your Honor, fundamental due process issue here  
20 relates to Rhonda Mona. She's not a party. And any  
21 characterization of this Court of what her assets may or may  
22 not be subject to, must have her -- she must have the  
23 opportunity to be heard, she must have the opportunity to  
24 present evidence.

25 And that's exactly what the Court said in the case



1 we cited, the Norwest case, when we talk about what was the  
2 intent. And I think my colleague misspeaks as to what the  
3 intent issue goes to. It's not the intent -- it was Rhonda  
4 Mona's intent to defraud anyone, it's what did his client  
5 intend to be able to satisfy any obligations that may arise as  
6 a result of the contract that ultimately issued of the  
7 judgment. Had they wanted Rhonda Mona to sign on the line for  
8 any contract, they could've asked. Had they wanted her to do  
9 that, they could have. They didn't.

10           So did Far West ever have the intent to look to  
11 Rhonda Mona for the repayment of the judgment? That's the  
12 analysis and that's what this Court must determine on a  
13 factual basis before you can declare a separate account is,  
14 indeed, a community account.

15           And so what this is, Your Honor, respectfully again,  
16 this is an end-run. This is an end-run around filing a  
17 fraudulent conveyance action in which evidence would have to  
18 be presented. Counsel could be retained to rebut that  
19 independent of Mr. Mona's interests, and that they could  
20 proceed along that basis. And they know that, because they've  
21 sued someone else on a fraudulent conveyance claim.

22           So when you're -- when you're looking at this, Your  
23 Honor, any remedy or relief that you think is warranted as  
24 against Mr. Mona cannot be entered against Rhonda Mona until  
25 she's had the opportunity to defend her rights, to have her

1 day in court, her due process, and for them to present  
2 evidence that would rebut the presumption that these are,  
3 indeed, separate funds once they're deposited in the account,  
4 and once they entered into a contract pursuant to Nevada  
5 statute that allows married couples to characterize their  
6 assets.

7           So what they asking for is summary judgment on a  
8 fraudulent conveyance claim when there are serious factual  
9 disputes that they must overcome, factual issues that they  
10 must overcome, that aren't even before you today because  
11 Rhonda Mona is not a party to this action.

12           And the way we got here, I believe, is based upon  
13 the improper issuance of a judgment debtor exam to a non-  
14 debtor. And I've objected to that. I objected to the  
15 production of documents. You heard my objections I put on the  
16 record at the time of the hearing.

17           But let's go to the production of this document  
18 itself. First of all, Mike Mona -- and Mr. Edwards will  
19 confirm, neither he or I were counsel for these parties at the  
20 time of the first judgment debtor exam -- Mike Mona produced  
21 33,000 pages of documentation.

22           Counsel can now say most of them are irrelevant, but  
23 when you produce -- when you put out a document request that  
24 encompasses the world, you're going to get the world. And  
25 some of it may not be relevant, but that's what they produced.

1           And if you look at Mr. Mona's latest judgment debtor  
2 exam, what did he say? He believed that the document was  
3 produced. And if you look at the snippet of the transcript  
4 from the prior exam, they never followed up on this issue,  
5 Your Honor. They -- Mona said, I paid bills. I gave the  
6 money to Roen. And that's where they immediately went. What  
7 about Roen? And that's where the subject of the examination  
8 went.

9           So when Mr. Edwards asked the question, you know,  
10 why didn't you tell us? Well, I don't know that it was ever  
11 asked in the sense that he could answer that.

12           THE COURT: I thought he said, he should have told  
13 him.

14           MR. COFFING: He should have, had he been asked; all  
15 right? But if you're going to -- if Mr. Mona had the intent  
16 to deceive and hide and conceal, why did he produce it now;  
17 right? He produced it. He thought it was previously produced  
18 and he's produced it. And that's part of the Court's analysis  
19 that I think you really need to consider when you're -- when  
20 you're talking about draconian relief here.

21           And it is, indeed, draconian what they're asking you  
22 for. Prevent -- negative inferences; prevent them raising  
23 further defenses to execution that have not yet happened?  
24 Your Honor, that cannot be done -- I don't believe that that's  
25 an appropriate sanction, number one, in these facts and

1 circumstances, because the other factor I want you to look at,  
2 Your Honor, where have they been for the last two years?  
3 Where have they been?

4 I don't know what happened with prior counsel. I  
5 don't know why prior counsel's not here. But I can tell you,  
6 after the judgment debtor exam we got a Writ of Garnishment  
7 for Mr. Mona's wages, which has been paid, and then nothing,  
8 until Mr. Edwards came along.

9 So for them to come into court ex-parte, Order  
10 Shortening Time and say, oh, my gosh, we've been damaged;  
11 where have you been? Because remember, Your Honor, at that  
12 judgment debtor exam, the first one, what was produced? The  
13 stock transaction. They knew the stock had been sold.  
14 They're asking about it. It's there. Right?

15 And so that had happened prior to the judgment  
16 debtor exam. The money was already gone in the sense of the  
17 transfer to -- the contract between Rhonda, and the  
18 transaction with Roen, by the time they took that judgment  
19 debtor exam.

20 So I would respectfully disagree with my colleague  
21 that there's been some millions of dollars lost. They  
22 haven't. They were gone at the time. And for them to rush  
23 into court now, again, ex-part, Order Shortening Time, and say  
24 we've been harmed, on something that they failed to follow up  
25 on two years ago, that's not fair to my client, Mike Mona,

1 number one. And it certainly cannot be considered any level  
2 of due process that Rhonda Mona's entitled to as it relates to  
3 her separate property.

4 So, Your Honor, I think while my client's being  
5 painted as a villain, he's a real estate developer that got  
6 caught in the crash. At the time of his last judgment debtor  
7 exam, he was involved in a lawsuit with Bank of America to the  
8 tune of 13 plus million dollars.

9 And so has he been insolvent with these debts  
10 hanging out there? Yeah. Is he still working and making a  
11 living? He is. And they're garnishing those wages for it.

12 But to now come in and demonize him for this, I  
13 think it's an inappropriate characterization and it puts us in  
14 a bad light before the Court, because not -- because you owe  
15 money doesn't make you a bad person.

16 And while you have what thoughts you may as against  
17 Mike Mona. But certainly as it relates to Rhonda Mona, she's  
18 entitled to be heard. She's entitled to her day in court.  
19 And she's entitled to have that opportunity on contested  
20 factual issues of which they bear the burden, as well as  
21 Rhonda, without having that opportunity to do so.

22 And so, Your Honor, I would request that this motion  
23 be denied; right? And I think it's inappropriate on an Order  
24 Show to Cause for this Court to make a characterization as to  
25 what amounts to community or separate property without one of

1 the parties being present, without one of the parties being  
2 able to have separate counsel to be heard on the issues.

3 And I say -- Your Honor, I hope the issue related to  
4 recusal is not taken with any disrespect. I have the  
5 obligation to (inaudible).

6 THE COURT: No, the law is the law. So no  
7 disrespect taken whatsoever. I was sincere when I said, you  
8 know, I certainly appreciate, you know, you pointing out in  
9 your opposition basically agreeing with you on that point  
10 that, you know, contempt's not for me to decide. So no  
11 disrespect is taken --

12 MR. COFFING: Right.

13 THE COURT: -- whatsoever.

14 MR. COFFING: Well, I appreciate that, Your Honor.  
15 But as it relates to sanctions, I think the same consideration  
16 needs to be given. The level of sanctions that they are  
17 requesting on this time frame without Rhonda being present,  
18 it's certainly just -- it violates due process, it's not fair.

19 And if the Court is going to entertain anything  
20 about these case -- or about these three accounts, it should  
21 be on an evidentiary basis in which all parties should be  
22 allowed to participate fully.

23 And I think by that time, Rhonda may have different  
24 counsel, and maybe it's Mr. Kainen, that will want to  
25 certainly weigh in on that because her rights are entitled to

1 protection regardless of what conduct you think Mr. Mona has  
2 been guilty of.

3 THE COURT: Thank you. Before you sit down, I had a  
4 question that I wanted to ask you -- and I'll ask Mr. Edwards,  
5 as well -- that popped into mind.

6 You know, the property settlement agreement or  
7 whatever it's technically called between Mr. and Mrs. Mona,  
8 apparently provided for the split, if you will, of that money.  
9 And I -- it may be in the briefs, but I don't recall seeing  
10 any argument or evidence as to where Mrs. Mona's money that  
11 she received from that agreement went.

12 MR. COFFING: Your Honor, I believe she testified --  
13 and counsel will correct me -- I believe she testified that --  
14 number one, that she was uncertain as to how much she  
15 received. Number two, it would have gone into, I think she  
16 testified, the Bank of George account. But she did not review  
17 any records or have independent knowledge of where that money  
18 would have gone.

19 But importantly, Your Honor, the fact that the money  
20 was received and transferred was not -- not a secret to them.  
21 They knew it two years ago. They had all those documents.

22 THE COURT: Well, thank you. And once you said  
23 that, oh yeah, that was in there. So, I appreciate that.

24 MR. COFFING: Before I rest, Your Honor --

25 THE COURT: Sure.

1 MR. COFFING: -- may I just poke my head in with  
2 counsel here and ask if I've missed something?

3 (Pause in the proceedings)

4 MR. COFFING: I think -- Your Honor, could Mr.  
5 Kainen address a brief point so I don't just regurgitate what  
6 he just said?

7 THE COURT: You can regurgitate what he said.

8 MR. COFFING: Okay.

9 THE COURT: And take your time. I'm, you know --.

10 (Pause in the proceedings)

11 MR. COFFING: Your Honor, I think if I can  
12 supplement a little bit what Mr. Kainen wanted me to emphasize  
13 is the mere fact that the debt arises does not automatically  
14 make it community. And I think I've touched on this a little  
15 bit. Because, remember, this judgment contains allegations  
16 and the judgment relates to fraud which would be personal to  
17 Mr. Mona.

18 And if it's personal to Mr. Mona, it cannot  
19 therefore be held as against Rhonda Mona individually. And it  
20 wasn't until -- it wasn't until the property settlement,  
21 Postnuptial Agreement, in which that was -- essentially  
22 recognized the parties tried to free their assets.

23 So there's nothing fraudulent as it relates between  
24 two spouses wanting to characterize their property during the  
25 course of a marriage. We have a statute that allows for that.



1 And that's an analysis I think for another day, Your Honor.

2 Mr. Mona, if he chooses, can argue against who gets  
3 this debt in the divorce, but it's going to be hard for him to  
4 argue that the judgment relates to fraud, and that fraud is  
5 personal to him, and therefore be, again, patently unfair and  
6 inappropriate to now say, Ms. Mona, you're going to -- your  
7 separate assets are going to be subject to that debt.

8 THE COURT: Thank you.

9 MR. EDWARDS: Your Honor, as to that last issue, we  
10 think the Randano case, the Nevada Supreme Court case  
11 expressly addresses it. It's a fraud judgment that arises  
12 during the marriage. It is community debt subject to  
13 execution upon community property. It's that straightforward.

14 As to the issue -- as to the argument that Mr. Mona  
15 did not have an obligation to produce these documents. First,  
16 as to the Post-Martial Settlement Agreement, I heard no  
17 argument that would suggest he didn't have an obligation to  
18 produce that. He did have an obligation. He says he should  
19 have produced it; he didn't. And we lost millions of dollars  
20 because of it.

21 As to the bank statements, the orders entered by  
22 this Court back in 2013, and again in 2015 said that he's to  
23 produce assets of any of his assets, and that would  
24 necessarily include documents reflecting his community  
25 property, which are these bank statements held in the name of

1 his wife. He knew it was about these accounts. He didn't ask  
2 his wife for these -- for these bank statements. He should  
3 have.

4 As to the argument that Mrs. Mona did not have an  
5 obligation to produce these documents. The judgment debtor  
6 examination order for Mrs. Mona said, we need you to produce  
7 the documents of the judgment debtor, her husband, documents  
8 reflecting his assets. His assets would necessarily include  
9 community property assets.

10 She had access to those bank accounts, holding  
11 community property assets, yet she chose not to provide them  
12 to us. In fact, during their judgment debtor exam, she didn't  
13 search for any documents whatsoever, but.

14 As to the argument that she is not a judgment  
15 debtor. At the time you issued your Order for Judgment Debtor  
16 Examination in 2015, she was a trustee of the Mona Family  
17 Trust, which was a judgment debtor. After you entered your  
18 order, she mysteriously resigned.

19 So the fact -- the argument that this Court did not  
20 have jurisdiction over Mrs. Mona is simply not accurate.  
21 There was a separate order directing her to do certain things,  
22 namely, producing documents, and she did not do that.

23 An argument was made that -- referring to the  
24 checking account at Bank of George, that because the money was  
25 earned before the judgment, we can't execute upon it. Your

1 Honor, that's just not the law. NRS 123.220 defines what  
2 community property is. Community property is all property  
3 acquired after marriage by either husband or wife. It's that  
4 simple. It's everything.

5 The money she earned after marriage is community  
6 property. The fact that she put it into her own account  
7 doesn't change that. It's community property -- presumptively  
8 community property and there's nothing -- there's no  
9 information that would allow them to change that.

10 For example, there is not Post-Martial Settlement  
11 Agreement saying, oh, this money in my account from what I  
12 earned during the marriage is my separate property. They  
13 don't have that. It doesn't exist. It's community property  
14 and we're allowed to execute upon it.

15 They argued that you don't have the authority to  
16 freeze the assets of either -- I guess, of either Mr. Mona or  
17 Mrs. Mona. That's simply not the case, Your Honor. We cited  
18 to the -- the statutes in our Reply, expressly permitting you  
19 to freeze the assets of both Mr. Mona and Mrs. Mona, to the  
20 extent we consider her a third party. And those statutes are  
21 NRS 21.280, and NRS 21.330, expressly allowing you to freeze  
22 assets.

23 And, in fact, as it relates to third party assets,  
24 you're authorized without a bond, without anything, to freeze  
25 the assets that we would be talking about, in the hands of a

1 third party, up until the time of judgment. It's not just a  
2 temporary freeze. You have extraordinary latitude on freezing  
3 assets of the judgment debtor and third parties who hold  
4 assets of the judgment debtor.

5 Counsel says that we should have followed up at the  
6 initial judgment debtor examination after asking him, what'd  
7 you do with the \$6.8 million? And he told us, I paid  
8 personal bills and loaned the rest to Roen. That's like  
9 saying that there's an obligation to saying, are you lying to  
10 me, after every single question.

11 There is no obligation under Nevada law to inquire  
12 whether somebody's lying to you. They took an oath at the  
13 beginning the judgment debtor examination to tell the truth  
14 and the whole truth. They didn't do that.

15 Counsel wants you to consider why they produced the  
16 documents now. If they were really trying to conceal, why did  
17 they produce the documents now? All I can say to that, Your  
18 Honor, is when you lie -- lying is very hard; all right? It's  
19 hard to keep all of your lies straight. Two years past, he  
20 may not have remembered he was trying to conceal that  
21 transfer. It's difficult to lie, easy to tell the truth. He  
22 lied initially and forgot about it and produced the document  
23 to us now.

24 //

25 And finally, counsel asked, where have we been for

1 the last two years, I guess implying that when he failed to  
2 produce the records in 2013, we should have, through ESP,  
3 known he withheld a Post-Martial Settlement Agreement and come  
4 to the Court and asked for relief.

5 We didn't learn about this agreement until two weeks  
6 ago. And when we learned about that, we've been working hard  
7 ever since to take appropriate action. There's been no delay.  
8 We couldn't take action as it relate to the Post-Martial  
9 Settlement Agreement before we even knew it existed.

10 We should have known back in 2013. But he didn't  
11 disclose the documents and he lied to us about it when we  
12 asked him.

13 Thank you, Your Honor.

14 THE COURT: Thank you.

15 MR. COFFING: I know counsel gets the last word,  
16 Your Honor, but --

17 THE COURT: We're -- we're done. Thank you. I  
18 guess when I say "we", I mean, counsel.

19 The Court is going to grant in part, and deny in  
20 part, the sanctions requested. And I'll give you my  
21 reasoning. Mr. Edwards, you will be preparing the Order, so  
22 take good notes or you can certainly request a DVD or  
23 transcript.

24 //

25 I don't believe that the Norwest and Hogevoll cases

1 cited by Mr. and Mrs. Mona really apply in this situation.  
2 Those cases, I believe, are distinguishable in that neither of  
3 them dealt with the collection of judgment as we have here.  
4 Rather, they dealt with loans that were made.

5 I believe that the fact that appears undisputed that  
6 Mrs. Mona had nothing to do with the underlying transactions  
7 is largely irrelevant at this judgment execution stage.

8 The opposition mentioned on page 6, line 13, that  
9 Mr. and Mrs. Mona are in the process of a divorce, but omitted  
10 all other details regarding that process, including what the  
11 Court believes to be a fairly key fact in determining what's  
12 going on and evaluating that argument, that fact being that  
13 these divorce proceedings were filed a week ago, on July 2nd.

14 And also omitted the fact that apparently both of  
15 them testified in their examination shortly before July 2nd  
16 that they had no plans to get divorce. The Court's certainly  
17 not going to enjoin them from getting divorced, but to rely on  
18 that fact as they do, but omit all other details of what the  
19 Court believes are material facts to that process was  
20 disappointing.

21 The timing of the briefs and the hearing. The Monas  
22 both apparently take issue with the fact that I am having the  
23 hearing today. They took issue with that in the opposition,  
24 not disclosing to the Court, although they do today after it  
25 was disclosed in the Reply, that plaintiff offered to continue

1 the hearing.

2 I believe that I do have the ability to set matters  
3 like this on shortened time. I could have set it even shorter  
4 than I did. When offered to continue the hearing today,  
5 counsel for the Monas declined that option. And so the Court  
6 is going to rule today.

7 The Monas argue that I do not have authority to rule  
8 because of the pending divorce proceeding, but they do not  
9 really provide any authority by case law or statute, that says  
10 a Judge such as myself presiding over execution proceedings on  
11 a judgment must stay or defer ruling to a recently filed  
12 divorce proceeding that was initiated after the Court issued  
13 several Orders to Show Cause.

14 The Monas admit on page 7, line 9 of their  
15 opposition that the rule is that all property acquired after  
16 marriage is presumed to be community property. The Court  
17 agrees with that, and agrees with plaintiff who also obviously  
18 states that is the case.

19 It's undisputed that Mr. and Mrs. Mona have been  
20 married for 30 years. There's been no evidence before the  
21 Court that the assets and debts and property that we're  
22 dealing with were acquired prior to their marriage, and  
23 therefore the Court considers those assets debts and property  
24 that we're dealing with to be community property, given the  
25 lack of evidence to the contrary.

1 I do believe, as plaintiff argued, that I have  
2 authority under NRS 21.280 and 21.330, to order parties,  
3 judgment debtors, and even non-parties to the extent Mrs. Mona  
4 is considered to be a non-party, I can order parties and non-  
5 parties to dispose or transfer assets as I have done, and as I  
6 am doing today.

7 Regarding the Post-Martial Property Settlement  
8 Agreement, after considering the factors set forth in NRS  
9 112.180(1)(a) and applying those to the facts in this case, I  
10 do find that that distribution is a -- or was -- "is" probably  
11 is more applicable -- is a fraudulent transfer made to hinder,  
12 delay or defraud plaintiff in its efforts to execute on the  
13 judgment.

14 Therefore, I do find that the property contained  
15 therein, i.e. the \$6.8 million or so in proceeds, does remain  
16 or remains community property subject to execution.

17 I do find that Mr. Mona lied in his November 25th,  
18 2013 examination regarding what he did with the stock sale  
19 proceeds. He first said, oh, I paid the bills. That's  
20 obviously not entirely true.

21 Then he said he paid off some debts that he had,  
22 just personal bills, and loaned \$2.6 million to Roen Ventures.  
23 At no time did he report or disclose at -- in either the  
24 document production or at his examination hearing at that time  
25 the purported transfer of \$3.4 million to Mrs. Mona.



1           And, you know, sometimes you can say, well, I  
2 forgot. Well, the problem with Mr. Mona, if he wanted to try  
3 to take that position, is that the purported transferred  
4 occurred just a few weeks before his examination.

5           I do find that Mr. Mona violated the January 30th,  
6 2013 order, by not producing the agreement or the bank account  
7 records that are purportedly Mrs. Mona's separate bank account  
8 records. I find that those would constitute community  
9 property and should have been disclosed and they were not. I  
10 find that Mr. Mona violated the October 7, 2013 order to make  
11 complete production of documents.

12           I do find that Mr. and Mrs. Mona violated the May  
13 13, 2015 order by failing to produce the community property  
14 bank records. And those bank records to which I'm referring  
15 are the Bank of George checking account, the Bank of George  
16 money market account, and the Bank of Nevada checking account.

17           I would refer to numbers of the accounts, but Mrs.  
18 Mona wasn't able to provide those in her examination and  
19 therefore I don't have numbers, and I don't think plaintiff  
20 has those numbers either. But hopefully that description is  
21 sufficient.

22 //

23           Under NRS 21.320, the money in the Bank of George  
24 and Bank of Nevada accounts, I do find is subject to execution  
25 and shall be applied to satisfaction of the judgment in

1 accordance with the Rules of execution on judgment, including  
2 the various exemptions that may apply.

3           Mr. Mona admits that he should have produced the  
4 Post-Martial Property Settlement Agreement and at his recent  
5 examination testified that he thought he produced it, but if  
6 he didn't he doesn't know why he didn't produce it. Nor -- he  
7 admitted also that he didn't know why he didn't disclose the  
8 existence of that agreement in his prior testimony and he now  
9 agrees that, yes, he should've disclosed that. And the Court  
10 certainly agrees with Mr. Mona in that regard.

11           Bear with me here.

12           The Court takes into account the Nevada Supreme  
13 Court cases cited by plaintiff, as well as the District of  
14 Nevada, Henry v. Rizzolo case. And I do find that regarding  
15 the transfers set forth in the Post-Martial Property  
16 Settlement Agreement, transfer was to an insider, i.e. Mr.  
17 Mona's wife, Mrs. Mona, who at the time, I believe, was also  
18 trustee of the Mona Family Trust, judgment debtor.

19           There is some question as to whether Mrs. Mona  
20 received the \$3.4 million or the \$2 million. In either case,  
21 you know, the -- if it was \$2 million, certainly Mr. Mona, as  
22 a judgment debtor, did retain some possession or control after  
23 the ostensible transfer of \$3.4 million. I do find that the  
24 transfer was concealed. It wasn't produced, nor was Mr. Mona  
25 truthful in his answers at the examination.

1           Before the transfer was made, certainly the debtors,  
2 plural, had been sued and actually had a judgment pending  
3 against them. The transfer was of substantially all of the  
4 debtor's assets, as Mr. Mona testified he was insolvent.

5           Again, debtor removed or concealed assets by  
6 effectuating that purported transfer and not disclosing it  
7 either in the production nor in the examination testimony. As  
8 I said, debtor was insolvent or became insolvent shortly after  
9 the transfer.

10           As argued by plaintiff, and the Court agrees, these  
11 are badges of fraud or factors and are not an exhaustive list  
12 such as elements of a Complaint. You don't have to meet every  
13 one in order to find that a fraudulent transfer was made.

14           The lack of one badge among many, as the Court has  
15 found, does not mean that a fraudulent transfer did not occur.  
16 Here the evidence overwhelmingly supports a finding of  
17 fraudulent transfer in regard to the Post-Martial Property  
18 Settlement Agreement, and the Court so find that that was a  
19 fraudulent transfer and that those assets therefore remain  
20 community property subject to execution.

21           The money that Mrs. Mona purportedly received as a  
22 result of that transfer went into supposedly -- although we  
23 don't know because the records haven't been produced -- to her  
24 bank account -- bank accounts or account that we have been  
25 discussing.

1 I believe I do have authority under NRCP 37 to issue  
2 sanctions. Again, I am not finding contempt due to the issues  
3 of -- I don't have jurisdiction. And the Court appreciates  
4 the affidavit or declaration that was submitted late last  
5 night and received this morning. But, you know, the timing of  
6 that does raise issues that as I think plaintiff's counsel  
7 said at the beginning, the Court probably doesn't even need  
8 that given the lack of jurisdiction anyway.

9 So, the sanctions that will be issued.

10 The Court turns to page 16 of the Application for  
11 Order to Show Cause. That might be helpful to enable the  
12 parties to follow along.

13 The Court does issue an Order that the purported  
14 transfer pursuant to the Post-Martial Property Settlement  
15 Agreement is a fraudulent transfer, and the facts proving the  
16 fraudulent transfer, including badges of fraud as discussed  
17 previously, are deemed established. The Court issues an order  
18 entitling plaintiff to execute upon the bank accounts at Bank  
19 of George and Bank of Nevada in the name of Mrs. Mona are  
20 deemed established.

21 The order will include that the Monas are prohibited  
22 from claiming that any money purportedly transferred pursuant  
23 to the Post-Martial Property Settlement Agreement and any  
24 money in the bank accounts in the name of Mrs. Mona are exempt  
25 from execution. The Court does not issue 4, does not issue 5.

1 Those are the contempt related sanctions.

2 And the order -- the Court will order that Mr. and  
3 Mrs. Mona immediately produce any previously undisclosed bank  
4 records for the past five years, regardless of whose name is  
5 on the account. Understandably, immediately, is probably not  
6 able to comply, so they do have instead of immediately, 7 days  
7 from today to do that.

8 And the Court will award plaintiff reasonable  
9 expenses, including attorneys fees and costs incurred, as a  
10 result of the failure to comply with the Court's orders.  
11 Plaintiff is directed to, as they requested, submit a bill of  
12 fees and costs within let's say 7 days from today. Again, the  
13 Court is not going to order that Mr. Mona be imprisoned.

14 And the Court will order that Mr. and Mrs. Mona be  
15 prohibited from effectuating any transfers or otherwise  
16 disposing of or encumbering any property not exempt from  
17 execution until their assets have been applied towards  
18 satisfaction of plaintiff's judgment.

19 Mr. Edwards, prepare the order. Submit it to Mr.  
20 Coffing for review and approval. If you can't agree -- which  
21 given this order, I wouldn't be surprised if you don't -- I'd  
22 ask that you try to agree -- but if you don't, you're welcome  
23 to submit competing orders. Thank you.

24 MR. COFFING: Your Honor, on behalf of the Monas, I  
25 would move for a stay to allow at least Rhonda Mona to

1 pursue --

2 THE COURT: Can you speak up a little?

3 MR. COFFING: I'm sorry.

4 THE COURT: Just because the microphone's closer  
5 when you're --

6 MR. COFFING: Your Honor, I understand your order,  
7 and I'm going to ask the Court for a stay of any execution or  
8 entry of order until such time as at least Rhonda Mona can  
9 pursue whatever remedies she has before the Nevada Supreme  
10 Court, or appellate court now, I guess I have to put them in  
11 there too.

12 So I'd ask for the stay as I believe I'm required to  
13 under a Rule SCR 4 analysis. And if I've cited that wrong,  
14 forgive me. So I'd ask for that stay for a period of 7 days.

15 THE COURT: Sure. Let me hear from Mr. Edwards.

16 MR. EDWARDS: Your Honor, my request would simply be  
17 that they file a motion so we can consider the issue.

18 MR. COFFING: Well, Your Honor, given -- given your  
19 order, my motion -- I'm making the motion now, because we need  
20 immediate relief. And again, as to Rhonda Mona, I believe the  
21 Court lacks jurisdiction over her to enter these sanctions.  
22 And so she should be afforded some opportunity as -- by way of  
23 a stay to pursue that remedy.

24 THE COURT: The Court understands that the motion is  
25 an oral motion. Understandably, it's oral, because it's in

1 response to the order that was just made here.

2 So the Court will grant the oral motion for stay of  
3 the Court's order as it pertains only to Mrs. Mona for 7 days.  
4 However, the stay does not -- that includes only the execution  
5 of the three bank accounts and discussion, so it -- the stay  
6 does not include the directive to produce the bank account  
7 records that we've discussed, and does not -- does not pertain  
8 to Mr. Mona at all.

9 MR. EDWARDS: And it also wouldn't stay the  
10 obligation that they can't transfer anything in the meantime;  
11 correct?

12 THE COURT: You can -- you can respond.

13 MR. COFFING: Your Honor, again, as it relates at  
14 least to Rhonda Mona, it is our position that the Court lacks  
15 jurisdiction, and I understand you disagree.

16 And so to the extent that there's a stay, if they  
17 want to stay any type of dissipation of assets, they should be  
18 required to post the appropriate bond, because that's -- until  
19 -- until otherwise, that's her money.

20 And I understand you've made your ruling, but  
21 obviously we differ. And as she's not a party to this action,  
22 she should not be subject to a judgment which she -- or an  
23 order that she believes this Court enters into without  
24 jurisdiction.

25 MR. EDWARDS: And, Your Honor, under 21.330, you are

1 perfectly within your rights to freeze the assets of third  
2 parties without any bond whatsoever. And what I'm hearing  
3 counsel say is, Judge, give me 7 days so I can go hide this  
4 money somewhere else. That's not appropriate.

5 MR. COFFING: She may -- she may certainly need to  
6 hire counsel, Your Honor, and she has to live; all right? And  
7 so you've prohibited, by virtue of your order, from us  
8 claiming any exemption to the funds at issue. And so --

9 THE COURT: No, I specifically said the judgment  
10 exemptions apply.

11 MR. COFFING: Your Honor, my notes said that you --  
12 that one of the sanctions was that they be prohibited from  
13 claiming the exempt -- that the assets were exempt from  
14 execution.

15 MR. EDWARDS: That is one of the sanctions from your  
16 questions, Your Honor. And the justification being, right now  
17 we have a tiny pool of money to work with, whereas, had these  
18 documents been disclosed as they should have been back in  
19 2013, we would've had millions of dollars to collect upon.  
20 Now, we have a few hundred thousand.

21 So for them to further apply -- after already  
22 dissipating millions of dollars of assets that we can no  
23 longer go after, to say, oh, and in addition to, I get to  
24 claim these exemptions, we think that's inappropriate.

25 MR. COFFING: Well, to effectively deprive her of



1 the ability to retain counsel is equally inappropriate.

2 MR. EDWARDS: Well, she's been under an order that  
3 she can't -- I'm sorry.

4 THE COURT: I'll give Mr. Coffing one last chance to  
5 say what he wants, and then Mr. Edwards one last chance to say  
6 what you want in that regard.

7 MR. COFFING: In relationship to a stay, Your Honor,  
8 I think I've made the record that I need to make.

9 THE COURT: I'm sorry, man. The air is on back here  
10 and I couldn't even hear it.

11 MR. COFFING: Your Honor, I think I've made the  
12 record I need in my request for a stay. And again, until --  
13 the fact that she's not a party, until this order is final and  
14 she has the ability to pursue some type of appellate relief, I  
15 don't think it's appropriate to enjoin the use of what amounts  
16 to be her only asset -- liquid assets.

17 We do have a divorce pending, right? And I  
18 understand you have concerns with the timing, but that divorce  
19 -- there's a joint preliminary injunction that was entered  
20 upon the filing of the divorce. I'm sure Mr. Mona will be  
21 ordered at some point to pay some level of support, but until  
22 that time, you know, I think it's just inappropriate for the  
23 Court to enjoin her use of these assets for the limited time  
24 period that you've allowed.

25 MR. EDWARDS: Your Honor, the purpose of a stay is

1 to preserve the status quo. And if we unfreeze these assets,  
2 they may not be there tomorrow. That's not preserving status  
3 quo. They've told you over and over again, Mr. Mona makes  
4 \$300,000 a year. If that's not enough money to retain  
5 counsel, I don't know what is.

6 THE COURT: They have 7 days from today to produce  
7 the records. That would include the bank account records.  
8 Presumably, if transfers are made that are dubious in nature,  
9 if I were her, I'd be hesitant to make.

10 The Court understands, however, that people need  
11 money to live. And so the Court is going to grant the request  
12 for stay for 7 days from today, limited again, to Mrs. Mona  
13 and those three bank accounts. In all other regards, however,  
14 the order is not stayed.

15 MR. EDWARDS: Your Honor, I know you told me I only  
16 get one more chance, but could we at least put a dollar cap on  
17 it, what she can expend over these seven days?

18 THE COURT: No.

19 MR. EDWARDS: Okay. Thank you.

20 THE COURT: Thank you.

21 MR. COFFING: Thank you, Your Honor.

22 (Proceeding was concluded at 11:26 a.m.)

23 \* \* \* \* \*

24

25

CERTIFICATION

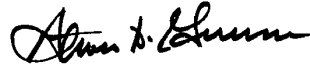
I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT FROM THE AUDIO-VISUAL RECORDING OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

AFFIRMATION

I AFFIRM THAT THIS TRANSCRIPT DOES NOT CONTAIN THE SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER OF ANY PERSON OR ENTITY.

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Julie Ford 7-10-15  
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CLERK OF THE COURT

**ORDER**

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*Attorneys for Plaintiff Far West Industries*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

FAR WEST INDUSTRIES, a California  
corporation,

Plaintiff,

v.

RIO VISTA NEVADA, LLC, a Nevada limited  
liability company; WORLD DEVELOPMENT,  
INC., a California corporation; BRUCE MAIZE,  
an individual, MICHAEL J. MONA, JR., an  
individual; DOES 1 through 100, inclusive,

Defendants.

Case No.: A-12-670352-F  
Dept. No.: XV

Hearing Date: July 9, 2015  
Time of Hearing: 9:00 a.m.

**ORDER REGARDING ORDER TO SHOW CAUSE WHY  
ACCOUNTS OF RHONDA MONA SHOULD NOT BE SUBJECT TO  
EXECUTION AND WHY THE COURT SHOULD NOT FIND MONAS IN CONTEMPT**

The Court held a hearing regarding its Order To Show Cause Why Accounts Of Rhonda  
Mona Should Not Be Subject To Execution And Why The Court Should Not Find Monas In  
Contempt ("Order to Show Cause") on July 9, 2015, at 9:00 a.m. ("July 9 Hearing"). F. Thomas  
Edwards, Esq. and Andrea M. Gandara, Esq. of the law firm of Holley, Driggs, Walch, Fine,  
Wray, Puzey & Thompson, appeared on behalf of Plaintiff Far West Industries ("Plaintiff" or  
"Far West"). Terry A. Coffing, Esq., of the law firm of Marquis Aurbach Coffing, appeared on  
behalf of Defendant Michael J. Mona, Jr. ("Mr. Mona") and Rhonda Helene Mona ("Mrs.  
"Mona") (collectively referred to as the "Monas"). Edward L. Kainen, Esq., and Andrew L.

1 Kynaston, Esq., of the law firm of Kainen Law Group, LLC, also appeared as divorce counsel  
2 for Mrs. Mona.

3 Prior to the July 9 Hearing, the Court reviewed all relevant pleadings and papers before  
4 it, including, but not limited to: (1) Plaintiff's Ex Parte Application For Order To Show Cause  
5 Why Accounts Of Rhonda Mona Should Not Be Subject To Execution And Why The Court  
6 Should Not Find The Monas In Contempt ("Application") and the attached Exhibits 1-4; (2) the  
7 Order to Show Cause and the notice of entry and receipt of copy associated therewith; (3) the  
8 Response to Order To Show Cause Why Accounts Of Rhonda Mona Should Not Be Subject To  
9 Execution And Why The Court Should Not Find The Monas In Contempt ("Response") and the  
10 attached Exhibits A-C; (4) the Plaintiff's Reply in Support of Order To Show Cause Why  
11 Accounts Of Rhonda Mona Should Not Be Subject To Execution And Why The Court Should  
12 Not Find The Monas In Contempt ("Reply"); (4) the Supplement to Response to Order To Show  
13 Cause Why Accounts Of Rhonda Mona Should Not Be Subject To Execution And Why The  
14 Court Should Not Find The Monas In Contempt ("Supplement"). The Court was presented the  
15 Declaration in Support of Request for Contempt of Plaintiff's counsel, F. Thomas Edwards, Esq.,  
16 at the July 9 Hearing, which it accepted without objection.

17 With no other appearances having been made, the Court having reviewed and examined  
18 the papers, pleadings and records on file in the above-entitled matter and heard the argument of  
19 counsel, and good cause appearing therefore, the Court enters the following findings facts and  
20 conclusions of law. To the extent any finding of fact should properly be designated a conclusion  
21 of law, it shall be deemed a conclusion of law. To the extent any conclusion of law should  
22 properly be designated a finding of fact, it shall be deemed a finding of fact.

23 The Court makes the following findings of facts and conclusions of law:

24 On April 27, 2012, Plaintiff obtained a Judgment entered against Mr. Mona and the Mona  
25 Family Trust Dated February 21, 2002 ("Mona Family Trust"). See Judgment, attached as Ex. 4  
26 to Application. Mr. Mona and Mrs. Mona were at all relevant times co-trustees of the Mona  
27 Family Trust, although after this Court ordered Mrs. Mona to appear for a judgment debtor  
28 examination, based upon her capacity as trustee of the Mona Family Trust, Mrs. Mona resigned

1 and/or was removed as a trustee.

2 On January 30, 2013, the Court entered its original order for the judgment debtor  
3 examination of Mr. Mona, setting forth certain documents that Mr. Mona was required to  
4 produce, including:

5 8. **Documents reflecting all assets** (real, personal or mixed),  
6 whether owned by you individually, in any partnership or  
7 corporation form or in joint tenancy or in tenancy in common for  
8 the past five (5) years.

9 11. **A copy of all statements, and a copy of each check**  
10 **register for each account, for each and every financial**  
11 **institution** (including but not limited to all banks, savings and  
12 loans, credit unions, and brokerage houses) where you have an  
13 account, where you have signature authority on an account, **or in**  
14 **which you have held or now hold an interest** from January 2005  
15 through to the present.

16 12. **A copy of all bank statements**, deposit slips, and canceled  
17 checks for all bank, money market accounts which you own or in  
18 which you owned any interest whatsoever, or on which you were  
19 authorized to draw checks, **whether said documents were in your**  
20 **name alone, in the name of another person/entity**, or in the  
21 name of another and yourself as joint tenants, for the period of  
22 three (3) years prior to the date hereof.

23 13. **All savings account passbooks, bank statements and**  
24 **certificates of deposit for any and all accounts, in which you**  
25 **owned any interest whatsoever**, or from which you were  
26 authorized to make withdrawals, whether said accounts were in  
27 your name alone, in the name of any other person, or in your name  
28 and another as joint tenants, for the period of five (5) years prior to  
the date hereof.

39. **Copies of any and all contracts to which you are a party**  
entered into within the last five (5) years.

See Ex. A to Order entered 1/30/13 ("January 2013 Order") (emphasis added).

The Court subsequently ordered Mr. Mona to make a complete production of documents  
by September 25, 2013. See Order entered 10/7/13 ("October 2013 Order"), 2:9-13.

On or about September 13, 2013, the Monas executed a Post-Marital Property Settlement  
Agreement, in which Mr. and Mrs. Mona explain that they have sold their community property  
shares of Medical Marijuana, Inc., for \$6,813,202.20. See Ex. 1 to the Application. The  
Agreement then purports to divide the proceeds equally between themselves as their separate  
property, with each receiving \$3,406,601.10. Id.

1 Although Mr. Mona produced approximately 33,000 documents in response to the  
2 January 2013 Order and the October 2013 Order, Mr. Mona did not produce the Post-Marital  
3 Settlement Agreement, in violation of both the January 2013 Order and the October 2013 Order.

4 At his judgment debtor examination on November 25, 2013, when Mr. Mona was asked  
5 what he did with the more than \$6 million in stock sale proceeds, Mr. Mona lied and failed to  
6 disclose the transfer of \$3,406,601.10 to Mrs. Mona. Specifically, at the judgment debtor  
7 examination on November 25, 2013, Mr. Mona testified as follows:

8 **Q. When you got out of Alpine Securities, how much was the**  
9 **stock worth?**

10 A. About \$0.12 a share.

11 **Q. And translate that into an aggregate.**

12 A. About \$6 million.

13 **Q. Did you cash out?**

14 A. Yes.

15 **Q. What did you do with that \$6 million?**

16 A. Paid bills.

17 **Q. What bills?**

18 A. Paid off some debts that I had.

19 **Q. What bills?**

20 A. Just personal bills. Gave 2.6 – loaned \$2.6 million to Roen  
Ventures.

21 See Transcript of 11/25/13 Judgment Debtor Examination of Mr. Mona, 9:8-21, attached as Ex. 2  
22 to the Application.

23 Mr. Mona's deceit and omission cannot be excused by a lack of memory because the  
24 purported transfer through the Post-Marital Settlement Agreement occurred only shortly before  
25 his examination. Likewise, Mr. Mona's deceit and omission cannot be blamed on his attorney,  
26 as Mr. Mona was in control of his testimony at the judgment debtor examination in 2013. At his  
27 more recent judgment debtor examination, Mr. Mona admitted that he should have produced the  
28 Post-Marital Settlement Agreement in 2013 and that he should have disclosed it during the

1 November 25, 2013 examination and, on this point, the Court agrees with Mr. Mona.

2 The Court finds that the money purportedly transferred through the Post-Marital  
3 Settlement Agreement was community property as it was acquired during the Monas' marriage.  
4 The Monas have been married for more than 30 years. All property acquired after the marriage  
5 by either husband or wife is community property, subject only to limited exceptions identified in  
6 NRS 123.220. All debts incurred during that time are community debts under Randono v. Turk,  
7 86 Nev. 123, 466 P.2d 218 (1970). See also Cirac v. Lander Cnty., 95 Nev. 723, 602 P.2d 1012;  
8 In re Bernardelli, 12 B.R. 123 (Bankr. D. Nev. 1981); Nelson v. United States, 53 F.3d 339, 1995  
9 WL 257884; F.T.C. v. Neiswonger, 580 F.3d 769 (8th Cir. 2009).

10 Plaintiff obtained the Judgment against Mr. Mona during the Monas' marriage, and it  
11 therefore is a community debt. That community debt can be collected against the entirety of the  
12 Monas' community property under Randono v. Turk, 86 Nev. 123, 466 P.2d 218 (1970) and  
13 Henry v. Rizzolo, 2012 WL 1376967 (Dist. Nev. April 19, 2012). See also Cirac v. Lander  
14 Cnty., 95 Nev. 723, 602 P.2d 1012; In re Bernardelli, 12 B.R. 123 (Bankr. D. Nev. 1981); Nelson  
15 v. United States, 53 F.3d 339, 1995 WL 257884; F.T.C. v. Neiswonger, 580 F.3d 769 (8th Cir.  
16 2009). The Court finds Norwest Fin. v. Lawver, 849 P.2d 324 (Nev. 1993) and Hogevoll v.  
17 Hogevoll, 59 Cal.App.2d 188, 138 P.2d 693 (1943), which are cited in the Response,  
18 distinguishable as those cases involved determinations of lender intent and community debt with  
19 respect to loans made during marriage, as opposed to collection on a judgment for fraud  
20 committed by a spouse during marriage. Mrs. Mona's alleged lack of involvement in the  
21 underlying litigation that gave rise to Far West's Judgment is not relevant as to judgment  
22 collection. There is no evidence that the assets and debts at issue here were acquired by either of  
23 the Monas before marriage.

24 On May 13, 2015, the Court entered orders scheduling the judgment debtor examinations  
25 of Mr. and Mrs. Mona. The order set forth a list of documents that Mr. and Mrs. Mona were  
26 required to produce, including:

- 27 1. For the period beginning April 2012 through the present  
28 date, **financial documents of Judgment Debtor, including, but**  
**not limited to, but not limited to, statements for checking,**



1 savings or other financial accounts, securities brokerage  
2 accounts, certificates of deposit, shares in banks, savings and loan,  
3 thrift, building loan, credit unions, or brokerage houses or  
4 cooperative, and records of income, profits from companies, cash  
5 on hand, safe deposit boxes, deposits of money with any other  
6 institution or person, cash value of insurance policies, federal and  
7 state income tax refunds due or expected, any debt payable to or  
8 held by or for Judgment Debtor, checks, drafts, notes, bonds,  
9 interest bearing instruments, accounts receivable, liquidated and  
10 unliquidated claims of any nature, or any and all other assets.

11 23. For the period beginning April 2012 through the present  
12 date, Documents relating to monies, gifts, bequests, dispositions,  
13 or transfers paid or given to Judgment Debtor.

14 26. For the period beginning April 2012 through the present  
15 date, Documents relating to all tangible or intangible property or  
16 other assets sold, assigned, transferred, or conveyed by  
17 Judgment Debtor to any person or entity.

18 29. Documents evidencing any and all other intangible  
19 personal, tangible, and/or real property of Judgment Debtor not  
20 already identified in the items set forth above.

21 See Orders entered 5/13/15 ("May 2015 Orders").

22 In their response to the May 2015 Orders, the Monas did not produce certain bank  
23 records purportedly because the bank accounts are in the name of Mrs. Mona only, despite the  
24 fact that the accounts hold community property, in violation of the May 2015 Orders. Mrs.  
25 Mona made no efforts to produce any documents in response to the May 2015 Orders. Mr.  
26 Mona's failure to produce these bank records in response to the January 2013 Order and the  
27 October 2013 Order was also a violation of said orders.

28 According to Mrs. Mona's testimony during examination, she has three (3) different bank  
29 accounts in her name. The first account is a checking account at Bank of George, which contains  
30 approximate \$190,000.00 in purported earnings from design projects performed by Mrs. Mona  
31 during the marriage, such that the funds are community property. See Rough Transcript of  
32 06/26/15 Judgment Debtor Examination of Mrs. Mona, 26:6-14 and 27:19-29:19 attached as Ex.  
33 3 to the Application.

34 The second account is a money market account at the Bank of George, which contains  
35 approximately \$300,000.00 that is purportedly the only remaining money from the transfer to  
36 Mrs. Mona through the Post-Marital Settlement Agreement. Mrs. Mona testified that she

1 believes she only received approximately \$2 million based upon the Post-Marital Settlement  
2 Agreement, instead of the full \$3.4 million identified in the Post-Marital Settlement Agreement.  
3 See Rough Transcript of 06/26/15 Judgment Debtor Examination of Mrs. Mona, 21:18-23  
4 attached as Ex. 3 to the Application. These funds constitute community property because they  
5 were acquired during marriage. This remains true despite the Monas fraudulent transfer of the  
6 community property to Mrs. Mona, as explained in more detail below.

7 The third account is a checking account from Bank of Nevada, which is purportedly  
8 funded through the money market account at Bank of George, and thus also contains community  
9 property.

10 The Monas did not produce any records related to these three (3) accounts that contain  
11 community property in Mrs. Mona's name and so it is not possible to determine the account  
12 numbers and identifying information associated with these accounts.

13 While the Response mentions the Monas' divorce proceedings, the Response omitted key  
14 facts about the divorce, including that the divorce proceeding was only filed on July 2, 2015, and  
15 that the Monas testified at their respective judgment debtor examinations just a few days earlier  
16 that they had no plans to get divorced. The omission of these material facts in the Response  
17 reflects on the Monas' credibility.

18 The fact that Mrs. Mona filed for divorce after the Court issued its Order to Show Cause  
19 does not deprive the Court of its jurisdiction to rule on the Order to Show Cause. The Monas  
20 have cited to no authority that the filing of a divorce complaint imposes a stay of execution upon  
21 a judgment.

22 The Response to the Order to Show Cause complains about the timing of the briefing  
23 schedule and the hearing date. However, the Response failed to disclose that Plaintiff offered to  
24 both extend the briefing schedule and continue the hearing. At the hearing, the Court offered  
25 additional time to the Monas, but the Monas declined. Accordingly, the Court proceeded to issue  
26 its ruling.

27 The Monas have preempted the presiding judge as to any request for contempt in the  
28 Application, as they are entitled to do. The Court expressly makes no finding of contempt as to

1 Mr. and Mrs. Mona without prejudice to Plaintiff pursuing such a request before another judge.  
2 The Court only is considering whether sanctions should be issued pursuant to NRCP 37 as  
3 requested in the Application.

4 The Court finds that Mr. Mona violated the January 2013 Order and October 2013 Order  
5 by not producing the Post-Marital Settlement Agreement and the bank account records for Mrs.  
6 Mona's three (3) bank accounts that contained community property. The Court further finds that  
7 both Mr. and Mrs. Mona violated the May 2015 Orders by failing to produce bank records for  
8 Mrs. Mona's three (3) bank accounts that contained community property.

9 The Court concludes that Mr. Mona's failure to produce the Post-Marital Settlement  
10 Agreement as ordered and Mr. Mona and Mrs. Mona's failure to disclose Mrs. Mona's bank  
11 records for the three (3) accounts in Mrs. Mona's name were not substantially justified and  
12 constitute serious violations subject to sanctions under NRCP 37. Considering all available  
13 sanctions under NRCP 37 for such violations, the Court finds grounds to designate the Post-  
14 Marital Settlement Agreement a fraudulent transfer under NRS 112.180 on the merits based on  
15 the following badges of fraud associated with that transfer.

16 First, the transfer in the Post-Marital Settlement Agreement was to an insider, Mrs.  
17 Mona, as she is the wife of Mr. Mona, a judgment debtor, and was at all relevant times the  
18 Trustee of the Mona Family Trust, a judgment debtor.

19 Second, Mr. Mona appears to have retained possession and control over some portion of  
20 the funds that were purportedly transferred pursuant to the Post-Marital Settlement Agreement.

21 Third, Mr. Mona concealed the transaction by not producing the Post-Marital Settlement  
22 Agreement as required by the January 2013 Order and October 2013 Order and by not disclosing  
23 the transfer during his judgment debtor examination on November 25, 2013. Mr. Mona was not  
24 truthful when he was asked during the November 25, 2013 examination about what he did with  
25 the approximately \$6.8 million dollars.

26 Fourth, prior to effectuating the transfer through the Post-Marital Settlement Agreement,  
27 Far West sued and obtained the Judgment against Mr. Mona and the Mona Family Trust.

28 ///

1 Fifth, the Post-Marital Settlement Agreement, and the related transfers of the proceeds  
2 from the sale of the stock, transferred substantially all of Mr. Mona's assets as he was insolvent  
3 at the time of the transfers, or rendered Mr. Mona insolvent shortly after they were made.

4 Sixth, Mr. Mona concealed assets by failing to disclose the Post-Marital Settlement  
5 Agreement in 2013, by not disclosing the transfer during his judgment debtor examination on  
6 November 25, 2013, and by not producing the bank account records for the accounts in Mrs.  
7 Mona's name.

8 Seventh, at the time of the transfer through the Post-Marital Settlement Agreement, Mr.  
9 Mona was insolvent, or the transfer rendered Mr. Mona insolvent shortly after it was made.

10 These considerations are several of many factors in NRS 112.180(2), which provides a  
11 non-exhaustive list of considerations that support a determination that there was an actual intent  
12 to hinder, delay, or defraud a creditor. To find a fraudulent transfer, not every factor must be  
13 shown and the lack of one or more badges of fraud among many is not dispositive. The badges of  
14 fraud described above provide overwhelming evidence that the Post-Marital Settlement  
15 Agreement was a fraudulent transfer.

16 The Court therefore concludes that the Post-Marital Settlement Agreement is a fraudulent  
17 transfer intended to hinder, delay and defraud Plaintiff in its efforts to execute upon the  
18 Judgment and the \$6,813,202.20 remains community property that is subject to execution by Far  
19 West in satisfaction of its Judgment. The funds in Mrs. Mona's three (3) bank accounts shall be  
20 applied towards satisfaction of the Judgment pursuant to NRS 21.320. The Court finds the  
21 sanctions imposed herein to be appropriate in light of the very serious misconduct at issue,  
22 specifically the failure to disclose documents as ordered, which resulted in the dissipation of  
23 millions of dollars in assets, of which only a relatively small amount remains (\$300,000 in Mrs.  
24 Mona's Bank of George money market account) and concealment of significant community  
25 property (\$190,000.00 in Mrs. Mona's Bank of George checking account) which could have  
26 gone to satisfy Plaintiff's Judgment. The Court has also previously found that Mr. Mona is not  
27 taking this proceeding seriously. See Order entered 06/17/2015. The sanctions are meant to deter  
28 the Monas and future litigants from similar abuses.

1        This Court has authority pursuant to NRS 21.280 and, to the extent Mrs. Mona is  
2        considered a third party, pursuant to NRS 21.330, to order Mr. and Mrs. Mona to not dispose  
3        and/or transfer their assets as the Court has done in the past and does again in this Order.

4        Based on the foregoing, and good cause appearing:

5        **IT IS HEREBY ORDERED** that the relief requested in the Application is **GRANTED**  
6        **IN PART and DENIED IN PART;**

7        **IT IS HEREBY FURTHER ORDERED** that the Monas' purported transfer pursuant to  
8        the Post-Marital Property Settlement Agreement is a fraudulent transfer, and the facts proving  
9        the fraudulent transfer, including the badges of fraud outlined above, are deemed established;

10       **IT IS HEREBY FURTHER ORDERED** that the facts entitling Plaintiff to execute  
11       upon the bank accounts in the name of Mrs. Mona are deemed established;

12       **IT IS HEREBY FURTHER ORDERED** that the Monas are prohibited from claiming  
13       that any money purportedly transferred pursuant to the Post-Marital Property Settlement  
14       Agreement and any money in the bank accounts in the name of Mrs. Mona are exempt from  
15       execution;

16       **IT IS HEREBY FURTHER ORDERED** that the Monas produce any previously  
17       undisclosed bank records (including signature cards, bank statements, front and back of all  
18       checks, check books and registers, deposit slips or receipts, withdrawal slips or receipts, wire  
19       transfer confirmations or reports, etc.) for the past five (5) years, regardless of whose name is on  
20       the account, no later than July 20, 2015;

21       **IT IS HEREBY FURTHER ORDERED** that Plaintiff is awarded reasonable expenses,  
22       including, without limitation, attorney's fees and costs incurred as a result of the failure to  
23       comply with the Court's orders, with Plaintiff to submit a bill of fees and costs no later than July  
24       20, 2015; and

25       **IT IS HEREBY FURTHER ORDERED** that Mr. Mona, Mrs. Mona, and the Monas  
26       collectively are prohibited from effectuating any transfers or otherwise disposing of or  
27       encumbering any property not exempt from execution and until the money in the bank accounts  
28       in the name of Mrs. Mona are applied to Plaintiff's Judgment.

1       **IT IS HEREBY FURTHER ORDERED** that, upon the oral motion of counsel for the  
2 Monas, this Order is stayed until July 20, 2015, as to Mrs. Mona only, yet the Monas' obligation  
3 to produce bank records is not stayed in any respect.

4       **IT IS SO ORDERED.**

5       Dated this 15<sup>th</sup> day of July, 2015.

6  
7         
8       DISTRICT COURT JUDGE  
9       MB

10       Submitted by:

11       **HOLLEY, DRIGGS, WALCH,**  
12       **FINE, WRAY, PUZEY & THOMPSON**

13         
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15       Nevada Bar No. 9549

16       ANDREA M. GANDARA, ESQ.

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19       Las Vegas, NV 89101

20       Attorneys for Plaintiff Far West Industries

21       Approved as to Form and Content by:

22       **MARQUIS AURBACH COFFING**

23        7/14/15  
24       TERRY A. COFFING, ESQ.

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26       MICAH S. ECHOLS, ESQ.

27       Nevada Bar No. 8437

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      Las Vegas, Nevada 89145

      Attorneys for Mr. and Mrs. Mona

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

RHONDA HELENE MONA AND MICHAEL J.  
MONA, JR.,

Petitioners,

vs.

Electronically Filed  
Jul 17 2015 02:45 p.m.  
Tracie K. Lindeman  
Clerk of Supreme Court

Case No.: \_\_\_\_\_

THE EIGHTH JUDICIAL DISTRICT COURT  
FOR THE STATE OF NEVADA, IN AND FOR  
THE COUNTY OF CLARK, AND THE  
HONORABLE JOE HARDY, DISTRICT  
JUDGE,

Respondents,

and

FAR WEST INDUSTRIES,

Real Party in Interest.

---

**PETITIONERS' APPENDIX**  
**(Volume 2, Bates Nos. 194-358)**

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ATTORNEYS FOR PETITIONER  
MICHAEL J. MONA, JR.

## INDEX TO PETITIONERS' APPENDIX

<b>DOCUMENT DESCRIPTION</b>		<b>LOCATION</b>
Application of Foreign Judgment (filed 10/18/12)		Vol. 1, Bates Nos. 1-7
Notice of Filing Application for Foreign Judgment and Affidavit (filed 10/23/12)		Vol. 1, Bates Nos. 8-17
Minutes of September 18, 2013 Status Check Hearing		Vol. 1, Bates No. 18
Order [Regarding Documents and Debtor Exam] (10/07/13)		Vol. 1, Bates Nos. 19-21
Notice of Examination of Judgment Debtor (filed 10/31/13)		Vol. 1, Bates Nos. 22-24
Minutes of December 4, 2013 Status Check Hearing		Vol. 1, Bates No. 25
Ex Parte Motion for Order Allowing Judgment Debtor Examination of Michael J. Mona, Jr., Individually, and as Trustee of the Mona Family Trust Dated February 12, 2002, and Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002 (filed 05/08/15)		Vol. 1, Bates Nos. 26-29
<b>Exhibit to Ex Parte Motion for Order Allowing Judgment Debtor Examination of Michael J. Mona, Jr., Individually, and as Trustee of the Mona Family Trust Dated February 12, 2002, and Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Definitions	Vol. 1, Bates Nos. 30-36



<b>DOCUMENT DESCRIPTION</b>		<b>LOCATION</b>
Notice of Entry of Order for Examination of Michael J. Mona, Jr., Individually, and as Trustee of the Mona Family Trust Dated February 12, 2002 with Order (filed 05/14/15)		Vol. 1, Bates Nos. 37-48
Notice of Entry of Order for Examination of Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002 with Order (filed 05/14/15)		Vol. 1, Bates Nos. 49-60
Affidavit of Service (Michael J. Mona) (filed 05/20/15)		Vol. 1, Bates No. 61
Ex Parte Motion to Serve Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002 via Certified or Registered Mail Pursuant to NRS 14.090(1)(b) (filed 05/21/15)		Vol. 1, Bates Nos. 62-64
<b>Exhibits to Ex Parte Motion to Serve Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002 via Certified or Registered Mail Pursuant to NRS 14.090(1)(b)</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Affidavit of Attempted Service (Rhonda Mona)	Vol. 1, Bates Nos. 65-66
2	Proposed Order Granting Ex Parte Motion to Serve Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002 via Certified or Registered Mail Pursuant to NRS 14.090(1)(b)	Vol. 1, Bates Nos. 67-69
Notice of Entry of Order Granting Ex Parte Motion to Serve Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002 via Certified or Registered Mail Pursuant to NRS 14.090(1)(b) with Order (filed 05/27/15)		Vol. 1, Bates Nos. 70-74

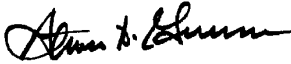
<b>DOCUMENT DESCRIPTION</b>		<b>LOCATION</b>
Certificate of Service Via U.S. Postal Service on Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002 (filed 06/04/15)		Vol. 1, Bates Nos. 75-77
<b>Exhibits to Certificate of Service Via U.S. Postal Service on Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Order for Examination of Rhonda Mona as Trustee of the Mona Family Trust Dated February 12, 2002 (filed 05/13/15)	Vol. 1, Bates Nos. 78-87
2	Certified Mail Receipt	Vol. 1, Bates Nos. 88-90
Motion for Protective Order on Order Shortening Time (filed 06/08/15)		Vol. 1, Bates Nos. 91-99
<b>Exhibits to Motion for Protective Order on Order Shortening Time</b>		
<b>Exhibit</b>	<b>Document Description</b>	
A	May 18, 2015 Email from Tye Hanseen to Tom Edwards Regarding Debtor Examination	Vol. 1, Bates Nos. 100-01
B	May 18, 2015 Email from Tom Edwards to Tye Hanseen Regarding Debtor Examination	Vol. 1, Bates Nos. 102-03
C	May 28, 2015 Email Chain Between Terry Coffing and Tom Edwards Regarding Judgment Debtor Examinations	Vol. 1, Bates Nos. 104-05
Opposition to Motion for Protective Order on Order Shortening Time (filed 06/09/15)		Vol. 1, Bates Nos. 106-13

<b>DOCUMENT DESCRIPTION</b>		<b>LOCATION</b>
<b>Exhibits to Opposition to Motion for Protective Order on Order Shortening Time</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	June 1, 2015 Email from Tom Edwards to Terry Coffing Requesting Explanation of “Road Show” and Travel Dates	Vol. 1, Bates Nos. 114-15
2	June 1, 2015 Email from Terry Coffing to Tom Edwards Explaining the Term “Road Show”	Vol. 1, Bates Nos. 116-17
3	June 1, 2015 Email from Tom Edwards to Terry Coffing Requesting Travel Dates	Vol. 1, Bates Nos. 118-19
Minutes of June 10, 2015 Hearing on Motion for Protective Order		Vol. 1, Bates Nos. 120-21
Notice of Entry of Order Regarding Motion for Protective Order with Order (filed 06/17/15)		Vol. 1, Bates Nos. 122-26
Ex Parte Application for Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (filed 06/29/15)		Vol. 1, Bates Nos. 127-43
<b>Exhibits to Ex Parte Application for Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Post-Marital Property Settlement Agreement (dated 09/13/13)	Vol. 1, Bates Nos. 144-56
2	Excerpted Transcript of November 25, 2013 Judgment Debtor Exam of Michael J. Mona	Vol. 1, Bates Nos. 157-62

<b>DOCUMENT DESCRIPTION</b>		<b>LOCATION</b>
<b>Exhibits to Ex Parte Application for Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (cont.)</b>		
<b>Exhibit</b>	<b>Document Description</b>	
3	Excerpted Rough Draft Transcript of June 26, 2015 Deposition of Rhonda H. Mona, as Trustee of the Mona Family Trust Dated February 12, 2002	Vol. 1, Bates Nos. 163-72
4	Judgment in Superior Court of California, Riverside Case No. RIC495966 (filed 05/01/12)  Findings of Fact and Conclusions of Law in Superior Court of California, Riverside Case No. RIC495966 (filed 03/06/12)	Vol. 1, Bates Nos. 173-93
Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (filed 06/30/15)		Vol. 2, Bates Nos. 194-96
Receipt of Copy (filed 06/30/15)		Vol. 2, Bates Nos. 197-99
Notice of Entry of Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt with Order (filed 06/30/15)		Vol. 2, Bates Nos. 200-05
Response to Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (filed 07/07/15)		Vol. 2, Bates Nos. 206-20

<b>DOCUMENT DESCRIPTION</b>		<b>LOCATION</b>
<b>Exhibits to Response to Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt</b>		
<b>Exhibit</b>	<b>Document Description</b>	
A	Findings of Fact and Conclusions of Law in Superior Court of California, Riverside Case No. RIC495966 (filed 03/06/12)	Vol. 2, Bates Nos. 221-37
B	Post-Marital Property Settlement Agreement (dated 09/13/13)	Vol. 2, Bates Nos. 238-50
C	Declaration of Mike Mona in Support of Response to Order to Show Cause	Vol. 2, Bates Nos. 251-52
Reply in Support of Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (filed 07/08/15)		Vol. 2, Bates Nos. 253-70
<b>Exhibits to Reply in Support of Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt</b>		
<b>Exhibit</b>	<b>Document Description</b>	
5	Declaration of Joan Wiley	Vol. 2, Bates Nos. 271-72
6	Excerpted Rough Draft Transcript of June 26, 2015 Deposition of Rhonda H. Mona, as Trustee of the Mona Family Trust Dated February 12, 2002	Vol. 2, Bates Nos. 273-75
7	Excerpted Rough Draft Transcript of June 30, 2015 Deposition of Michael Mona	Vol. 2, Bates Nos. 276-83

<b>DOCUMENT DESCRIPTION</b>	<b>LOCATION</b>
Declaration in Support of Request for Contempt (filed 07/08/15)	Vol. 2, Bates Nos. 284-91
Supplement to Response to Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (filed 07/08/15)	Vol. 2, Bates Nos. 292-97
Minutes of July 9, 2015 Show Cause Hearing	Vol. 2, Bates Nos. 298-301
Transcript of July 9, 2015 Show Cause Hearing (filed 07/14/15)	Vol. 2, Bates Nos. 302-47
Order Regarding Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (filed 07/15/15)	Vol. 2, Bates Nos. 348-58

  
CLERK OF THE COURT

1 **OSC**  
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5 ANDREA M. GANDARA, ESQ.  
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13 Facsimile: 702/791-1912

14 *Attorneys for Plaintiff Far West Industries*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California  
18 corporation,

19 Plaintiff,

20 v.

21 RIO VISTA NEVADA, LLC, a Nevada limited  
22 liability company; WORLD DEVELOPMENT,  
23 INC., a California corporation; BRUCE MAIZE,  
24 an individual; MICHAEL J. MONA, JR., an  
25 individual; DOES 1 through 100, inclusive,

26 Defendants.

Case No.: A-12-670352-F  
Dept. No.: XV

27 **ORDER TO SHOW CAUSE WHY ACCOUNTS OF RHONDA**  
28 **MONA SHOULD NOT BE SUBJECT TO EXECUTION AND WHY THE**  
29 **COURT SHOULD NOT FIND MONAS IN CONTEMPT**

30 **TO: MICHAEL J. MONA, JR., AND RHONDA MONA, INDIVIDUALLY, AND AS**  
31 **TRUSTEES OF THE MONA FAMILY TRUST DATED FEBRUARY 12, 2002**

32 The Court received and considered Plaintiff FAR WEST INDUSTRIES' ("Plaintiff" or  
33 alternatively, the "Judgment Creditor"), Ex Parte Application for an Order to Show Cause Why  
34 Accounts of Rhonda Mona Should Not be Subject to Execution and Why the Court Should Not  
35 Find Michael Mona, Jr. in Contempt (the "Application"), and good cause appearing, the Court  
36 grants the following Order:

37 ///

1 IT IS ORDERED that Defendants shall come before the above-referenced Court on the  
2 9<sup>th</sup> day of July, 2015 at 9:00 a.m. to show cause:

3 (1) Why the bank accounts in the name of Rhonda Mona, wife of Judgment Debtor  
4 Michael Mona, Jr., should not be subject to execution to satisfy Plaintiff's judgment; and

5 (2) Why the Court should not sanction the Monas and find Mr. Mona in contempt of  
6 Court for failure to comply with Court orders demanding production of documents and for lying  
7 during the previous judgment debtor examination.

8 IT IS FURTHER ORDERED that if Mr. and Mrs. Mona fail to appear at the above-  
9 referenced hearing, either personally or by way of counsel, the Court may find Mr. and Mrs.  
10 Mona in contempt, may issue any sanctions against Mr. and Mrs. Mona allowed by law, and may  
11 issue a warrant for the arrest of Mr. and Mrs. Mona.

12 IT IS FURTHER ORDERED that Plaintiff shall serve a copy of this Order and the  
13 Application on counsel for Mr. and Mrs. Mona within three (3) days of entry of this Order.

14 IT IS FURTHER ORDERED that Mr. and Mrs. Mona shall serve and file any written  
15 response to this Order no later than July 7, 2015 at 5:00 p.m.

16 IT IS FURTHER ORDERED that Plaintiff shall serve and file any written reply no later  
17 than July 8, 2015 at 5:00 p.m.

18 IT IS FURTHER ORDERED that Mr. and Mrs. Mona are prohibited from effectuating  
19 any transfers or otherwise disposing of or encumbering any property not exempt from execution  
20 until further order of this Court.

21 Dated this 30<sup>th</sup> of June 2015.

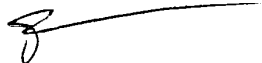
22  
23 Joe Hardy  
DISTRICT COURT JUDGE  
24 MB



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Submitted by:

**HOLLEY, DRIGGS, WALCH,  
FINE, WRAY, PUZEY & THOMPSON**



---

F. THOMAS EDWARDS, ESQ.

Nevada Bar No. 9549

ANDREA M. GANDARA, ESQ.

Nevada Bar No. 12580

400 South Fourth Street, Third Floor

Las Vegas, Nevada 89101

*Attorneys for Plaintiff Far West Industries*

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13 Facsimile: 702/791-1912

14 *Attorneys for Plaintiff Far West Industries*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California  
18 corporation,

19 Plaintiff,

20 v.

21 RIO VISTA NEVADA, LLC, a Nevada limited  
22 liability company; WORLD DEVELOPMENT,  
23 INC., a California corporation; BRUCE MAIZE,  
24 an individual, MICHAEL J. MONA, JR., an  
25 individual; DOES 1 through 100, inclusive,

26 Defendants.

Case No: A-12-670352-F  
Dept. No.: XV

**RECEIPT OF COPY**

27 RECEIPT OF COPY of the attached:

28 1. Ex Parte Application for Order to Show Cause Why Accounts of Rhonda Mona  
Should Not Be Subject to Execution and Why the Court Should not find the Monas in  
Contempt; and

2. Order To Show Cause Why Accounts of Rhonda Mona Should not be Subject to  
Execution and Why the Court Should Not Find the Monas in Contempt

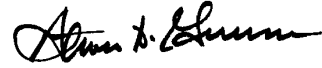
are hereby acknowledged this 30 day of June, 2015.

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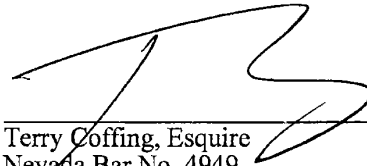
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Terry Coffing, Esquire  
Nevada Bar No. 4949  
1001 Park Run Drive  
Las Vegas, Nevada 89145

*On Behalf of Michael Mona  
and Rhonda Mona*

1 **CERTIFICATE OF SERVICE**

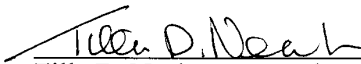
2 I certify that I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey &  
3 Thompson, and that on the 30<sup>th</sup> day of June, 2015, I served via electronic service in accordance  
4 with Administrative Order 14.2, to all interested parties, through the Court's Wiznet/Odyssey E-  
5 File & Serve, a true copy of the foregoing RECEIPT OF COPY in the above matter, addressed as  
6 follows:

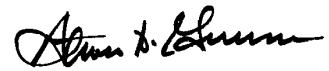
7 Terry A. Coffing, Esq.  
8 Tye S. Hanseen, Esq.  
9 MARQUIS AURBACH COFFING  
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11 Las Vegas, NV 89145  
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13 [thanseen@maclaw.com](mailto:thanseen@maclaw.com)

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12 Andrea M. Gandara, Esq.  
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14 THOMPSON  
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18 [agandara@nevadafirm.com](mailto:agandara@nevadafirm.com)

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[lee-lawfirm@live.com](mailto:lee-lawfirm@live.com)

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Tilla D. Nealon, an employee of  
Holley, Driggs, Walch, Ray, Fine, Puzey &  
Thompson



CLERK OF THE COURT

1 **NEOJ**  
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14 *Attorneys for Plaintiff*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California  
18 corporation,

19 Plaintiff,

20 v.

21 RIO VISTA NEVADA, LLC, a Nevada limited  
22 liability company; WORLD DEVELOPMENT,  
23 INC., a California corporation; BRUCE MAIZE,  
24 an individual, MICHAEL J. MONA, JR., an  
25 individual; DOES 1 through 100, inclusive,

26 Defendants.


CASE NO.: A-12-670352-F  
Dept. No.: XV

**NOTICE OF ENTRY OF ORDER TO  
SHOW CAUSE WHY ACCOUNTS OF  
RHONDA MONA SHOULD NOT BE  
SUBJECT TO EXECUTION AND WHY  
THE COURT SHOULD NOT FIND  
MONAS IN CONTEMPT**

27 YOU, and each of you, will please take notice that an **NOTICE OF ENTRY OF**  
28 **ORDER TO SHOW CAUSE WHY ACCOUNTS OF RHONDA MONA SHOULD NOT**  
**BE SUBJECT TO EXECUTION AND WHY THE COURT SHOULD NOT FIND**  
**MONAS IN CONTEMPT** was filed in this matter and entered by the Clerk of the above-  
entitled Court on the 30<sup>th</sup> day of June, 2015, a copy of which is attached hereto.

Dated this 30th day of June, 2015.

**HOLLEY DRIGGS WALCH  
FINE WRAY PUZEY & THOMPSON**



---

F. THOMAS EDWARDS, ESQ.  
Nevada Bar No. 9549  
E-mail: tedwards@nevadafirm.com  
ANDREA M. GANDARA, ESQ.  
Nevada Bar No. 12580  
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Facsimile: 702/791-1912

*Attorneys for Plaintiff*

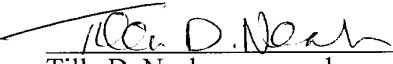
1 **CERTIFICATE OF SERVICE**

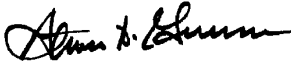
2 I certify that I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey &  
3 Thompson, and that on the 30th day of June, 2015, I served via electronic service in accordance  
4 with Administrative Order 14.2, to all interested parties, through the Court's Wiznet/Odyssey E-  
5 File & Serve, a true copy of the foregoing **NOTICE OF ENTRY OF ORDER TO SHOW**  
6 **CAUSE WHY ACCOUNTS OF RHONDA MONA SHOULD NOT BE SUBJECT TO**  
7 **EXECUTION AND WHY THE COURT SHOULD NOT FIND MONAS IN CONTEMPT**  
8 in the above matter, addressed as follows:

9 Aurora M. Maskall, Esq.  
10 David S. Lee, Esq.  
11 LEE, HERNANDEZ, LANDRUM &  
12 GARAFALO  
13 7575 Vegas Drive, #150  
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[tnealon@nevadafirm.com](mailto:tnealon@nevadafirm.com)

20   
21 Tilla D. Nealon, an employee of  
22 Holley, Driggs, Walch, Fine, Wray, Puzey &  
23 Thompson  
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CLERK OF THE COURT

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11 Las Vegas, Nevada 89101  
12 Telephone: 702/791-0308  
13 Facsimile: 702/791-1912

14 *Attorneys for Plaintiff Far West Industries*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California  
18 corporation,

19 Plaintiff,

20 v.

21 RIO VISTA NEVADA, LLC, a Nevada limited  
22 liability company; WORLD DEVELOPMENT,  
23 INC., a California corporation; BRUCE MAIZE,  
24 an individual; MICHAEL J. MONA, JR., an  
25 individual; DOES 1 through 100, inclusive,

26 Defendants.

Case No.: A-12-670352-F  
Dept. No.: XV

27 **ORDER TO SHOW CAUSE WHY ACCOUNTS OF RHONDA**  
28 **MONA SHOULD NOT BE SUBJECT TO EXECUTION AND WHY THE**  
29 **COURT SHOULD NOT FIND MONAS IN CONTEMPT**

30 **TO: MICHAEL J. MONA, JR., AND RHONDA MONA, INDIVIDUALLY, AND AS**  
31 **TRUSTEES OF THE MONA FAMILY TRUST DATED FEBRUARY 12, 2002**

32 The Court received and considered Plaintiff FAR WEST INDUSTRIES' ("Plaintiff" or  
33 alternatively, the "Judgment Creditor"), Ex Parte Application for an Order to Show Cause Why  
34 Accounts of Rhonda Mona Should Not be Subject to Execution and Why the Court Should Not  
35 Find Michael Mona, Jr. in Contempt (the "Application"), and good cause appearing, the Court  
36 grants the following Order:

37 ///



1 IT IS ORDERED that Defendants shall come before the above-referenced Court on the  
2 9<sup>th</sup> day of July, 2015 at 9:00 a.m. to show cause:

3 (1) Why the bank accounts in the name of Rhonda Mona, wife of Judgment Debtor  
4 Michael Mona, Jr., should not be subject to execution to satisfy Plaintiff's judgment; and

5 (2) Why the Court should not sanction the Monas and find Mr. Mona in contempt of  
6 Court for failure to comply with Court orders demanding production of documents and for lying  
7 during the previous judgment debtor examination.

8 IT IS FURTHER ORDERED that if Mr. and Mrs. Mona fail to appear at the above-  
9 referenced hearing, either personally or by way of counsel, the Court may find Mr. and Mrs.  
10 Mona in contempt, may issue any sanctions against Mr. and Mrs. Mona allowed by law, and may  
11 issue a warrant for the arrest of Mr. and Mrs. Mona.

12 IT IS FURTHER ORDERED that Plaintiff shall serve a copy of this Order and the  
13 Application on counsel for Mr. and Mrs. Mona within three (3) days of entry of this Order.

14 IT IS FURTHER ORDERED that Mr. and Mrs. Mona shall serve and file any written  
15 response to this Order no later than July 7, 2015 at 5:00 p.m.

16 IT IS FURTHER ORDERED that Plaintiff shall serve and file any written reply no later  
17 than July 8, 2015 at 5:00 p.m.

18 IT IS FURTHER ORDERED that Mr. and Mrs. Mona are prohibited from effectuating  
19 any transfers or otherwise disposing of or encumbering any property not exempt from execution  
20 until further order of this Court.

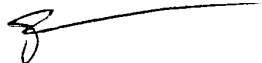
21 Dated this 30<sup>th</sup> of June 2015.

22  
23 Joe Hardy  
DISTRICT COURT JUDGE  
24 MB

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Submitted by:

**HOLLEY, DRIGGS, WALCH,  
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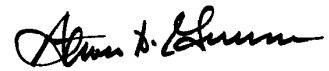
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CLERK OF THE COURT

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**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

FAR WEST INDUSTRIES, a California  
corporation,

Plaintiff,

vs.

RIO VISTA NEVADA, LLC, a Nevada limited  
liability company; WORLD DEVELOPMENT,  
INC., a California corporation; BRUCE MAIZE,  
and individual; MICHAEL J. MONA, JR., an  
individual; DOES I through 100, inclusive,

Defendants.

Case No.: A-12-670352-F  
Dept. No.: XV

**RESPONSE TO ORDER TO SHOW CAUSE WHY ACCOUNTS OF RHONDA MONA  
SHOULD NOT BE SUBJECT TO EXECUTION AND WHY THE COURT SHOULD  
NOT FIND THE MONAS IN CONTEMPT**

Defendant Michael J. Mona, Jr. ("Mona"), by and through the law firm of Marquis Aurbach Coffing, hereby submits this Response to Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find the Monas in Contempt. This Response is made and based on the attached Memorandum of Points

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1 and Authorities, the pleadings and papers on file herein, and any oral argument allowed by the  
2 Court at a hearing on this matter

3 Dated this 7th day of July, 2015.

4  
5 MARQUIS AURBACH COFFING

6  
7 By /s/ Tye S. Hanseen  
8 Terry A. Coffing, Esq.  
9 Nevada Bar No. 4949  
10 Tye S. Hanseen, Esq.  
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12 10001 Park Run Drive  
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14 Attorneys for Defendant  
15 Michael J. Mona, Jr.

16 **MEMORANDUM OF POINTS AND AUTHORITIES**

17 **I. INTRODUCTION.**

18 Considering that plaintiff obtained what amounts to an injunction without notice and  
19 without security on shortened time, this entire proceeding related to the Order to Show Cause is  
20 not appropriate. To the extent the Court continues to entertain this proceeding, plaintiff  
21 improperly expects the Court to allow it to execute against Rhonda Mona's separate property for  
22 a judgment that is not a community debt. In doing so, plaintiff fails to present a proper analysis  
23 regarding the alleged community debt, makes improper presumptions, and misrepresents facts to  
24 the Court to bolster its arguments. Further, even if the subject judgment is a community debt,  
25 Rhonda and Mike Mona are in the process of a divorce. And, it is anticipated that, because of  
26 compelling factors, the subject judgment will become Mike Mona's responsibility as part of the  
27 divorce decree. It would not be appropriate for the Court to make rulings as to the community or  
28 separate property of Mike and Rhonda Mona or the community debt with a pending divorce  
proceeding. Thus, plaintiffs cannot execute against Rhonda Mona for the judgment and the  
Court should deny plaintiff's request for relief.

1     **II.     LEGAL ARGUMENT.**

2             **A.     PLAINTIFF IMPROPERLY PRESUMES THAT THE JUDGMENT IS**  
3             **COMMUNITY DEBT WITHOUT A PROPER ANALYSIS OR**  
4             **EVIDENCE.**

5             In its ex parte request, plaintiff presumes that the subject judgment is a community debt.  
6             However, plaintiff fails to conduct a proper analysis or present the appropriate evidence to  
7             establish that the judgment is community debt. Further, due to being noticed after the close of  
8             business on June 30, 2015 of the July 7 deadline to respond to plaintiff's ex parte request and the  
9             July 9 hearing, as well as the July 4 holiday, Mona has not been allowed the time necessary to  
10            properly respond to plaintiff's presumptions. Thus, as a threshold matter, if the Court finds  
11            plaintiff's presumptions to be persuasive, Mona requests additional time to properly respond.

12            As for the presumption that the judgment is community debt, plaintiff is incorrect.  
13            Plaintiff's authority is easily distinguishable from this case. And, based on plaintiff's own  
14            authority, a judgment against a tortfeasor does not automatically become the debt of the  
15            tortfeasor's spouse. Without an appropriate analysis, Plaintiff relies on Norwest Fin. v. Lawver,  
16            849 P.2d 324, 326 (Nev. 1993) for the proposition that the judgment against Mike Mona is  
17            automatically a judgment against Rhonda Mona. See Pltf's ex parte application at 8:19.  
18            However, the standard for determining whether a debt is community or separate entails factually  
19            discerning the intent of the parties when entering into the transaction. See Norwest Fin. v.  
20            Lawver, 849 P.2d 324, 326-327 (Nev. 1993) (indicating that there must be a determination the  
21            lender's intent when granting the loan) (citing Schulman v. Schulman, 92 Nev. 707, 716-17, 558  
22            P.2d 525, 531 (1976); Hogevoll v. Hogevoll, 59 Cal.App.2d 188, 138 P.2d 693, 697 (1943)).  
23            "The character of [the] property acquired upon credit during marriage is determined according  
24            to the intent of the lender to rely upon the separate property of the purchaser or upon a  
25            community asset." Id. (quoting In re Marriage of Aufmuth, 89 Cal.App.3d 446, 152 Cal.Rptr.  
26            668, 674 (1979)).

27            Consistent with the authority above, in Lawver, the subject debt was community debt  
28            because both Nellie Lawver and her husband, William Lawver, incurred the debt to Norwest  
29            Financial. Lawver, at 324-326. After William and Nellie were married, they both executed a

1 promissory note in favor of Norwest. Id. The note was governed by Nevada law and provided  
2 that “[a]ll persons signing this Note will be fully responsible for paying it in full.” Id. Also, the  
3 note was secured by the couples’ household goods. Id. In addition, the loan application  
4 indicated that the salaries of both spouses were considered in the granting of the loan. Id.  
5 Further, there was a security agreement describing community property as the collateral which  
6 secured the loan and no indication that Norwest relied on any property other than community  
7 property in securing or granting the loan to the Lawvers. Id. As a result, the Court held that the  
8 transaction created a community debt. Id.

9 Here, there has not been an analysis regarding the alleged community debt or, frankly,  
10 time allowed to rebut any such presumption. Doing so, for either side, would take the unraveling  
11 of the history and related transactions surrounding the judgment. That said, the Order related to  
12 the judgment provides insight that Rhonda Mona had nothing to do with the related transactions,  
13 was not obligated on any front, and the related transactions involved multiple entities and/or  
14 individuals that had nothing to do with Rhonda, including Rio Vista Nevada, World  
15 Development, Bruce Maize, Mike Mona, Michael Shustek, Vestin, Burnett, Rio Vista Village,  
16 WHP Rio Vista, Capstone Housing Partners, Far West, and others. See Order attached as **Ex. A.**  
17 Further, Rhonda Mona had nothing to do with the related transactions. Id. There is no evidence  
18 that Rhonda signed any documents, was a guarantor, was a manager or officer of any of the  
19 involved entities, agreed to anything the involved parties were doing, knew about the  
20 transactions, or that any community property secured any transactions. Id. Moreover, there is no  
21 evidence that Far West even knew Rhonda Mona existed, relied or intended that she have  
22 anything to do with the transactions, relied or intended that her community property be subject to  
23 the transactions, or relied or intended anything else having anything to do with Rhonda Mona.  
24 Id. To the contrary, according to the Order, Far West relied extensively on representations that  
25 Bruce Maize was making to it and an Amendment to a Loan. Id. at 5:22-7:9. Also, Mike Mona  
26 assumed that Maize was informing Far West of certain details, but Maize was not doing so. Id.  
27 at 8:15-8:25. Thus, Far West relied on nothing from Rhonda Mona and did not intend that she  
28 have anything to do with the transactions. Id. Otherwise, Far West likely would have included

1 Rhonda as a defendant in the suit, which it did not. Id. Moreover, there is no evidence to  
2 indicate that Mike Mona or any of the other parties involved in the subject transactions related to  
3 the judgment had any intentions or relied on Rhonda Mona being involved on any level. Id.

4 In conclusion, when considering the intent of the parties when entering into the related  
5 transactions, which is the standard when determining whether debt is community or separate, it is  
6 evident that there was no intention hat Rhonda Mona be obligated or associated with the  
7 transactions or related obligations on any level. Id. and Norwest Fin. v. Lawver, 849 P.2d 324,  
8 326-327 (Nev. 1993) (indicating that there must be a determination the lender's intent when  
9 granting the loan) (citing Schulman v. Schulman, 92 Nev. 707, 716-17, 558 P.2d 525, 531  
10 (1976); Hogevoll v. Hogevoll, 59 Cal.App.2d 188, 138 P.2d 693, 697 (1943)). “The character  
11 of [the] property acquired upon credit during marriage is determined according to the intent of  
12 the lender to rely upon the separate property of the purchaser or upon a community asset.” Id.  
13 (quoting In re Marriage of Aufmuth, 89 Cal.App.3d 446, 152 Cal.Rptr. 668, 674 (1979)).  
14 Therefore, the judgment is separate debt belonging to Mike Mona. And, if the Court is  
15 persuaded otherwise, considering the ramifications of such a decision, there should be an  
16 opportunity to present further evidence, not on shortened time, to rebut any related  
17 presumption/to establish that the debt is separate and not community.

18 **B. RHONDA AND MIKE MONA ARE IN THE PROCESS OF DIVORCING**  
19 **AND IT IS ANTICIPATED THAT THE SUBJECT JUDGMENT WILL BE**  
20 **FORMALLY ALLOCATED TO MIKE AS HIS SEPARATE DEBT.**

21 While the law regarding what is community debt and what is separate debt is not as  
22 clearly defined as the law regarding characterization of assets, NRS 123.050 implies that there  
23 are these two separate categories of debt. NRS 123.050. Prior to the change in 1993 to the  
24 requirement of an equal, rather than equitable, division of the community, the Nevada Supreme  
25 Court held that district courts “are granted broad discretion to determine the equitable  
26 distribution of community property and debts . . .” Malmquist v. Malmquist, 792 P.2d 372, 384  
27 (Nev. 1990). This implies that debts, just like assets, are supposed to be divided in some fashion  
28 between the spouses. Id. To that end, in divorce proceedings, courts may provide for unequal  
division of debt within the divorce decree if they provide written explanation for the division.

1 See Wolff v. Wolff, 112 Nev. 1355, 1362, 929 P.2d 916 (1996) (citing Nevada Family Law  
2 Practice Manual, 2008 Edition Chapter 1, Page 1.347). Further, consistent with this authority,  
3 NRS 125.150(1)(a) provides for an unequal disposition of the community property in such  
4 proportions as it [the court] deems just if the court finds a compelling reason to do so and sets  
5 forth in writing the reasons for making the unequal disposition. Id. and NRS 125.150(1)(a).  
6 Further, misconduct of one spouse may provide a compelling reason for an unequal division.  
7 Lofgren v. Lofgren, 926 P.2d 296, 297 (Nev. 1996); see also Putterman v. Putterman, 939 P.2d  
8 1047, 1048-49 (Nev. 1997) (citation omitted) (stating that one form of “compelling reasons”  
9 which would justify an unequal division is the financial misconduct of one of the parties). Other  
10 possible compelling reasons could be loss or destruction of community property, compensation  
11 for losses occasioned by marriage and its breakup, hiding or wasting of community assets, and  
12 misappropriating community assets for personal gain. Putterman, at 1048-49.

13 Here, Rhonda and Mike Mona are in the process of a divorce. The court has authority to  
14 make unequal distribution of the debt confirming further that Mike Mona is responsible for  
15 100% of the debt regarding the subject judgment. There are compelling reasons to do so, which  
16 include: Rhonda’s non-involvement with the transactions; Rhonda’s lack of knowledge of the  
17 transactions; Mike Mona’s alleged misconduct associated with the transactions; the fact that  
18 Rhonda signed no documents; Rhonda was not a guarantor; Rhonda was not a manager of the  
19 involved entities; Rhonda did not agree to or was involved in decisions or anything the involved  
20 parties were doing; Rhonda was not privy to the transactions; and, Rhonda’s portion of  
21 community property did not secure any transactions. Id. Moreover, there is no evidence that Far  
22 West even knew Rhonda Mona existed, relied or intended that she have anything to do with the  
23 transactions, relied or intended that her community property be subject to the transactions, or  
24 relied or intended anything else having anything to do with Rhonda Mona. Id. To the contrary,  
25 according to the Order, Far West relied extensively on representations that Bruce Maize was  
26 making to it and an Amendment to a Loan. Id. at 5:22-7:9. Also, Mike Mona assumed that  
27 Maize was informing Far West of certain details, but Maize was not doing so. Id. at 8:15-8:25.  
28 Thus, Far West relied on nothing from Rhonda Mona and did not intend that she have anything



1 to do with the transactions. Id. Otherwise, Far West likely would have included Rhonda as a  
2 defendant in the suit, which it did not. Id. Moreover, Mike Mona had no intentions of Rhonda  
3 Mona being involved in the related transactions on any level. Id. Furthermore, Rhonda does not  
4 have the capacity to pay the judgment that Mike possesses. As a result, there are compelling  
5 reasons for the court to allocate all of the debt associated with the judgment to Mike Mona.  
6 Therefore, Rhonda is not responsible for the payment of the judgment.

7  
8 **C. RHONDA MONA'S SHARE OF THE COMMUNITY PROPERTY FROM  
THE STOCK SALE IS HER SEPARATE PROPERTY.**

9 Although all property acquired after marriage is presumed to be community property, this  
10 presumption may be rebutted by clear and convincing evidence. Lawver, at 326 (citing Forrest  
11 v. Forrest, 668 P.2d 275, 277 (Nev. 1983)). Further, debts incurred by one spouse during the  
12 marriage may not be enforced against the separate property of the non-incurring spouse. United  
13 States v. ITT Consumer Fin. Corp., 816 F.2d 487, 491 (9th Cir. 1987) (referencing NRS  
14 123.050).

15 Here, plaintiff desires to execute on Rhonda's separate property. There is clear and  
16 convincing evidence that Rhonda's community property share of the funds from the Medical  
17 Marijuana stock sale are her separate property. See Post-Marital Property Settlement Agreement  
18 attached as **Ex. B**. In the Property Settlement Agreement, Mike and Rhonda Mona agreed that  
19 each would take half of the \$6.8 million from the stock sale as their separate property. Id.  
20 Further, NRS 123.080 authorizes such a transaction and confirms that the mutual consent of the  
21 parties is sufficient consideration for such an agreement. NRS 123.080. Specifically, NRS  
22 123.080 states:

23 **NRS 123.080 Contract altering legal relations: Separation agreement;  
24 consideration; introduction in evidence in divorce action.**

25 1. A husband and wife cannot by any contract with each other alter their  
26 legal relations except as to property, and except that they may agree to an  
immediate separation and may make provision for the support of either of them  
and of their children during such separation.

27 2. The mutual consent of the parties is a sufficient consideration for such an  
28 agreement as is mentioned in subsection 1.

1           3. In the event that a suit for divorce is pending or immediately  
2 contemplated by one of the spouses against the other, the validity of such  
3 agreement shall not be affected by a provision therein that the agreement is made  
4 for the purpose of removing the subject matter thereof from the field of litigation,  
5 and that in the event of a divorce being granted to either party, the agreement shall  
6 become effective and not otherwise.

7           4. If a contract executed by a husband and wife, or a copy thereof, be  
8 introduced in evidence as an exhibit in any divorce action, and the court shall by  
9 decree or judgment ratify or adopt or approve the contract by reference thereto,  
10 the decree or judgment shall have the same force and effect and legal  
11 consequences as though the contract were copied into the decree, or attached  
12 thereto.

13           NRS 123.080. As a result, the funds from the stock sale that plaintiff desires to execute on are  
14 not community property. Per the agreement between the parties, which NRS 123.080 authorizes,  
15 Rhonda's community property portion of the funds are her separate property. Thus, plaintiff is  
16 not entitled to execute on said funds. ITT Consumer Fin. Corp., at 491.

17           **D. THERE WAS NO FRAUDULENT TRANSFER AND IT WOULD BE**  
18 **INAPPROPRIATE FOR THIS COURT TO MAKE A FINDING OF A**  
19 **FRAUDULENT TRANSFER UNDER THE CIRCUMSTANCES.**

20           Mona does not understand how plaintiff has acquired ex parte orders within one day from  
21 this Court under the circumstances of this case, especially considering this time the Order to  
22 show cause is essentially an injunction without any notice or security as NRCP 65 requires.  
23 With that context, plaintiff is now attempting to get this court to make a finding of a fraudulent  
24 transfer regarding the \$6.8 million stock sale without a proper complaint, discovery, opportunity  
25 to be heard, or proceeding. Nevertheless, to the extent possible on shortened time and under the  
26 circumstances of an ex parte Order acting as an injunction being obtained without notice and  
27 security, Mona addresses each of the fraudulent transfer factors. Under NRS 112.180 fraudulent  
28 transfer is one intended to "hinder, delay, or defraud any creditor of the debtor" and determining  
intent is done by consideration of various factors, including the following:

1           ***1-Transfer or Obligation was to an Insider.***

2           There was no transfer here. There was community property that Rhonda and Mike Mona  
3 decided to take their community property portions of and make them separate property. There  
4 was no transfer from Rhonda to Mike or from Mike to Rhonda. The idea that there was some  
5 mythical transfer is non-sensical. Thus, this factor favors Mona.

1           ***2-The debtor retained possession or control of the property transferred after the***  
2           ***transfer.***

3           First, there was no transfer. Second, Mona did not retain control of the property. Rhonda  
4           took her separate property and deposited it in her own account. And, although she “believes” she  
5           received \$2 million, there is no evidence at this time that Mike Mona controlled Rhonda’s \$2  
6           million, Rhonda’s remaining \$1.4 million, whether Rhonda indeed received \$2 million or \$3.4  
7           million, or what even happened to the remaining \$1.4 million. Thus, there is no evidence that  
8           Mike Mona retained control of the funds, which were not “transferred” in the first place. As a  
9           result, this factor favors Mona.

10           ***3-The transfer or obligation was disclosed or concealed.***

11           There was no transfer and the agreement to make the community property separate  
12           property was not concealed. Mona voluntarily disclosed the Property Settlement Agreement.  
13           Further, he previously disclosed 33,000 pages of documents to plaintiff and believes that the  
14           Property Settlement Agreement was within the 33,000 pages. See Ex. C. Further, there is no  
15           Declaration from plaintiff advising that the Property Settlement Agreement is not within the  
16           33,000 pages. And, even if there was a Declaration from the other side, it’s been over a year and  
17           a half since the initial disclosure and plaintiff did nothing, Mona voluntarily disclosed the  
18           Property Settlement Agreement (he believes for a second time) in his current disclosure, and now  
19           plaintiff claims Mona was concealing the Agreement. Moreover, Mona was the one who  
20           notified plaintiff of the Property Settlement Agreement – this cannot equate to concealment.  
21           Moreover, Mona did not conceal anything during his testimony. He told the truth in response to  
22           questions and counsel for plaintiff failed to ask additional questions and appropriate follow up.  
23           Id. It is not Mona’s responsibility to educate counsel on the questions or lack of follow ups to  
24           ask at a judgment debtor examination. Moreover, plaintiff’s misconstruing of the facts  
25           associated with this factor is noted. Thus, this factor favors Mona.

1           ***4-Before the transfer was made or obligation was incurred, the debtor had been sued***  
2           ***or threatened with suit.***

3           Again, there was no transfer and there cannot be a fraudulent transfer without a transfer.  
4           Mike and Rhonda simply agreed that their portions of community property from the stock sale  
5           would be their separate property. Thus, this factor favors Mona.

6           ***5-The transfer was of substantially all the debtor's assets.***

7           It is noted again that plaintiff has misconstrued the facts to bolster its arguments.  
8           Plaintiff claims that the agreement to make the community property separate property equates to  
9           a transfer of substantially all of Mike Mona's assets, which is not accurate. First of all, Mona's  
10          salary is approximately \$300,000 per year with CannaVest and plaintiff has been garnishing it  
11          for multiple months. Second, according to plaintiff's allegations, Rhonda placed \$2 million of  
12          the \$6.8 million in her bank account as her separate property. This, according to plaintiff,  
13          resulted in Mike Mona controlling and retaining \$4.8 million. Thus, even under the worst case  
14          scenario and plaintiff's own allegations, if the \$6.8 million represented all of Mike Mona's  
15          assets, Mike Mona retained 71% of the funds from the stock sale. Under no circumstances does  
16          retaining 71% of your alleged total assets equate to a transfer of substantially all of your assets.  
17          This is another example of plaintiff stretching the facts to bolster its arguments to this Court.  
18          Thus, this factor favors Mona.

19          ***6-The debtor absconded.***

20          Notably, plaintiff ignored this factor as if it didn't exist – likely because it did not favor  
21          plaintiff on any level. Mona is present, has participated in two judgment debtor examinations,  
22          has produced over 34,000 pages of documents, and is not going anywhere. He has not  
23          absconded. Thus, this factor favors Mona.

24          ***7-The debtor removed or concealed assets.***

25          There was no concealment of assets. Mona plainly told plaintiff's counsel in his first  
26          judgment debtor examination that he obtained \$6 million or so from a stock sale. Plaintiff's  
27          counsel asked a couple of questions and moved on to further questioning regarding Roen and  
28          CannaVest. Mona did not lie. And, it is not his job to tell plaintiff's counsel what questions to

1 ask. Moreover, Mona was the one who notified Plaintiff of the Property Settlement Agreement.  
2 If he had not voluntarily produced the Agreement, which he believes he has now done twice,  
3 plaintiff still would not know about it. Thus, there was no concealment and this factor favors  
4 Mona.

5 ***8-The value of the consideration received by the debtor was reasonably equivalent to***  
6 ***the value of the asset transferred or the amount of the obligation incurred.***

7 Notably, plaintiff ignored this factor as if it didn't exist – likely because it did not favor  
8 plaintiff on any level. Pursuant to NRS 123.080, the mutual consent of the parties is a sufficient  
9 consideration for such an agreement as the Property Settlement Agreement. NRS 123.080(4).  
10 Thus, this factor favors Mona.

11 ***9-The debtor was insolvent or became insolvent shortly after the transfer was made or***  
12 ***the obligation was incurred.***

13 Simply because Mona does not have the means to satisfy what plaintiff alleges is now a  
14 \$23 million judgment, does not mean he is insolvent. His salary with CannaVest is  
15 approximately \$300,000. And, plaintiff has been garnishing the salary for multiple months.  
16 Further, according to plaintiff's own allegations, Mona maintained control of at least \$4.8  
17 million from the stock sale. Further, Mona pays his obligations to his creditors. Thus, Mona  
18 was not insolvent at the time of the Property Settlement Agreement or shortly thereafter. As a  
19 result, this factor favors Mona.

20 ***10-The transfer occurred shortly before or shortly after a substantial debt was***  
21 ***incurred.***

22 The Order that is the subject of the judgment in this case was filed on March 6, 2012.  
23 **Ex. A.** The Property Settlement Agreement is dated September 13, 2013. **Ex. B.** Thus, it was  
24 over a year and a half later that Mona entered into the Property Settlement Agreement. A year  
25 and a half does not equate to “shortly before or shortly after a substantial debt was incurred.”  
26 Notably, plaintiff again misconstrues the facts to the Court trying to pass off the November 2013  
27 judgment debtor examination date as the date some substantial debt was incurred – the lack of  
28

1 candor to the Court in this and other unsupported assertions is evident. As a result, this factor  
2 favors Mona.

3 *11-The debtor transferred the essential assets of the business to a lienor who*  
4 *transferred the assets to an insider of the debtor.*

5 This factor does not apply to Mona because he did not engage in such conduct. Thus, if  
6 considered, it favors him.

7 In summary, even if the Court was in a position to make a finding of a fraudulent transfer  
8 without a proper claim, proceeding, evidence, discovery, and opportunity to be heard on the  
9 premise of what amounts to an injunction on shortened time without notice or security, the  
10 factors of to consider favor Mona and, at a minimum, raise substantial doubt in regards to  
11 plaintiff's allegations. Thus, there was no fraudulent transfer and there is no basis for such a  
12 finding.

13 **E. PLAINTIFF'S ALLEGATIONS OF DECEIT, VIOLATION OF COURT**  
14 **ORDERS, AND REQUEST FOR SANCTIONS ARE MISPLACED AND**  
15 **UNSUPPORTED.**

16 It is understandable that plaintiff may have been dissatisfied with his prior counsel and  
17 the fact that he has an alleged \$23 million judgment that has not been collected on. It is also  
18 understandable that a person holding an alleged \$23 million judgment could become aggressive  
19 with counsel and very frustrated. That said, such circumstances do not authorize lack of candor  
20 to the Court in such proceedings. Here, plaintiff's factual allegations, although fiercely  
21 advocating for plaintiff's rights, are not quite accurate. Specifically, plaintiff makes multiple  
22 allegations of lack of production of documents and deceit, which are not true. For example:

- 23 • Plaintiff asserts that Mona failed to comply with the Court's order because he did  
24 not produce Rhonda's bank records. See Pltf's Mot at 6:19-8:5. Notably, none of  
25 the requests plaintiff cites to have anything to do with Rhonda. Id. Rather, they  
26 specifically reference the "Judgment Debtor" and Rhonda is not the "Judgment  
27 Debtor."
- 28 • Plaintiff asserts that Mona concealed information during his testimony in  
November 2013. Id. at 5:25-6-10. Notably, the portion of the transcript that

1 plaintiff cites to shows that Mona told the truth and plaintiff's counsel simply  
2 stopped asking questions. Id. Counsel asked Mona what he did with the \$6  
3 million and Mona indicated that he loaned \$2.6 million to Roen. Id. The next  
4 logical question would be where is the remaining \$3.4 million? Id. But, based on  
5 what plaintiff cited from the transcript, the question never came. Id. Rather,  
6 plaintiff moved on to discussing CannaVest and Roen. Id. This is not lying or  
7 concealing.

- 8 • Plaintiff keeps pretending that Mona is delaying, not complying, etc. This is  
9 nothing but show for the Court. Mona has made himself available for two  
10 multiple hour judgment debtor examinations in the last year and a half and has  
11 disclosed over 34,000 pages of related documents. His wife, who is not a  
12 judgment debtor, has even participated in a judgment debtor examination. And,  
13 on some level, the matter has cost him his marriage. This is not a man who is  
14 avoiding compliance/not cooperating/not taking the proceedings seriously.

15 Thus, the allegation from plaintiff that Mona lied under oath is actually a lie from  
16 plaintiff. See Pltf's Mot. at 14:23. The transcript does not even support the allegation that there  
17 was any lying. Id. at 5:25-6:9. And, it is not Mona's problem that plaintiff's prior counsel  
18 moved on to other questioning without asking obvious important follow up questions. Id. It is,  
19 however, clear that there was no lying and such accusations better be accurate when presented to  
20 a court to obtain what amounts to an injunction without notice on shortened time and without  
21 security. And, lack of candor to this Court and misrepresenting facts, in plaintiff's own words,  
22 "are very serious offenses, warranting serious consequences." Id. at 14:27-28. Thus, there is no  
23 basis for sanctioning Mona. He continues to cooperate, his counsel continues to cooperate, he  
24 has participated in two judgment debtor examinations, and he has provided over 34,000 pages of  
25 documents.

### 26 **III. CONCLUSION.**

27 It would not be appropriate for the Court to consider the matters regarding community  
28 and separate property and community debt with a pending divorce proceeding. Further, even if

1 there was not a pending divorce, the subject judgment is not community debt and execution  
2 against Rhonda Mona, who is not a judgment debtor, is not appropriate. Further, it is not proper  
3 for plaintiff to execute against Rhonda's separate property. Moreover, it is anticipated that the  
4 subject judgment will be confirmed as Mike Mona's sole debt in the divorce proceeding. As a  
5 result, based on the foregoing, the Court should deny plaintiff's request.

6 Dated this 7th day of July, 2015.

7 MARQUIS AURBACH COFFING

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By /s/ Tye S. Hanseen  
Terry A. Coffing, Esq.  
Nevada Bar No. 4949  
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10001 Park Run Drive  
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Attorneys for Defendant  
Michael J. Mona, Jr.



**CERTIFICATE OF SERVICE**

I hereby certify that the **DEFENDANT MICHAEL J. MONA, JR.'S RESPONSE TO ORDER TO SHOW CAUSE WHY ACCOUNTS OF RHONDA MONA SHOULD NOT BE SUBJECT TO EXECUTION AND WHY THE COURT SHOULD NOT FIND THE MONAS IN CONTEMPT** was submitted electronically for filing and/or service with the Eighth Judicial District Court on the 7th day of July, 2015. Electronic service of the foregoing document shall be made in accordance with the E-Service List as follows:<sup>1</sup>

**Holley Driggs Walch Fine Wray Puzey & Thompson****Contact**

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I further certify that I served a copy of this document by mailing a true and correct copy thereof, postage prepaid, addressed to:

N/A

/s/ Tye S. Hanseen  
an employee of Marquis Aurbach Coffing

<sup>1</sup> Pursuant to EDCR 8.05(a), each party who submits an E-Filed document through the E-Filing System consents to electronic service in accordance with NRCP 5(b)(2)(D).

**EXHIBIT “A”**

**EXHIBIT “A”**

FILED  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVERSIDE

MAR 06 2012

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE

FAR WEST INDUSTRIES, A CALIFORNIA ) Case No. RIC495966  
CORPORATION, PLAINTIFF V RIO VISTA NEVEDA, )  
LLC, A NEVADA LIMITED LIABILITY; WORLD ) JUDGE: Hon. Jacqueline Jackson  
DEVELOPMENT, INC., A CALIFORNIA CORPORATION: ) DEPT: J1  
BRUCE MAIZE, AN INDIVIDUAL; MICHAEL J. MONA, ) FINDINGS OF FACT AND  
JR., AN INDIVIDUAL, AND DOES 1 THROUGH 100, ) CONCLUSIONS OF LAW  
INCLUSIVE, DEFENDANTS )  
Action Filed: March 24, 2008  
Trial Date: September 23, 2011

On September 23, 2011, the above-referenced action came on for trial before the Honorable Jacqueline C. Jackson, Judge presiding. Plaintiff Far West Industries, a California corporation ("Far West") was represented by Robert L. Green & Hall, APC. Defaults were taken against Defendants Rio Vista Nevada, LLC, a Nevada limited liability company ("RVN") and World Development, Inc., a California corporation ("World Development") on October 7, 2010. Defendant Michael J. Mona, Jr. ("Mona"), both individually and as a Trustee of the Mona Family Trust dated February 21, 2002, was represented by Howard Golds and Jerry R. Dagrella of Best, Best and Krieger, LLP. After considering the trial testimony and evidence, the Court issued its Statement of Tentative Decision on November 30, 2011. Pursuant to Rule 3.1590(c)(3)

1 of the California Rules of Court, Far West was directed to prepare these Findings of Fact and  
2 Conclusions of Law. The court has edited them and this is the final version.

3 **I. Summary of Facts and Evidence**

4 **A. Mona Acquires the Project**

- 5 1. Michael Shustek ("Shustek") was for all times relevant herein the President of Vestin  
6 Mortgage, Inc. ("Vestin").
- 7 2. Vestin is a mortgage broker who lends money from Vestin-controlled Real Estate  
8 Investments Trust ("REIT").
- 9 3. Vestin had loaned money to Lynn Burnett ("Burnett"), who in 2003 was developing a  
10 project which consisted of 1,362 lots in Cathedral City, California (the "Project").
- 11 4. 549 of those lots were being financed by Vestin (the balance by another lender), and  
12 Burnett had defaulted on his loan.
- 13 5. Shustek asked Mona to purchase from Burnett that portion of the Project financed by  
14 Vestin, and in doing so, agreed to loan Mona \$35 million of the REIT's money.
- 15 6. Shustek asked Mona to get involved even though Mona had no experience building a  
16 master planned residential community.
- 17 7. Of the Vestin \$35 million loan, \$19,268,568.32 was paid to purchase the Project; this  
18 was the amount needed to fully pay off Burnett's loan to Vestin.
- 19 8. \$9 million was to pay for the construction (the "Construction Loan") and \$3.6 million  
20 was reserved to pay interest on the loan (the "Interest Reserve").
- 21 9. Mona formed RVN, a Nevada, single-purpose LLC to take title to the Project.
- 22 10. The Mona Family Trust dated February 21, 2002 ("Mona Family Trust") owned  
23 100% of RVN.
- 24 11. Mona contributed no capital to RVN upon its formation. He formed that entity and  
25 took title in its name "to avoid liability". He had no intention of making any personal  
investment in the Project because it was "too risky".
12. Mona provided Vestin with a 12-month guaranty of the RVN loan (the "Guaranty")  
by another single-purpose, Nevada entity that was owned solely by Mona and also  
had no capital or assets, Emerald Suites Bonanza, LLC ("Emerald Suites").
13. For its part, Vestin (and not the REITs) was paid an initial fee of \$1.4 million from  
the RVN loan proceeds.

1  
2 **B. Mona Distributes Construction Loan Proceeds for Purposes Other than**  
3 **Construction**

- 4 14. Mona began issuing checks from the Construction Loan.
- 5 15. More particularly, on February 9, 2004, the first draw was made on the Construction  
6 Loan for \$2,448,481.82.
- 7 16. When that money was deposited into the RVN checking account three days later,  
8 there was only \$2,118,776.38 left.
- 9 17. Mona "couldn't remember" what happened to the remaining \$329,705.55.
- 10 18. Mona and his wife are the sole Trustees and Beneficiaries of the Mona Family Trust  
11 (a revocable trust). The Mona Family Trust was 100% owner of RVN at that time  
12 and Mona was the only signatory on the RVN account.
- 13 19. There was \$900,00 paid to RVN on February 5, 2004.
- 14 20. This check was deposited into the RVN account, but does not show up on the RVN  
15 Account Register.
- 16 21. Mona also paid \$702,000 from the Construction Loan to certain individuals and  
17 entities at the express direction of Shustek, even though those individuals and entities  
18 had never been affiliated with the Project, preformed no work on the Project, and  
19 Mona did not even know who they were.
- 20 22. Mona then paid \$1,283,700 to the Mona Family Trust, himself, and MonaCo  
21 Development Company (his Nevada construction company) from the Construction  
22 Loan at the direction of Shustek who had told Mona that Mona could take a \$1  
23 million fee for himself up front.
- 24 23. There was no provision in the RVN Operating Agreement for any of these payments.
- 25 24. The Court finds that Mona took the money for himself, the Mona Family Trust, and  
MonaCo Development from RVN shortly after he acquired the Project.
- 25 25. At the time that Mona took that money, and also immediately paid the \$1.4 million  
fee to Vestin and the \$702,000 to the Shustek-related individuals, RVN was insolvent.

26 **C. RVVA is Also Created at the Same Time**

- 27 26. Mona had only purchased 549 of the Project's 1,362 total lots.

1 27. Because it was all being developed at the same time, and Burnett was retaining the  
2 balance of the Project, he and Mona created Rio Vista Village Associates, LLC  
3 ("RVVA") to perform all of master plan community work which benefitted both parcels  
jointly (infrastructure improvements such as streets, utilities, a clubhouse, a park,  
landscaped detention basins, a water reservoir, a school, etc.).

4 28. Mona was the sole Manager of the RVN and one of the two Managers of the RVVA.

5 29. Mona retained his title and function as a Manager of RVN throughout the life of that  
6 entity, and for all times relevant, he was in charge of all finances for the RVN and the  
7 Project.

8 D. Mona Solicits World Development's Participation

9 30. Mona solicited World Development's involvement in the Project.

10 31. The Mona Family Trust sold 45% of RVN to World Development for \$45.

11 32. At that time, the Mona Family Trust also contributed \$55 in capital to RVN.

12 33. This \$100 from World Development and the Mona Family Trust was the only capital  
13 ever contributed to RVN at any time.

14 34. For all times relevant hereafter, World Development's CEO and the designated  
Manager of RVN was Bruce Maize ("Maize").

15 35. Mona remained Co-Manager of RVN with Maize.

16 E. The Project

17 36. Burnett defaulted on his other loan for the balance of the Project and filed  
18 bankruptcy.

19 37. His interest in RVVA was thereafter acquired by WHP Rio Vista, LLC, which was  
20 owned by Capstone Housing Partners, LLC ("Capstone").

21 38. By October of 2005, RVN had exhausted Interest Reserve.

22 39. Maize and Mona knew that the Project still required \$15 million in construction costs,  
23 with 40% (\$6,000,000) owned by RVN under the RVVA Operating Agreement.

24 40. That \$6,000,000 sum did not include interest payments on the \$35 million loan  
25 (which were as high as \$411,230.96 per month and which were no longer able to be paid  
from the Interest Reserve since it had already been exhausted).

1 41. In an Amended Operating Agreement for RVVA, RVN allowed Capstone to become  
2 a member of RVVA under certain conditions.

3 42. One such condition required Capstone to contribute just under \$1,500,000 to  
4 reimburse RVN for construction costs.

5 43. World Development learned about Mona's above-referenced million-dollar-plus  
6 payments from the Construction Loan to himself, his Family Trust and MonaCo  
7 Development and demanded that it also receive a distribution of "profits" to World  
8 Development in the amount of \$856,598.60, even though RVN had a negative net worth  
9 of \$3.8 million at the time and no revenue from inception.

10 H. January of 2006

11 44. In January of 2006, the Construction Loan was coming due with no funds to pay it  
12 off.

13 45. Mona and Vestin agreed to extend the Construction Loan for a short period of time  
14 (three months), at the cost of \$700,000 in loan extension fees.

15 46. That \$700,000 came from the Construction Loan proceeds and it was paid to Vestin,  
16 not the REITs.

17 47. Therefore as of January of 2006, Vestin had now collected an aggregate of  
18 \$2.1 million on loan fees from the Project (\$1.4 million initial fee plus the \$700,000  
19 extension).

20 48. The parties documented that extension in a January 3, 2006, Loan Extension  
21 Agreement (the "Amendment").

22 49. Mona was concerned the Project was in financial trouble in January of 2006.

23 50. At that time, conversations took place between Maize and Mona about a plan to "sell  
24 the asset, get the loan paid off, and move down the road."

25 51. That's also why at this time, RVN hired Park Place Partners to sell either the entire  
Project, or any parts of it they could.

I. Far West Expresses Interest in the Project

52. In approximately January of 2006, Far West was considering purchasing a portion of  
the Project.

53. One of the things requested by Far West was information about who was behind the  
RVN and guarantying its obligations.

1 54. Scott Lissoy ("Lissoy") of Far West knew of Maize and held Maize in high regard.

2 55. While that relationship gave Far West some measure of comfort regarding this  
3 Project, it still wanted to be sure that somebody had something financially at risk to make  
4 sure that they would deliver to Far West critical infrastructure and critical water meters  
after escrow closed.

5 56. Far West was purchasing 76 lots from RVN that were effectively an "island" in the  
6 middle of a large undeveloped residential community.

7 57. If the infrastructure surrounding that island was not completed, Far West would have  
no streets, water, electricity, sewer, telephone and the like, and the like, and the like.

8 58. It would also be in the midst of a master-planned community (clubhouse, swimming  
9 pools, community parks, common areas everywhere, etc.) that would not be completed.

10 59. Any hope of successfully building and selling homes would be gone, and therefore  
11 Far West wanted to insure that the infrastructure was going to be completed in a timely  
manner (by the agreed date of November 1, 2006).

12 60. Maize represented to Lissoy that RVN and RVVA could complete all infrastructures  
13 by November 1, 2006.

14 61. Far West therefore asked Maize to include specific Representation and Warranty in  
15 the Purchase Agreements, thereby obligating RVN to complete that entire infrastructure  
by November 1, 2006.

16 62. Far West also secured Representations and Warranties that confirmed what Maize  
17 was telling it on behalf of RVN; all necessary water meters would be available to Far  
18 West at the close of escrow and there was no claims either pending or threatened by any  
entity that might otherwise negatively impact the development of Far West's lots and/or  
the construction of the Project's infrastructure.

19 63. Finally, Far West asked Maize to confirm what he had told Lissoy; that the "Due  
20 Diligence Documents" given by Maize to Far West included everything that was material  
to the transaction.

21 64. Lissoy also asked Maize about who was financially behind RVN, and when Maize  
22 and Robert Pippen (World Development's and RVN attorney) represented to Lissoy and  
23 Ira Glasky of Far West that Mona was a man of substantial financial means who had  
personally guaranteed the Vestin loan, Lissoy asked for written proof.

24 65. The next day, Richard Van Buskirk (on behalf of Maize) asked for written proof of  
25 Mona's personal Guaranty.



1 66. Mona had in his possession an amendment to the Loan (the "Amendment"), a  
2 document that he had signed in January, 2006 as an individual.

3 67. Therefore in response to the initial request from Lissoy, Mona's Office Manager (on  
4 behalf of Mona and acting as his agent) provided Maize with the Amendment (and not  
5 the actual Guaranty), since it represented him to be the Guarantor personally by separate  
signature and it neither revealed that the Guaranty was from Emerald Suites nor that it  
had expired.

6 68. The Amendment was forwarded to Far West the next day in response to its inquiries  
7 regarding confirmation of Mona's personal Guaranty.

8 69. That proof of Guaranty was sent by Maize to Far West with a copy to Mona and  
9 containing a note stating that a "copy of the loan extension with the Guarantee is  
10 attached- Condition met" (referring to proof of Mona's personal Guaranty as a condition  
precedent to escrow closing).

11 **J. The Capstone Notice of Default**

12 70. RVN was in default on its capital contributions to RVVA, and on March 31, 2006,  
13 Capstone (through Bert) sent Mona a formal Default Notice, demanding that RVN cure  
its deficit in the RVVA account.

14 71. Capstone demanded that RVN contribute \$762,943 by April 14, 2006 and an  
15 additional \$968,953 in the coming months.

16 72. Mona told Bert that RVN was out of money and would not be paying anything further  
to RVVA.

17 73. Bert told Mona and Maize that Capstone would continue moving forward with only  
18 its portion of the Project so that its investment was not placed in jeopardy.

19 74. Bert refused to contribute towards any of the infrastructure that benefited the RVN  
20 property (including what was to be Far West's lots) unless and until RVN cured its  
breach.

21 75. Bert also told them that he was keeping all of the water meters allocated to the Project  
until RVN brought its account current.

22 76. Without a water meter, no developer could build and sell a home.

23 77. Therefore as of the Spring of 2006, RVN's portion of the Project had no realistic  
24 chance of completion.  
25

1                   **K. May of 2006**

2                   78. By May of 2006, Cathedral City (the "City") had become very concerned with the  
3                   Project's innumerable problems and lack of progress.

4                   79. By that time, the Project's infrastructure was far from complete (including a \$5  
5                   million off-site water reservoir, a recreation center and common area amenities).

6                   80. The City was threatening to shut down Phase II of the Project (which included the Far  
7                   West lots) altogether.

8                   81. Also at this time, the Project had been extended by Vestin (and not the REITs) for short  
9                   (short three month) extensions.

10                  82. These short extensions were costly in terms of large extension fees demanded and  
11                  subsequently paid to Vestin (and not the REITs) totaling \$1,700,000 along with interest  
12                  rate increases (rising from 8% to as high as 14.5%).

13                  83. At this point, Vestin had now taken over \$3 million in total fees from the loan  
14                  proceeds provided to Mona by the REITs (which at this point in time had funded all of  
15                  Mona's financial requirements in this Project).

16                  84. The Project was already \$1,913,636 over budget as of May 16, 2006, and RVN was  
17                  both out of cash and in default of its obligations to RVVA.

18                  85. Mona knew that this cost overrun was important and needed to be disclosed to Far  
19                  West.

20                  86. The same is true with respect to the Capstone Default Notice: Mona assumed that  
21                  Maize was telling Far West all of this during their negotiations.

22                  87. Maize told Far West nothing about the RVVA default or the cost overruns, nor did he  
23                  provide Far West with the default letters/notices.

24                  88. As of that point in time, Mona, World Development, and Vestin (and Vestin's related  
25                  parties) had taken \$7,521,254.65 (all but \$900,000 coming from the \$9 million  
26                  Construction Loan) that was not used by them for construction.

27                  89. Also as of that date, there was still \$6,936,454.82 that needed to be contributed to  
28                  RVVA by RVN.

29                  90. RVN therefore had a shortfall as of June 1, 2006, with no potential available source  
30                  of additional capital.

31                  91. Neither Maize nor Mona disclosed this shortfall to Far West at any time prior to Far  
32                  West executing the Purchase Agreements.

1  
2 92. Furthermore, neither Maize nor Mona ever told Far West that Mona, World  
Development, and Vestin had taken \$7,521,254.65 from the Project.

3 **L. Mona and Maize Mislead Far West into Purchasing Lots by Concealing the**  
4 **Project's True State**

5 93. Maize's negotiations with Far West were proceeding and he kept Mona informed.

6 94. Mona was responsible for all finances on behalf of RVN, and Maize told Lissoy that  
7 all decisions must therefore be made jointly with Mona.

8 95. Furthermore, the draft Purchase Agreements (as the transaction was negotiated  
between January and May of 2006) were sent to Mona for review and comment.

9 96. E-mail correspondence between Maize and Mona and addressing the Far West deal  
10 started with the first draft agreement in January of 2006 and ended with the "final deal  
11 points" on May 26, 2006 (five days before the Purchase Agreements with Far West were  
signed).

12 97. On June 1, 2006, Far West signed two Purchase Agreements for 76 lots in the Project.

13 98. The combined purchase price under the agreements was \$6,430,961.45. Escrow for  
14 72 of the lots closed on June 9, 2006, and escrow for the remaining 4 lots closed on  
August 31, 2006.

15 99. The Purchase Agreements contain, among others, the following Representations and  
16 Warranties which were deemed to be true as of the date of the Purchase Agreements were  
signed and restated as of the date escrow closed:

17 100. "To the actual knowledge of the Seller, there are no...[a]ctions or claims pending or  
18 threatened by any governmental or other party which could affect the Property"

19 101. "Seller warrants that none of RVVA's improvements outside or inside the Property  
20 boundary shall preclude, limit or delay Buyer from developing the Property (including  
obtaining building permits and/or certificates of occupancy...)"

21 102. "[A]ll improvements except the final lift of asphalt (surface or otherwise) on the  
22 streets surrounding the Property (Rio Largo Road, Rio Guadalupe Road and Rio Madera  
Road) will be complete by November 1, 2006

23 103. "Seller shall use diligent reasonable efforts to ensure that water meters are available  
24 to Buyer, pending payment by Buyer of required meter and facilities fees..."  
25

1 104."To Seller's actual knowledge, the Due Diligence Documents constitute all of the  
2 material documents relating to the Property in the Seller's possession as of the date of  
this Agreement..."

3 105."Each of the representations and warranties set forth in this Section 3 and in Section  
4 6.2 is material to and is being relied upon by Buyer and the continuing truth thereof shall  
constitute a condition precedent to Buyer's obligations hereunder".

5 106.All of these Representations and Warranties were false on June 1, 2006, and both  
6 Maize and Mona knew they were false.

7 107. Maize and Mona knew that RVN was in default under RVVA. Nevertheless,  
8 Agreements, and that the Project was being harmed and delayed.

9 108. Moreover, RVN's default had resulted in a pending claim by Capstone (sent directly  
10 to Mona as RVN's Manager) which would preclude completion of the infrastructure,  
delivery of water meters, and Far West's ability to develop and sell homes upon its lots.

11 109. Neither Maize nor Mona informed Far West that Capstone had informed them that it  
12 would not contribute toward infrastructure construction benefiting the Far West lots or  
that Capstone was retaining all water meters for the entire Project.

13 110. The failure to disclose those facts constituted a material breach of the Representation  
14 and Warranty pertaining to RVVA's improvements not precluding, limiting, or delaying  
Far West in its development efforts.

15 111. Furthermore, RVN was not using diligent commercially reasonable efforts to insure  
16 that Far West obtained the required water meters, thereby materially breaching that  
Representation and Warranty.

17 112. RVN did not complete all improvements except the final lift of asphalt by  
18 November 1, 2006, which again constituted a material breach of the Purchase  
Agreements.

19 113. Finally, Maize and Mona did not provide Far West with all "material documents  
20 relating to the Property in Seller's possession as of the date of this Agreement" (June 1,  
21 2006).

22 114. At no time did Maize or Mona provide Far West with the following material  
23 documents: (1) the Capstone Default Notice; (2) correspondence from the City  
threatening to shut down the Project; (3) documentation showing that the Project was \$2  
24 million over budget; or (4) any documentation informing Far West that RVN was out of  
money and unable to meet its financial commitments to RVVA.

25 115. The Purchase Agreements contain a provision awarding Far West liquidated  
damages of \$1,200 per day for every day that RVN delays delivery of water meters.

1  
2 116. To this day, those meters have not been delivered by RVN, and the per diem  
damages calculated to the first day of trial are \$2,100,000.

3 117. Immediately after the first close of escrow, Bert wrote a second Default Notice to  
4 Mona.

5 118. Here again, Bert threatened RVN that it would "cease to have any powers, rights, or  
6 authorities" in connection with the management of RVVA and he confirmed that he told  
Maize and Mona all along: Capstone "retain(s) the exclusive right to the use if all the  
7 water meters acquired with such amounts funded solely by us".

8 119. This was two months before Far West closed the second escrow (August 11).

9 120. Neither Maize nor Mona provided Far West with the second Capstone Default  
Notice or informed Far West about its existence.

10 121. Far West continued with the transaction and the second escrow closed.

11 122. In good faith, Far West proceeded with its short-lived plans for development.

12 123. The company spent another several million dollars in: (1) completing all of the in-  
13 tract infrastructure in preparation for connecting to the Project infrastructure, which RVN  
never completed; and (2) building three model homes and one production unit for sale.

14 124. The Far West project was an island of completed construction in the middle of  
15 uncompleted streets, curbs, gutters, utilities, and the like.

16 **M. Mona Unilaterally Conveys RVN's Only Asset and Takes the Remaining**  
17 **Funds for his and Maize's Personal Use**

18 125. Sometime in September of 2006 and less than 30 days after the second Far West  
19 close of escrow but before the Vestin loan was due, Mona unilaterally decided to walk  
away from the Project and give what remained of it back to Vestin.

20 126. Mona never informed Far West that RVN was transferring the remaining Property to  
21 the lender right after Far West closed escrow.

22 127. RVN also has \$125,000 in its account at El Paseo Bank, which was RVN's only  
bank account.

23 128. On or about November 13, 2006, Mona and Maize decided to take that money for  
24 themselves via checks to the Mona Family Trust and World Development, despite having  
25 received multiple letters from Far West alleging breach of the Purchase Agreements.

1 129. Far West had deposited \$32,846 into Escrow at the time of the original transaction,  
2 and that money was being held to pay for certain infrastructure improvements that RVN  
3 was going to perform.

4 130. Those improvements were never constructed.

5 **N. Far West Suffers Damage**

6 131. RVVA never completed the infrastructure and all of RVN's property interests were  
7 conveyed to Vestin by Mona.

8 132. Because the infrastructure was never built, the project would never be able to finish  
9 the Project's remaining lots.

10 133. Far West was left with four fully-constructed and merchandized homes (3 models  
11 and one production home), with no way to complete the rest of the development and/or to  
12 sell anything.

13 134. Far West remained obligated to complete certain in-tract infrastructure, or risk a  
14 claim on Far West's performance bond with the City.

15 135. All totaled, Far West invested \$11,138,411.45 into this Project (which includes the  
16 per-diem delay damages under the Purchase Agreements).

17 136. With 10% pre-judgment interest through the first day of trial, the grand total is  
18 \$16,886,132.16.

19 137. Daily damages of \$5,259.75 from September 23, 2011 until entry of Judgment are  
20 comprised of the per diem penalty plus further pre-judgment interest on Far West's out-  
21 of-pocket expenses at 10%.

22 **O. Alter Ego**

23 138. Mona and the Mona Family Trust failed to adequately capitalize RVN.

24 139. Mona commingled funds belonging to RVN, the Mona Family Trust, MonaCo  
25 Development, and himself personally.

140. Mona diverted RVN's funds to other than RVN's uses.

141. Mona treated the assets of RVN as his own.

142. Mona used RVN as a mere shell, instrumentality, or conduit for his own personal  
gain.

1 143. Mona diverted assets from RVN to Vestin, himself, MonaCo Development, and  
2 World Development to the detriment of RVN's creditors

3 144. Maintaining legal separation between RVN, Mona, and the Mona Family Trust  
4 would sanction fraud and promote injustice.

5 145. All actions taken by Mona in this regard were both in his individual capacity and in  
6 his capacity as Trustee of the Mona Family Trust.

## 7 **II. Conclusions of Law**

### 8 **A. RVN Breached the Purchase Agreements**

- 9 1. RVN breached both Purchase Agreements with Far West and Far West suffered  
10 damages proximately caused thereby.
- 11 2. Those fixed and readily-ascertainable damages total \$11,138,411.45, exclusively of  
12 pre-judgment interest.
- 13 3. Pre-judgment interest calculated from the day each expense was incurred by Far West  
14 through the first day of trial total \$5,727,720.71, and Far West is entitled to that  
15 interest.
- 16 4. All Totaled, Far West suffered damages of \$16,886,132.16 as of September 23, 2011,  
17 that were proximately caused by RVN's breaches of the Purchase Agreements.

### 18 **B. Mona, RVN, and World Development Intentionally Defrauded Far West**

- 19 5. Both Maize and Mona intentionally misrepresented material facts and concealed other  
20 material facts from Far West as discussed above.
- 21 6. When Maize and Mona misrepresented and concealed those materials facts, they were  
22 doing so on behalf of RVN as Members and Managers.
- 23 7. Furthermore, Maize made those same material misrepresentations and omitted those  
24 material facts as the CEO and Shareholder of World Development.
- 25 8. Maize and Mona were under a duty to disclose those material facts that were  
concealed from Far West, and Far West was unaware of those facts or Maize's and  
Mona's concealment.
9. Maize and Mona acted with an intent to defraud Far West. Far West justifiably relied  
upon Maize's and Mona's affirmative misrepresentations and omissions, and Far West  
sustained damage

1 10. As a result of Mona's, RVN's, and World Development's intentional fraud, Far West  
2 sustained damages totaling \$16,886.132.16 as of September 23, 2011 (with pre-  
3 judgment interest included).

4 **C. Mona, RVN, and World Development are Liable for Negligent Misrepresentation**

5 11. Maize and Mona (on behalf of World Development and RVN) misrepresented material  
6 facts without a reasonable ground for believing them to be true and omitted certain  
7 material facts, with the intent to induce Far West's reliance on those facts  
8 misrepresented or omitted.

9 12. Far West was ignorant of the truth, and justifiably relied upon Maize and Mona's  
10 representations and omissions, thereby sustaining damage.

11 **D. Mona, RVN and World Development are liable for Breach of the Common Law**  
12 **Duty to Disclose**

13 13. As a seller of real property, Mona, RVN, and World Development had a duty to  
14 disclose to Far West all facts that materially affected the value of the property being  
15 sold.

16 14. Maize and Mona failed to disclose the numerous facts referenced above which  
17 materially affected the value of the property, and they knew that such facts were not  
18 known to, or within the reach of diligent attention and observation of Far West.

19 15. As a result, Far West sustained the damage referenced above.

20 **E. Mona, RVN and World Development are all Liable for Conspiracy to Commit**  
21 **Fraud**

22 16. Mona and Shustek agreed and conspired to defraud any potential purchasers of the  
23 Project (which ultimately included Far West) by structuring this entire transaction to  
24 appear to be a legitimate loan being made to a legitimate company (RVN) and  
25 guaranteed by another legitimate company (Emerald Suites).

17 17. The conspiratorial agreement between Mona and Shustek was for them to take  
18 millions of dollars for Vestin in the form of fees, to pay certain individuals and entities  
19 unrelated to the Project a total of \$702,000, and for Mona and the Mona Family Trust  
20 to personally reap an initial \$1 million profit.

21 18. Mona and Shustek also agreed that Mona would use what was left of the Construction  
22 Loan to move the Project along far enough to find some unsuspecting developer to  
23 purchase all or part of it from RVN.

24 19. At some point after the formation of that conspiracy, but no later than the Fall of 2005,  
25 Maize joined them as a co-conspirator.



1 20. In exchange for agreeing; (1) to continue moving the Project along and seeking  
2 unsuspecting developers to purchase it; and (2) to stay silent about the monies already  
3 paid from the Construction Loan to Mona and Vestin, World Development was paid  
4 \$858,598.60, which money was separate from any project management costs to which  
5 it was to be paid.

6 21. The many wrongful acts done furtherance of that conspiracy are more fully set forth in  
7 the Findings of Fact.

8 22. The Liability of Mona, RVN, and World Development is therefore joint and several as  
9 a result of their conspiratorial agreement.

10 F. Maize Acted as Mona's Agent

11 23. Maize was Mona's actual and ostensible agent when Mona directed him to submit to  
12 Far West the fraudulent Guaranty.

13 **II. MONA IS THE ALTER EGO OF RVN, AND TO THE EXTENT NECESSARY,**  
14 **OF THE MONA FAMILY TRUST**

15 27. California law governs any alter ego analysis.

16 28. The alter ego doctrine applies to Limited Liability Companies.

17 29. Under California law, the alter ego doctrine is a viable theory of recovery against a  
18 Trustee for actions taken in his or her representative capacity to benefit the Trust.

19 30. Accordingly, this finding of alter ego liability applies to Mona both in his individual  
20 capacity and in his capacity as the Trustee of the Mona Family Trust.

21 31. There is such a unity of interest and ownership that the separate personalities of  
22 RVN, the Mona Family Trust, and Mona no longer individually exist.

23 32. The acts of RVN are treated as those of the entity alone, an inequitable result will  
24 follow.

25 33. Mona, individually and in his capacity as Trustee of the Mona Family Trust, are the  
alter egos of RVN and therefore liable for any and all damages awarded against RVN.

34. To the extent necessary, Mona is the alter ego of the Mona Family Trust, and as a  
result, both he and the Mona Family Trust are both liable for any and all damages  
awarded herein against RVN.

1 **III. FAR WEST IS ENTITLED TO THE INTERPLEAD FUNDS**

2 35. Defendant Fidelity National Title Company filed a Cross-Complaint in Interpleader,  
3 thereby depositing \$32,846 with the Court pursuant to Section 386.1 of the California  
4 Code of Civil Procedure.

5 36. Far West is entitled to those funds, and the Clerk is hereby directed to pay those funds  
6 to Far West forthwith.

6 **IV. JUDGMENT TO BE ISSUED**

7 Judgment shall issue forthwith against Mona in his individual capacity and as Trustee of  
8 the Mona Family Trust, RVN, and World Development in the amount of \$16,886,132.16 plus  
9 daily additional damages of \$5,259.75 from September 23, 2011 until entry of Judgment, jointly  
10 and severally; this amount totals \$17,841,651.92 as of March 5, 2012. Furthermore, that  
11 judgment shall leave a blank for any award of any court costs and attorney's fees that will be the  
12 subject of Far West's post-Judgment motions. Finally, the Clerk is directed to release the  
13 \$32,846 interplead funds to Far West immediately.

14  
15  
16 Dated: March 5, 2012

17   
18 Hon. Jacqueline C. Jackson,  
19 Judge Presiding  
20  
21  
22  
23  
24  
25

**EXHIBIT “B”**

**EXHIBIT “B”**

**POST-MARITAL PROPERTY SETTLEMENT AGREEMENT**

THIS POST-MARITAL PROPERTY SETTLEMENT AGREEMENT ("Agreement") is made and entered into on the 13 day of Sept 2013, by and between RHONDA HELENE MONA ("RHONDA"), a resident of the County of Clark, State of Nevada, and MICHAEL JOSEPH MONA ("MIKE"), a resident of the County of Clark, State of Nevada. MIKE and RHONDA sometimes will be collectively referred to in this Agreement as the "parties", and individually may be referred to as a "party."

**WITNESSETH:**

WHEREAS, the parties to this Agreement were married on October 17, 1982, in Las Vegas, Nevada, and ever since such date have been and now are married to each other;

WHEREAS, during the entirety of their 30 years of marriage, the parties have been, and currently are, residents of the State of Nevada;

WHEREAS, Nevada being a community property state, all the property acquired during the parties marriage has been acquired as community property;

WHEREAS, by way of this Agreement, and pursuant to Nevada law, the parties intend to equally divide between themselves that certain specific community property referenced below in this Agreement, and thereby making such property the sole and separate property of each party;

WHEREAS, on or about December 3, 2012, the parties acquired, as their community property, 30,000,000 shares of the corporate stock of Medical Marijuana, Inc, an Oregon corporation ("MMI");

WHEREAS, on or about January 15, 2013, the parties acquired, as their community property, and additional 7,337,500 shares of the MMI corporate stock;

WHEREAS, between the months of March through August 2013, the parties sold all of their 37,337,500 shares of the MMI corporate stock for \$6,813,202.20;

  
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WHEREAS, it is the parties' intent to acknowledge, confirm, and document their equal division between themselves of the said \$6,813,202.20 they received from the sale of their MMI corporate stock, with RHONDA receiving \$3,406,601.10 of such monies as her sole and separate property, and MIKE receiving the remaining \$3,406,601.10 as his sole and separate property;

WHEREAS, the parties enter into this Agreement pursuant to the provisions of NRS 123.080, and the parties expressly acknowledge and understand that NRS 123.080 provides as follows:

1. A husband and wife cannot by any contract with each other alter their legal relations except as to property, and except that they may agree to an immediate separation and may make provision for the support of either of them and of their children during such separation.

2. The mutual consent of the parties is a sufficient consideration for such an agreement as is mentioned in subsection 1.

3. In the event that a suit for divorce is pending or immediately contemplated by one of the spouses against the other, the validity of such agreement shall not be affected by a provision therein that the agreement is made for the purpose of removing the subject matter thereof from the field of litigation, and that in the event of a divorce being granted to either party, the agreement shall become effective and not otherwise.

4. If a contract executed by a husband and wife, or a copy thereof, be introduced in evidence as an exhibit in any divorce action, and the court shall by decree or judgment ratify or adopt or approve the contract by reference thereto, the decree or judgment shall have the same force and effect and legal consequences as though the contract were copied into the decree, or attached thereto.

WHEREAS, the parties expressly acknowledge, understand, and agree that they specifically are entering into this Agreement pursuant to the provisions of NRS 123.080(1), which allow a husband and wife to enter into a contract, such as this Agreement, for the purpose of altering their legal relations with respect to their property, and with respect to each party's property rights; and the parties acknowledge and understand that their mutual consent to the terms of this Agreement, as evidenced by each party's signature endorsed at page 11 of this Agreement, is sufficient consideration for this Agreement to be a valid, legal, and enforceable agreement, legally binding upon each party;

  
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WHEREAS, it is the mutual wish and desire of the parties that a full and final adjustment and settlement of their property rights, and only their property rights, be had, settled, and determined at the present time by this Agreement with respect to the aforementioned \$6,813,202.20 they received from the sale of their MMI corporate stock;

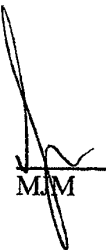
WHEREAS, the parties further acknowledge and agree that this Agreement is not intended to alter their legal relations and obligations owed to each other as a married couple, other than as expressly set forth above with respect to their equal division of the \$6,813,202.20 they received from the sale of their MMI corporate stock, and this Agreement specifically and expressly is not intended to affect either party's legal obligation to support the other party as his or her spouse;

WHEREAS, MIKE and RHONDA wish to make clear their respective desires that each of them shall retain to himself or herself, as his or her respective sole and separate property, the \$3,406,601.10 he or she has received from their equal division of the \$6,813,202.20 they received from the sale of their MMI corporate stock;

WHEREAS, the \$3,406,601.10 received by RHONDA from the parties' sale of their MMI corporate stock is and shall forever be and remain RHONDA's sole and separate property, free from any and all claims of MIKE, and RHONDA shall continue to have the sole ownership, care, and control of her said \$3,406,601.10;

WHEREAS, the \$3,406,601.10 received by MIKE from the parties' sale of their MMI corporate stock is and shall forever be and remain MIKE's sole and separate property, free from any and all claims of RHONDA, and MIKE shall continue to have the sole ownership, care, and control of his said \$3,406,601.10;

  
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WHEREAS, by execution of this Agreement, each party expresses his or her intention not to claim any interest whatsoever in the said \$3,406,601.10 of separate property owned by the other party, or in any of the income, rents, issues, profits, or appreciation derived therefrom;

WHEREAS, the parties do not intend to immediately separate, and, in fact, the parties acknowledge that they remain happily married to each other and have no intent to separate or divorce at any time in the immediate or foreseeable future; notwithstanding, however, the parties do intend for this Agreement to be a valid, enforceable, and binding agreement to be ratified, adopted, and approved by any and all courts of competent jurisdiction should the parties ever separate or divorce;

NOW, THEREFORE, in consideration of the foregoing facts and the mutual agreements and covenants contained in this Agreement, it is covenanted, agreed and promised by each party hereto as follows:

I.

ACKNOWLEDGMENT OF RECITALS;  
ADDITIONAL CONSIDERATION

A. MIKE and RHONDA acknowledge, warrant, represent, and agree that the recitals set forth above on pages one through four of this Agreement, are true and correct, and the same are incorporated in this Section I as though the same are repeated in this Section in full.

B. As noted in the recitals set forth above in this Agreement, the parties acknowledge and agree that their mutual consent to the terms of this Agreement is sufficient consideration, and the only consideration necessary, for this Agreement to be a valid, legal, and enforceable agreement, legally binding upon each party.

  
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II.

DIVISION OF PROPERTY

A. RHONDA shall have confirmed to her, as her sole and separate property, free of any and all claims of MIKE, all right, title and interest, and the sole ownership in and to, the \$3,406,601.10 she received from the parties' sale of the parties' MMI corporate stock, as well as all additional property owned or acquired by RHONDA at any time with her said separate property, and all property described in this Agreement as being RHONDA's sole and separate property, including any of the income, rents, issues, profits, or appreciation derived therefrom.

B. MIKE shall have confirmed to him, as his sole and separate property, free of any and all claims by RHONDA, all right, title and interest, and the sole ownership in and to, the \$3,406,601.10 he received from the parties' sale of the parties' MMI corporate stock, as well as all additional property owned or acquired by MIKE at any time with his said separate property, and all property described in this Agreement as being MIKE's sole and separate property, including any of the income, rents, issues, profits, or appreciation derived therefrom.

III.

INTENT OF THE PARTIES AND STATUS OF PROPERTY

A. **Property Rights.** The parties intend, desire and agree that the aforementioned \$3,406,601.10 each party respectively received from the sale of the their MMI corporate stock shall be and forever remain each such party's respective sole and separate property, and all appreciation, increments, addition, improvements, income, and fruits therefrom also shall be and forever remain each such party's respective sole and separate property. The parties further intend that all such property forever remain each party's respective sole and separate property regardless of any interest either party might have acquired in such separate property of the other by reason of their continued marriage to each other, counsel, advice, energy, and efforts heretofore or hereafter, and regardless of the source of any monies invested in or contributed to any such property at any time during the parties' marriage or after the termination of the parties marriage, should the parties marriage ever

  
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be terminated by divorce or otherwise.

**B. No Transmutation of Separate Property.** The parties agree that at no time in the future shall there be any transmutation of any of their respective separate property interests into jointly owned or community property except by an express written agreement signed by both parties and executed with the same formality as this Agreement. Unless otherwise expressly provided in this Agreement, the following events shall, under no circumstance, be evidence of any intention by either party, or of an agreement between the parties, to transmute their separate property interests into jointly owned or community property:

1. The taking of title to property, whether real or personal, in joint tenancy or in any other joint or common form;
2. The designation of one party by the other as a beneficiary of his or her estate;
3. The commingling by one party of his or her separate funds or property with jointly owned funds or property, or with the separate funds or property of the other party;
4. The filing of a joint income tax return by the parties, whether it be for federal income tax purposes or for the purpose of any state income tax, and/or the payment of any such income taxes from jointly held funds, or the use of one party's separate property to pay the income taxes owed by the other party;
5. Any oral statements by either party;
6. Any written statement by either party other than an express written agreement of transmutation;
7. The payment from jointly held funds of any separate obligation, including, but not limited to, the payment of any mortgage/home loan, interest, or real property taxes on a separately owned residence or other real property; and
8. The joint occupation of a separately owned residence or any other such property.

  
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IV.

RIGHT TO DISPOSE OF PROPERTY BY WILL

Each of the parties shall have an immediate right to dispose of or bequeath by Will, living trust, or other estate planning vehicle, his or her respective interests in and to any and all separate property belonging to him or her from and after the date of this Agreement, and such right shall extend to all future acquisitions of separate property as well as to all separate property set over to either party under this Agreement.

V.

WAIVER OF INHERITANCE RIGHTS

Except as may be otherwise provided by Will, Codicil, or other such testamentary instrument voluntarily executed by either party, whether before or after the date of this Agreement, the parties each hereby waive any and all right to the separate estate of the other left at his or her death and forever quitclaim any and all right to share in the separate estate of the other by the laws of succession; and the parties hereby release one to the other all rights to inherit from the other any portion of the other party's separate estate.

VI.

MUTUAL RELEASE OF PROPERTY RIGHTS

It is hereby mutually understood and agreed by and between the parties hereto that this Agreement is deemed to be a final and conclusive agreement between the parties relative to their respective property rights set forth in this Agreement.

VII.

EXECUTION OF NECESSARY DOCUMENTS

A. MIKE and RHONDA agree to execute quitclaim deeds, stock transfers, and any and all other instruments that may be required in order to effectuate the transfer of any and all interest either may have in and to the separate property hereby conveyed to the other as specified in this Agreement, or as otherwise provided by the terms of this Agreement. Should either party fail to

  
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execute any such documents, this Agreement shall constitute a full and complete transfer of the interest of one to the other as provided in this Agreement, or to otherwise effectuate any provision of this Agreement. Upon failure of either party to execute and deliver any such deed, conveyance, title, certificate or other document or instrument to the other party, or as otherwise provided in this Agreement, this Agreement shall constitute and operate as such properly executed document, and the County Auditor and County Recorder and any and all other public and private officials are hereby authorized and directed to accept this Agreement or a properly certified copy thereof in lieu of the document regularly required for such conveyance or transfer.

B. MIKE and RHONDA each agree that should either party sell any of his or her separate property in which the other has no right, title, or interest by virtue of this Agreement, that such other party will and shall sign any deed, contract, or other instrument necessary to perfect title to any such property so conveyed.

#### VIII.


##### DISCLOSURE

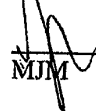
Each party hereto acknowledges that he or she has read the foregoing Agreement, fully understands the contents of this Agreement, and accepts the same as fair, just and equitable. Each party further acknowledges that there has been no promise, agreement or understanding of either of the parties made to the other, except as expressly set forth in this Agreement, which has been relied upon by either as a matter of inducement to enter into this Agreement. Furthermore, each party hereto has had the opportunity to be independently advised by his or her attorney as to the legal effect of the terms and the execution of this Agreement.

#### IX.

##### EFFECT OF PARTIAL INVALIDITY

If any term, provision, promise, or condition of this Agreement is determined by a court of competent jurisdiction to be invalid, void, or unenforceable, in whole or in part, the remainder of this Agreement shall remain in full force and effect, and shall in no way be affected, impaired or

  
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invalidated.

X.

ENFORCEMENT OF AGREEMENT

A. If either party institutes any action or proceeding to enforce, or for the breach of any of the terms of this Agreement, or if either party contests the validity of this Agreement or challenges or claims that this Agreement is not enforceable, then the prevailing party shall be entitled to recover his or her attorneys' fees and costs from the other party. In any such action or proceeding, the prevailing party shall be entitled to recover all attorneys' fees and costs incurred by that party, regardless of whether the action or proceeding is prosecuted to judgment. This shall include attorneys' fees and costs incurred by a party defending a claim or suit necessitated by the other party's failure to indemnify as required in this Agreement.

B. In addition to the provisions of subparagraph A immediately above, each party to this Agreement shall be indemnified for and against all loss, damages, costs, and expenses incurred as a result of or arising from any demand, claim, or suit by or on behalf of the other party contesting or attempting to modify, change, set aside, nullify, or cancel this Agreement or any part or provision of this Agreement for any reason whatsoever. The indemnity provisions of this Agreement shall specifically apply to costs, expenses, and attorneys' fees incurred by a party successfully seeking enforcement of this Agreement or any provision of this Agreement.

XI.

NO PARTY DEEMED DRAFTER

The parties agree that neither party shall be deemed to be the drafter of this Agreement and, in the event this Agreement is ever construed by a court of law or equity, such court shall not construe this Agreement or any provision hereof against either party as the drafter of the Agreement. MIKE and RHONDA hereby acknowledge that both parties have contributed substantially and materially to the preparation of this Agreement.

  
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XII.

GOVERNING LAW

The laws of the State of Nevada shall govern the validity, construction, performance, and effect of this Agreement. This Agreement and the rights of the parties hereto shall be governed and interpreted in all respects by the law applied to contracts made wholly to be performed within the State of Nevada.

XIII.


CUMULATIVE EFFECT

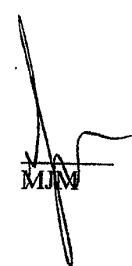
The parties' rights and remedies hereunder shall be cumulative, and the exercise of one or more shall not preclude the exercise of any other(s).

XIV.

COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an executed original, but all of which together shall be deemed one and the same document.

  
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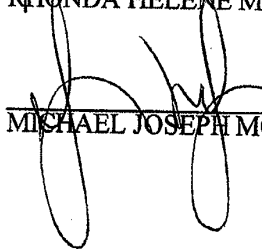
XV.



VERIFICATION

A. MIKE and RHONDA each agrees that he or she has read this Agreement in its entirety prior to his or her execution of this Agreement, and fully understands the same.

D. MIKE and RHONDA each further acknowledges and agrees that he or she fully understands that this Agreement is a full and final settlement of rights and obligations pertaining to the matters addressed in and resolved by this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands to this Agreement the year and date above written.

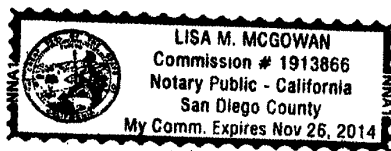
  
RHONDA HELENE MONA  
  
MICHAEL JOSEPH MONA

  
RHM  
  
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ACKNOWLEDGMENTS

STATE OF CALIFORNIA )  
COUNTY OF ) ss.

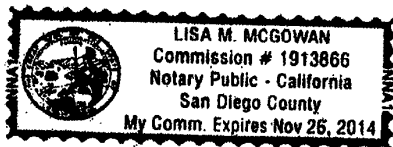
On this 13<sup>th</sup> day of September, 2013, personally appeared before me, a Notary Public in and for said County and State, RHONDA HELENE MONA, personally known (or proved) to me to be the person whose name is subscribed to the above instrument, and who acknowledged that she executed the instrument.



*Lisa M. McGowan*  
Notary Public

STATE OF CALIFORNIA )  
COUNTY OF ) ss.

On this 13<sup>th</sup> day of September, 2013, personally appeared before me, a Notary Public in and for said County and State, MICHAEL JOSEPH MONA, personally known (or proved) to me to be the person whose name is subscribed to the above instrument, and who acknowledged that he executed the instrument.



*Lisa M. McGowan*  
Notary Public

*RHM*  
RHM

*MJM*  
MJM

**EXHIBIT “C”**

**EXHIBIT “C”**



**DECLARATION OF MIKE MONA IN SUPPORT OF RESPONSE TO ORDER TO  
SHOW CAUSE**

Mike Mona declares as follows:

1. I am a defendant in this matter. I have personal knowledge of the facts stated herein, except for those stated on information and belief, which I believe to be true. I am competent to testify as to the facts stated herein in a court of law and will so testify if called upon.

2. On information and belief, plaintiff has accused me of lying, not producing documents, and concealing information in this proceeding. To be clear, I have produced, on information and belief, over 34,000 pages of documents related to plaintiff's requests and the judgment related to this case.

3. I have participated in two judgment debtor examinations, each of which lasted multiple hours, in the span of approximately a year and a half.

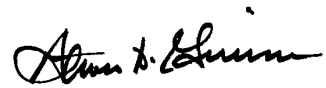
4. I believed that the Post-Marital Property Settlement Agreement currently at issue was within the first 33,000 pages I disclosed. I have not gone back and reviewed each of the 33,000 pages, but, even though I understand plaintiff has alleged otherwise, I still believe it may be within the disclosure. However, if it is not within the initial 33,000 pages, I produced it to my counsel, for what I believe to be a second time, in response to recent document requests from plaintiff asking for information I believed similar to the prior document requests.

5. I did not lie about or conceal the Post-Marital Property Agreement. Also, I did not lie about what I did with funds from the sale of stock. Based on my best recollection, I told opposing counsel that I paid bills and loaned money to Roen, which is true. If my recollection is accurate, without asking me anything else about the funds, the questioning moved on to Roen and CannaVest.

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

Executed this 7th day of July, 2015.

Mike Mona



CLERK OF THE COURT

**RIS**  
F. THOMAS EDWARDS, ESQ.  
Nevada Bar No. 9549  
E-mail: tedwards@nevadafirm.com  
ANDREA M. GANDARA, ESQ.  
Nevada Bar No. 12580  
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HOLLEY DRIGGS WALCH  
FINE WRAY PUZEY & THOMPSON  
400 South Fourth Street, Third Floor  
Las Vegas, Nevada 89101  
Telephone: 702/791-0308  
Facsimile: 702/791-1912

*Attorneys for Plaintiff Far West Industries*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

FAR WEST INDUSTRIES, a California  
corporation,

Plaintiff,

v.

RIO VISTA NEVADA, LLC, a Nevada limited  
liability company; WORLD DEVELOPMENT,  
INC., a California corporation; BRUCE MAIZE,  
an individual, MICHAEL J. MONA, JR., an  
individual; DOES 1 through 100, inclusive,

Defendants.

Case No.: A-12-670352-F  
Dept. No.: XV

**Date of Hearing: July 9, 2015**  
**Time of Hearing: 9:00 a.m.**

**REPLY IN SUPPORT OF ORDER TO SHOW CAUSE WHY**  
**ACCOUNTS OF RHONDA MONA SHOULD NOT BE SUBJECT TO EXECUTION**  
**AND WHY THE COURT SHOULD NOT FIND THE MONAS IN CONTEMPT**

Plaintiff FAR WEST INDUSTRIES (“Plaintiff” or alternatively, the “Judgment  
Creditor”), by and through its attorneys, F. THOMAS EDWARDS, ESQ. and ANDREA M.  
GANDARA, ESQ. of the law firm of HOLLEY, DRIGGS, WALCH, FINE, WRAY, PUZEY &  
THOMPSON, hereby respectfully submit this reply in support of the Order to Show Cause: (1)  
why the bank accounts in the name of Rhonda Mona, wife of Judgment Debtor Michael Mona,  
Jr., should not be subject to execution to satisfy Plaintiff’s judgment; and (2) why the Court  
should not sanction the Monas and find Mr. Mona in contempt of Court for failure to comply  
with Court orders demanding production of documents and for lying during the previous

1 judgment debtor examination (the “Order to Show Cause”). This reply is made and based upon  
2 the papers and pleadings on file herein, the following points and authorities, and any oral  
3 argument at hearing on this matter.

4 **POINTS AND AUTHORITIES**

5 **INTRODUCTION**

6 As set forth below:

7 1. The Court has the power pursuant to Nevada statutes to prevent the Monas from  
8 conveying their assets, without the need for an injunction or a bond.

9 2. The Monas’ claim that they have not had enough time to respond to the issues in  
10 the Order to Show Cause is undermined by the fact that the Monas rejected repeated offers to  
11 extend the briefing schedule and continue this hearing.

12 3. As the judgment arose during the marriage, it is a community property debt,  
13 which can be satisfied with community property assets.

14 4. There is no legal or factual basis to stay execution upon the judgment simply  
15 because the Monas have filed for a strategic divorce.

16 5. The Monas do not dispute that Plaintiff can execute upon the checking account at  
17 Bank of George in Mrs. Mona’s name.

18 6. Plaintiff can execute upon the money market account at Bank of George (and the  
19 checking account at Bank of Nevada) in Mrs. Mona’s name because the funds in the account are  
20 the product of a fraudulent transfer.

21 7. The Monas should be sanctioned for their failure to produce records in violation  
22 of the Court’s orders and for Mr. Mona’s perjury during the 2013 judgment debtor examination.

23 **I.**

24 **THIS COURT HAS THE ABSOLUTE POWER TO**  
25 **PREVENT THE MONAS FROM TRANSFERRING ASSETS**

26 The Monas incorrectly argue that the Order to Show Cause is an improper injunction  
27 without a bond in violation of NRCP 65. However, Nevada statutes expressly permit the Court  
28 to enter orders preventing the Monas from transferring the assets. Specifically, and consistent

1 with the current proceedings, NRS 21.280 permits this Court to require the judgment debtor to  
2 appear and answer why he has property that he refuses to apply to the satisfaction of the  
3 judgment. Until a final determination is made, the court may enter an order that prevents the  
4 disposal of any property not exempt from execution. Id. The full text of the statute is as follows:

5 **NRS 21.280 Proceedings in aid of execution; appearance of  
6 judgment debtor before court; arrest; bail or commitment.**

7 After the issuing of an execution against property, and upon proof  
8 by affidavit of a party or otherwise, to the satisfaction of the court  
9 or of the judge thereof, that any judgment debtor has property  
10 which the judgment debtor unjustly refuses to apply toward the  
11 satisfaction of the judgment, such court or judge may by an order  
12 require the judgment debtor to appear at a specified time and place  
13 before such judge, or master appointed by the judge, to answer  
14 concerning the same; and such proceedings may thereupon be had  
15 for the application of the property of the judgment debtor toward  
16 the satisfaction of the judgment as are provided upon the return of  
17 an execution. Instead of the order requiring the attendance of the  
18 judgment debtor, the judge may, upon affidavit of the judgment  
19 creditor, the judgment creditor's agent, or attorney, if it appear to  
20 the judge that there is danger of the debtor absconding, order the  
21 sheriff to arrest the debtor and bring the debtor before such judge.  
22 Upon being brought before the judge, the judgment debtor may be  
23 ordered to enter into an undertaking, with sufficient surety, that the  
24 debtor will attend from time to time before the judge, or master, as  
25 shall be directed during the pendency of proceedings, **and until  
26 the final determination thereof, and will not in the meantime  
27 dispose of any portion of the debtor's property not exempt  
28 from execution.** In default of entering into such undertaking, the  
judgment debtor may be committed to prison.

20 NRS 21.280 (emphasis added).

21 Similarly, if another person is holding assets of the judgment debtor (e.g., a wife holding  
22 community property of the judgment debtor), NRS 21.330 permits this Court to enter an order  
23 forbidding the transfer of those assets until an action can be commenced and prosecuted to  
24 judgment. The full text of the statute is as follows:

25 **NRS 21.330 Proceedings on claim of third party to property  
26 or on denial of debt to judgment debtor.** If it appears that a  
27 person or corporation alleged to have property of the judgment  
28 debtor, or indebted to the judgment debtor, claims an interest in the  
property adverse to him or her, or denies the debt, the court or  
judge may authorize, by an order made to that effect, the judgment

1 creditor to institute an action against such person or corporation for  
2 the recovery of such interest or debt; **and the court or judge may,**  
3 **by order, forbid a transfer or other disposition of such interest**  
4 **or debt until an action can be commenced and prosecuted to**  
5 **judgment.** Such order may be modified or vacated by the judge  
6 granting the same, or the court in which the action is brought, at  
7 any time, upon such terms as may be just.

8 NRS 21.330 (emphasis added).

9 Thus, under both statutes, this Court was well within its authority to enter an order  
10 preventing the Monas from transferring their non-exempt assets. The Monas' arguments to the  
11 contrary are not supported by any law and, in fact, are directly contradicted by NRS 21.280 and  
12 21.330. The Court's Order to Show Cause was appropriate and should remain in place until the  
13 assets have been applied toward satisfaction of Plaintiff's judgment.

## 14 II.

### 15 **THE MONAS' CLAIM OF A LACK TIME** 16 **TO PROPERLY RESPOND IS NOT ACCURATE**

17 Plaintiff took the judgment debtor examination of Mrs. Mona on Friday, February 26,  
18 2015. Disturbed by the revelations at the judgment debtor examination, including that Mrs.  
19 Mona was concealing community property assets by merely holding the assets in her name only,  
20 Plaintiff worked through the weekend to prepare the Application for the Order to Show Cause.  
21 Plaintiff submitted the Application for the Order to Show Cause on Monday, June 29, 2015. The  
22 Court promptly signed the Order to Show Cause on Tuesday, June 30, 2015, while Plaintiff was  
23 taking the judgment debtor examination of Mr. Mona.

24 After Mr. Mona's judgment debtor examination, counsel for Plaintiff personally handed  
25 the Application and Order to Show Cause to counsel for the Monas. Counsel for Plaintiff  
26 explained that the Order to Show Cause provided for a quick briefing schedule and hearing and  
27 that Plaintiff would agree to extend the briefing deadlines and continue the hearing to  
28 accommodate the Monas and their counsel. Counsel for the Monas agreed to review his calendar  
and revisit the issue of scheduling. Later that week, counsel for Plaintiff called counsel for the  
Monas and again offered to extend the briefing deadlines and continue the hearing. Counsel for  
the Monas again said he would consider the issue.

1 In light of these multiple offers to extend the briefing schedule and continue the hearing,  
2 and the Monas' refusal agree thereto, the Monas' current argument that they have not had  
3 enough time to address the issues raised in the Order to Show Cause rings hollow. Had the  
4 Monas truly needed additional time to address these issues, Plaintiff would have freely agreed to  
5 additional time. Instead, the Monas strategically decided to proceed with the briefing schedule  
6 and hearing as originally schedule, so their complaints about timing should not be given any  
7 weight.

### 8 III.

#### 9 **PLAINTIFF CAN COLLECT AGAINST THE** 10 **ENTIRETY OF THE MONAS' COMMUNITY PROPERTY**

11 It is well established Nevada law that a judgment creditor can execute against community  
12 property in its entirety regardless of whether the judgment is only against one spouse for tortious  
13 conduct. In Randono v. Turk, the Nevada Supreme Court held that all community property was  
14 subject to a judgment against a tortfeasor husband, regardless of whether the non-tortfeasor wife  
15 was not party to the underlying litigation. 86 Nev. 123, 131, 466 P.2d 218, 223 (1970). The  
16 judgment creditors obtained a judgment against the husband based on the husband's fraudulent  
17 inducement and fraudulent misrepresentations and the lower court made the husband's  
18 community property and wife<sup>1</sup> liable for the judgment against the husband. 86 Nev. at 129-30,  
19 131, 466 P.2d at 222-23. The Supreme Court stated, "If community property can be given away  
20 by the husband (Nixon v. Brown, 46 Nev. 439, 214 P. 524 (1923)) and is subject to his debts  
21 upon his death (NRS 123.260), we see no reason why it is not subject to his debts, whether  
22 arising out of tort or contract, during his lifetime." 86 Nev. at 132, 466 P.2d at 224. Nevada's  
23 current community property law continues to grant either spouse the power to manage and  
24 control community property as if it was his or her separate property, with few exceptions that are  
25 not relevant here. See NRS 123.230.

26 <sup>1</sup> The Nevada Supreme Court has since clarified that a spouse cannot be held personally liable  
27 for the wrongdoing of a spouse simply by virtue of being married. Jewett v. Patt, 95 Nev. 246,  
28 247-48, 591 P.2d 1151, 1152 (1979). However, in that decision, the Court cited to Randono and  
indicated whether community property is subject to the judgment against the wrongdoing spouse  
is a separate consideration. Id.

1       Despite subsequent changes in Nevada community property law since Randono, the  
2 Nevada Supreme Court and other courts have repeatedly recognized the principle that a  
3 judgment against one spouse can be enforced against all community property, including the non-  
4 judgment debtor spouse's portion. See Cirac v. Lander Cnty., 95 Nev. 723, 731, 602 P.2d 1012,  
5 1017 (1979) ("this court has recognized the fact that community property of spouses may be  
6 subject to liability of judgments whether or not the wife was a party to the suit."); In re  
7 Bernardelli, 12 B.R. 123, 123 (Bankr. D. Nev. 1981) ("The legal issue of whether community  
8 property in Nevada is liable for a judgment debt on account of an intentional tort of the husband  
9 is discussed in Randono v. Turk, 466 P.2d 218, 86 Nev. 123 (1970) . . . . The question of whether  
10 community property in Nevada is liable for the judgment debt created by the tort of a spouse is  
11 one for a Nevada court not this court."); Nelson v. United States, 53 F.3d 339, 1995 WL 257884,  
12 \*1 & fn. 1 (9th Cir. 1995) (Nevada community property law provides that a debt incurred during  
13 marriage by either spouse can be collected from all community property, regardless of who  
14 incurred the debt. "N.R.S. 123.050 is explicit albeit in the negative. It provides that the share of  
15 the community property owned by the non-acting spouse's interest cannot be reached by a  
16 creditor whose claim arose before marriage. This confirms the notion that the non-acting  
17 spouse's interest can be reached for debts incurred by the acting spouse after marriage."); F.T.C.  
18 v. Neiswonger, 580 F.3d 769, 776 (8th Cir. 2009) (affirming court order for turnover of Nevada  
19 real property despite contemnor's wife claim that she had marital interest in the property) (citing  
20 Jones v. Swanson, 341 F.3d 723, 738 n. 6 (8th Cir.2003), Randono v. Turk, 86 Nev. 123, 466  
21 P.2d 218, 224 (1970)), and Cirac v. Lander County, 95 Nev. 723, 602 P.2d 1012, 1017 (1979)).

22       One of the most thorough authorities addressing Nevada's community property law with  
23 respect to judgment collection is Henry v. Rizzolo, 2012 WL 1376967 (Dist. Nev. April 19,  
24 2012). In Henry, the court explained:

25               [A] spouse is not personally liable for his or her spouse's  
26 intentional torts committed during marriage merely by virtue of  
27 being married. Jewett v. Patt, 591 P.2d 1151, 1152 (Nev. 1979).  
28 Consequently, the non-tortfeasor spouse's separate property is not  
subject to a judgment against the tortfeasor spouse. See id.  
**However, a tort committed during the marriage by one spouse  
is considered a community debt, and the entirety of the**

1 community property is subject to a judgment against the  
2 tortfeasor spouse, even if the other spouse was not a named  
3 party to the suit. Randono v. Turk, 466 P.2d 218, 223–24 (Nev.  
1970); see also F.T.C. v. Neiswonger, 580 F.3d 769, 776 (8th Cir.  
2009) (analyzing Nevada law).

4 Here, Kirk Henry was injured in September 2001, Plaintiffs filed  
5 suit against Rick Rizzolo in October 2001, and the Rizzolos  
6 divorced in June 2005. **Because the conduct giving rise to  
7 Plaintiffs' claim against Rick Rizzolo occurred during the  
8 marriage, Plaintiffs' claim against Rick Rizzolo is a community  
9 debt. Lisa Rizzolo's separate property is not subject to the  
10 judgment, but the entire community is subject to a judgment,  
11 even though Lisa Rizzolo was not a named party to the lawsuit  
12 Plaintiffs filed against Rick Rizzolo. Accordingly, Lisa  
13 Rizzolo's share of the community property is "subject to  
14 process by a creditor holding a claim against only one tenant"  
15 as set forth in NUFTA § 112.150(2)(c), and therefore falls  
16 within the definition of an "asset" that can be fraudulently  
17 transferred.**

18 2012 WL 1376967, \*2-3 (emphasis added and footnote omitted).

19 Here, Far West must be allowed to collect against the entirety of the Monas' community  
20 property because Mr. Mona committed fraud on Far West during the Monas' marriage. As in  
21 Randono, Mr. Mona's fraudulent misrepresentations resulted in Far West obtaining a judgment  
22 against him that can be executed against the Monas' community property, including Mrs.  
23 Mona's portion, regardless of whether Mrs. Mona was subject to the prior litigation. While Mrs.  
24 Mona is not personally liable for the intentional tort of her husband simply by virtue of their  
25 marriage, Mr. Mona's fraud committed during marriage is a community debt, as explained in  
26 Henry, and as such, the Monas cannot shield community assets from Far West's execution.

27 As to the Monas' argument that community debt is subject to an intent analysis, none of  
28 the authorities cited by the Monas addresses whether a fraud judgment creditor can execute  
against the entirety of community property. It would be nonsensical to presume Far West had  
any intent to be defrauded by Mr. Mona. While lender intent may be relevant in a community  
debt analysis for a traditional mortgage or loan scenario, here, the question is simply whether Mr.  
Mona's tortious conduct giving rise to Far West's Judgment occurred during the Monas'  
marriage. Moreover, Mr. Mona has and continues to exercise authority over the Monas'  
community property, and therefore all of that community can be executed against for his fraud



1 against Far West during Monas' marriage under Randono. In conclusion, Far West is entitled to  
2 collect against all of the Monas' community property, including Mrs. Mona's share, to satisfy its  
3 Judgment.

4 IV.

5 **THE STRATEGIC DIVORCE DOES NOT**  
6 **STAY THE ENFORCEMENT OF THE JUDGMENT**

7 The suspicious recent divorce filing on July 2, 2015 by Mrs. Mona<sup>2</sup> provides no basis to  
8 allow the Monas additional time to liquidate and divert assets while Far West waits to collect on  
9 its more than \$23MM Judgment. Notably, during a judgment debtor examination on June 26,  
10 2015, less than one week before filing for divorce, Mrs. Mona indicated that she was happily  
11 married and had no plan to get divorced at that time. See Rough Transcript of Judgment Debtor  
12 Examination of Rhonda Mona, 06/26/15, 33:8-17, attached hereto as **Exhibit 6**. Mr. Mona  
13 similarly said he had no plans to divorce during his judgment debtor examination on June 30,  
14 2015, only two days before the filing. See Rough Transcript of Judgment Debtor Examination of  
15 Michael Mona, 06/30/15, 9:14-10:2, attached hereto as **Exhibit 7**. The timing of the divorce  
16 filing less than a week after Far West obtained information about fraudulent transfers by and  
17 amongst the Monas falls in line with the continued pattern of frustration of execution of  
18 judgment that warrants this Court's intervention. Moreover, the fact that there is a divorce  
19 proceeding pending imposes no stay on Far West's execution, unlike a bankruptcy proceeding  
20 under 11 U.S.C. § 362, and Mr. Mona's Response points to no authority for why the Court  
21 cannot make a determination on its Order to Show Cause. In addition, spouses cannot use  
22 fraudulent transfers under the guise of a sham divorce proceeding to avoid community debts.  
23 Henry, 2012 WL 1376967, \*3. Finally, while the Response speaks at length about what could,  
24 may, or should happen as to the unequal division of debts between the Monas, the reality is that  
25 any such discussion is merely speculation at this point, while Nevada case law makes clear that  
26 the entire community of the Monas can be executed against at this time.

27 <sup>2</sup> See Complaint for Divorce, Case No. D-15-517425-D before the Family Division of the Eighth  
28 Judicial District Court.

1 V.

2 **THE MONAS DO NOT DISPUTE THAT PLAINTIFF CAN**  
3 **EXECUTE UPON THE CHECKING ACCOUNT AT BANK OF GEORGE**

4 Mrs. Mona reluctantly testified at her judgment debtor examination that she has a  
5 checking account at Bank of George in which she holds approximately \$190,000.00 that she  
6 earned from design work performed during the marriage. As such, the money is presumptively  
7 community property subject to execution to satisfy Plaintiff's Judgment. The Monas do not  
8 dispute these facts, such that the Court should order that the \$190,000.00 in the Bank of George  
9 checking account be applied toward the satisfaction of the Judgment. See NRS 21.320 ("The  
10 judge or master may order any property of the judgment debtor not exempt from execution, in  
11 the hands of such debtor or any other person, or due to the judgment debtor, to be applied toward  
12 the satisfaction of the judgment.").

13 VI.

14 **PLAINTIFF CAN EXECUTE UPON THE**  
15 **MONEY MARKET ACCOUNT AT BANK OF GEORGE**

16 As set forth in the Application for the Order to Show Cause, the Post-Marital Property  
17 Settlement Agreement was unquestionably a fraudulent transfer intended to hinder, delay and  
18 defraud Plaintiff in its efforts to execute upon the Judgment. Married couples cannot avoid  
19 community debts by making fraudulent transfers. Henry v. Rizzolo, 2012 WL 1376967, \*3 (D.  
20 Nev. April 19, 2012). Therefore, Plaintiff is entitled to execute on the money purportedly  
21 transferred to Mrs. Mona in the Post-Marital Property Settlement Agreement, the remainder of  
22 which is purportedly sitting in a money market account at Bank of George in Mrs. Mona's name.  
23 As it relates to the badges of fraud, Plaintiff responds to the Monas' arguments as follows:

24 **1) The transfer was to an insider.**

25 The Monas do not dispute that Mrs. Mona, as Mr. Mona's wife, is an insider. Instead, the  
26 Monas claim there was no transfer. If there was no transfer, as the Monas contend, then there is  
27 nothing prohibiting Plaintiff from executing upon the remaining money deposited in the money  
28 market account at Bank of George in Mrs. Mona's name.

In any event, the purported division of money in the Post-Marital Property Settlement

1 Agreement is clearly a transfer as broadly defined in the Nevada Uniform Fraudulent Transfer  
2 Act. "Transfer" is defined as "every mode, direct or indirect, absolute or conditional, voluntary  
3 or involuntary, of disposing of or parting with an asset or an interest in an asset, and includes  
4 payment of money, release, lease and creation of a lien or other encumbrance." NRS  
5 112.150(12). The Post-Marital Settlement Agreement expressly states that the Monas agree to  
6 the "equal division between themselves of the said \$6,813,202.20," which will remain "free of  
7 any and all claims" of the other spouse. See Ex. 1 to the Application for Order to Show Cause,  
8 pp. 2-3. By these very terms, the Monas agreed to part with their community property interest in  
9 the \$6.8MM and released any claim in their spouse's share. That is a "transfer" as broadly  
10 defined in the Nevada Uniform Fraudulent Transfer Act, such that this factor weighs in favor of  
11 finding intent to engage in a fraudulent transfer.

12 **2) The debtor retained possession or control of the property transferred after the**  
13 **transfer.**

14 The Monas criticize Plaintiff for relying upon Mrs. Mona's testimony that she believes  
15 she only received approximately \$2MM of the \$3.4MM she was purportedly entitled to under the  
16 Post-Marital Settlement Agreement. Ironically, Plaintiff is forced to rely on Mrs. Mona's  
17 testimony because the Monas have refused to disclose the bank records, as required by Court  
18 order, that would prove how the money was transferred. Thus, any lack of evidence is caused by  
19 the Monas' failure to comply with this Court's orders to produce documents and they cannot use  
20 their continued concealment of records to avoid the legal consequences of their actions.

21 Notably, the Monas, who have access to these bank records, do not attach the bank  
22 records to their response to contradict Mrs. Mona's testimony that she only received \$2MM. As  
23 such, the undisputed evidence is that Mrs. Mona only received approximately \$2MM of the  
24 \$3.4MM she was purportedly entitled to under the Post-Marital Settlement Agreement, meaning  
25 that Mr. Mona continued to maintain control over the remaining \$1.4MM. Therefore, this factor  
26 weighs in favor of finding intent to engage in a fraudulent transfer.

27 **3) The transfer was concealed.**

28 As addressed in the Application for the Order to Show Cause, Mr. Mona failed to

1 disclose the Post-Marital Property Settlement Agreement as required by the orders associated  
2 with the initial judgment debtor proceedings in 2013 and then lied about it at his 2013 judgment  
3 debtor examination. In response, the Monas only argue that they “believe” they previously  
4 produced the Post-Marital Property Settlement Agreement in 2013, but they don’t even bother to  
5 review the documents they produced.

6 Plaintiff has already done the legwork that the Monas should have done, making the  
7 documents produced searchable, and then running a number of searches to confirm that the  
8 Monas did not produce the Post-Marital Property Settlement Agreement in 2013. See  
9 Declaration of Joan Wiley, attached hereto as **Exhibit 5**. The fact that the Monas have not done  
10 this search is very telling – they know they did not produce the document in 2013 so there is no  
11 reason for them to look.

12 At his recent judgment debtor examination, Mr. Mona conceded that he “definitely”  
13 should have produced the Post-Marital Property Settlement Agreement in 2013 and that he  
14 “definitely” should have testified that he split the \$6.8MM with his wife at the 2013 judgment  
15 debtor examination.

16 **Q. Why didn't you produce this document in advance of that**  
17 **judgment debtor examination?**

18 A. I believe it was produced.

19 **Q. Unfortunately, I can tell you I looked through the**  
20 **documents and I know it wasn't produced. So do you know**  
21 **why it wasn't produced?**

22 A. No.

23 **Q. Do you agree it should have been produced?**

24 A. Definitely.

25 See Ex. 7, 7:15-23.

26 **Q. So I'm showing you what's been marked as Exhibit 2. Do**  
27 **you recognize this document?**

28 A. Yes.

**Q. What is it?**

A. It's a transcript of my debtor's exam on November 25th of

1 2013.  
2 **Q. And you see on page 90 where he asks you what you did**  
3 **with the money from the stock sale?**  
4 A. Correct.  
5 **Q. And you see your answer was you just paid personal bills**  
6 **and gave 2.6 million to Roen; correct?**  
7 A. Correct.  
8 **Q. Do you see any testimony here where you advised us that**  
9 **you split the money with your wife?**  
10 A. No.  
11 **Q. Why didn't you tell us that you split the money with your**  
12 **wife?**  
13 A. No idea.  
14 **Q. Were you trying to conceal that transfer?**  
15 A. Not at all.  
16 **Q. Then again, why wouldn't you tell us?**  
17 A. It's in bank records. You can't conceal that. I wouldn't try to  
18 conceal that.  
19 **Q. Again, when you were asked under oath back in 2013, just**  
20 **a few weeks after you made this transfer, why didn't you tell us**  
21 **that you made this transfer to your wife?**  
22 A. I have no idea.  
23 **Q. Do you agree you should have told us?**  
24 A. Definitely.

25 See Ex. 7, 8:9-9:13.

26 The Monas concealed the Post-Marital Property Settlement Agreement in 2013, in  
27 violation of the Court's orders. Even Mr. Mona conceded that he "definitely" should have  
28 produced the Post-Marital Property Settlement Agreement in 2013. Likewise, when asked what  
he did with the \$6.8MM at his judgment debtor examination, Mr. Mona continued to conceal the  
transaction and testified under oath that he merely paid bills and loaned \$2.6M to Roen Ventures.  
Even Mr. Mona conceded that he "definitely" should have testified that he split the \$6.8MM

1 with his wife at the 2013 judgment debtor examination. While the failure to produce the Post-  
2 Marital Property Settlement Agreement in 2013, by itself, could be chalked up to an innocent  
3 mistake, when combined with Mr. Mona's false testimony at his 2013 judgment debtor  
4 examination when asked directly what he did with the \$6.8MM, the only conclusion that can be  
5 reached is that the Monas were actively attempting to conceal the transaction. Thus, this factor  
6 weighs in favor of finding intent to engage in a fraudulent transfer.

7 **4) Before the transfer was made, the debtor had been sued.**

8 The Monas don't dispute that Plaintiff filed its lawsuit before they executed the Post-  
9 Marital Property Settlement Agreement. Instead, the Monas repeat their argument that there was  
10 no "transfer." However, as explained above, that argument is meritless. Thus, this factor weighs  
11 in favor of finding intent to engage in a fraudulent transfer.

12 **5) The transfer was of substantially all of the debtor's assets.**

13 As explained above, Plaintiff's judgment was a community debt which could be satisfied  
14 with community assets. The purported transfer of the \$6.8MM from the community estate to Mr.  
15 and Mrs. Mona, separately, constituted substantially all of the community estate's assets. Thus,  
16 this factor weighs in favor of finding intent to engage in a fraudulent transfer.

17 **6) The debtor removed or concealed assets.**

18 As explained above, Mr. Mona conceded at his recent judgment debtor examination that  
19 he "definitely" should have produced the Post-Marital Property Settlement Agreement in 2013  
20 and that he "definitely" should have testified that he split the \$6.8MM with his wife at the 2013  
21 judgment debtor examination. Instead, he concealed the transaction until just recently, well after  
22 most of the money has already been expended. Thus, this factor weighs in favor of finding  
23 intent to engage in a fraudulent transfer.

24 **7) The debtor was insolvent or became insolvent shortly after the transfer was**  
25 **made.**

26 Shockingly, the Monas argue that "Mona was not insolvent at the time of the Property  
27 Settlement Agreement [dated 9/13/13] or shortly thereafter." See Response, 11:17-18. This  
28 argument is so shocking because Mr. Mona testified just a few days ago that he has been

1 insolvent since 2008 or 2009.

2 **Q. And so to the best of your recollection, you have not had a**  
3 **positive net worth since 2008 or 2009?**

4 A. Correct. And again, that's a rough date, 2009, yes.

5 See Ex. 7, 2:11-14.

6 Equally shocking is the Mona's argument that "Mona pays his obligations to his  
7 creditors." See Response, 11:17. Likewise, just a few days ago, Mr. Mona testified he does not  
8 make payments on any of his loans.

9 **Q. Have you made any payments on these loans?**

10 A. I haven't made payments on any loans.

11 **Q. On any of those loans?**

12 A. No.

13 **Q. Or any loans period?**

14 A. Any loans period.

15 **Q. At what point in time did you stop making payments on**  
16 **your loans in general?**

17 A. I don't think I ever really started making payments.

18 See Ex. 7, 116:5-14.

19 "Insolvency" under the Nevada Uniform Fraudulent Transfer Act is broadly defined as  
20 when "the sum of the debtor's debts is greater than all of the debtor's assets at a fair valuation"  
21 and when a debtor "is generally not paying his or her debts as they become due." NRS 112.160.  
22 At his judgment debtor examination, Mr. Mona freely admitted that he is "insolvent" as defined  
23 by the statute because it suited his goal of attempting to appear poor. Now, realizing that his  
24 admissions may have adverse legal consequences, he attempts to argue directly contradictory  
25 positions. These arguments by the Monas shows that they are willing to argue any position,  
26 regardless of whether it is factually accurate, to avoid their obligation to satisfy Plaintiff's  
27 judgment. This is just further evidence that the Monas are not taking this proceeding seriously.  
28 As Mr. Mona has been insolvent since 2008 or 2009, this factor weighs in favor of finding intent  
to engage in a fraudulent transfer.

8) The transfer occurred shortly before or shortly after a substantial debt was incurred.

The Monas do not dispute that the timing of the September 13, 2013, Post-Marital Property Settlement Agreement and the upcoming judgment debtor examination on November 25, 2013, shows that the intent of the Agreement was to hinder, delay and defraud Plaintiff in its efforts to execute upon the Judgment. Instead, the Monas want to focus on the date of the entry of the Plaintiff's judgment from the prior year. However, the Monas fail to recognize that these "badges of fraud" are not an exhaustive list of the factors the Court may consider in finding a fraudulent intent. This factor shows that timing of the transfer is important to the Court's analysis, and the Monas cannot dispute the suspect nature of the timing of the Post-Marital Property Settlement Agreement. Thus, this factor weighs in favor of finding intent to engage in a fraudulent transfer.

For these reasons, the purported transfer pursuant to the Post-Marital Property Settlement Agreement was intended to hinder, delay and defraud Plaintiff in its efforts to execute upon the Judgment. The money purportedly transferred to Mrs. Mona, the remainder of which is currently deposited in a money market account with Bank of George, does not alter the presumptive nature of the money as community property. Accordingly, Plaintiff is entitled to execute upon the money market account at Bank of George.<sup>3</sup>

VII.

### **THE MONAS SHOULD BE SANCTIONED AND FOUND IN CONTEMPT**

The Monas claim that this Court's orders did not require them to produce any bank accounts in the name of Mrs. Mona. However, the plain language of the Court's orders shows that the Monas were required to produce the bank records, regardless of whose name was on the account. The Court's January 30, 2013, Order expressly required the production of all bank statements "in which you have held or now hold an interest," which would necessarily include

<sup>3</sup> For the same reasons that Plaintiff can execute upon the Bank of George money market account, Plaintiff can execute upon the Bank of Nevada account, which is purportedly funded from the Bank of George money market account.



1 any accounts holding community property funds. See 1/30/13 Order, ¶ 11. Likewise, the  
2 Court's Order required the production of all bank statements, "whether said documents were in  
3 your name alone, in the name of another person/entity," which would necessarily include any  
4 accounts in Mrs. Mona's name. See 1/30/13 Order, ¶ 12. The Court's recent Orders entered on  
5 5/13/15 make clear that they require production of all "[d]ocuments evidencing any and all other  
6 intangible personal, tangible, and/or real property of Judgment Debtor," which necessarily  
7 includes any community property. See Orders entered 5/13/15. Therefore, the Monas' argument  
8 that they can conceal certain accounts in the name of Mrs. Mona is simply not accurate.<sup>4</sup>

9 The Monas argue that Mr. Mona did not lie or conceal any information during his 2013  
10 judgment debtor examination. However, Mr. Mona undermined this very argument by his own  
11 admission at the recent judgment debtor examination that he "definitely" should have testified  
12 that he transferred half of the money to his wife.

13 **Q. Again, when you were asked under oath back in 2013, just**  
14 **a few weeks after you made this transfer, why didn't you tell us**  
**that you made this transfer to your wife?**

15 A. I have no idea.

16 **Q. Do you agree you should have told us?**

17 A. Definitely.

18 See Ex. 7, 9:7-13. Mr. Mona admitted that he should have testified that he split the \$6.8MM  
19 with his wife, such that his arguments to the contrary in the Response should be disregarded.  
20 Again, while the failure to produce the Post-Marital Property Settlement Agreement in 2013, by  
21 itself, could be chalked up to an innocent mistake, when combined with Mr. Mona's false  
22 testimony at his 2013 judgment debtor examination when asked directly what he did with the  
23 \$6.8MM, the only conclusion that can be reached is that the Monas were actively attempting to  
24 conceal the transaction by failing to produce the document and lying about the transaction.

25 The Monas do not dispute this Court's broad authority to enter sanctions and make a  
26 finding of contempt. Likewise, the Monas do not dispute that repeated violations of Court orders

27 <sup>4</sup> Notably, the Monas do not dispute their obligation to produce the Post-Martial Settlement  
28 Agreement pursuant to the Court's January 30, 2013, Order.