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13 *Attorneys for Plaintiff-Appellant*  
14 *Yacov Jack Hefetz*

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

13 YACOV JACK HEFETZ,  
14  
15 Plaintiff-Appellant,  
16  
17 v.  
18 CHRISTOPHER BEAVOR,  
19  
20 Defendant-Respondent.

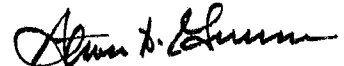
Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT M)**

20 YACOV JACK HEFETZ,  
21  
22 Plaintiff-Appellant,  
23  
24 v.  
25 CHRISTOPHER BEAVOR,  
26  
27 Defendant-Respondent.

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT M)**



CLERK OF THE COURT

1 NEOJ  
2 DICKINSON WRIGHT PLLC  
3 JOEL Z. SCHWARZ  
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10 Las Vegas, Nevada 89113  
11 Tel: (702) 382-4002  
12 Fax: (702) 382-1661  
13 *Attorneys for Christopher Beavor*

8  
9  
10 DISTRICT COURT

11 CLARK COUNTY, NEVADA

12 YACOV JACK HEFETZ,

13 Plaintiff,

14 vs.

15 CHRISTOPHER BEAVOR,

16 Defendant.

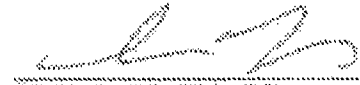
CASE NO. A-11-645353-C  
DEPT. XXVIII

17 NOTICE OF ENTRY OF ORDER

18 NOTICE IS HEREBY GIVEN that an Order Granting Defendant Christopher Beavor's  
19 Motion for Attorneys' Fees and Costs was entered on September 1, 2015, a copy of which is  
20 attached hereto.

21 DATED this 3<sup>rd</sup> day of September 2015.

22 DICKINSON WRIGHT PLLC

23  
24   
25 JOEL Z. SCHWARZ  
26 Nevada Bar No. 9181  
27 GABRIEL A. BLUMBERG  
28 Nevada Bar No. 12332  
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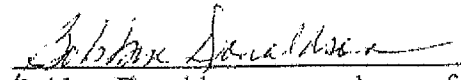
DICKINSON WRIGHT PLLC

8363 West Sunset Road, Suite 200  
Las Vegas, Nevada 89113-2210

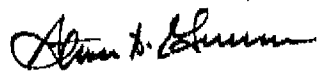
CERTIFICATE OF SERVICE

The undersigned, an employee of Dickinson Wright PLLC, hereby certifies that on the 3<sup>rd</sup> day of September 2015, she caused a copy of **Notice of Entry of Order** to be served by electronic service in accordance with Administrative Order 14.2, to all interested parties, through the Court's Odyssey E-File & Serve system to:

H. Stan Johnson, Esq.  
Email: sjohnson@cohenjohnson.com  
Michael V. Hughes, Esq.  
Email: mhughes@cohenjohnson.com  
COHEN-JOHNSON, L.L.C.  
255 East Warm Springs Road, Suite 100  
Las Vegas, NV 89119  
*Attorneys for Yacov Hefetz*

  
Bobbye Donaldson, an employee of  
Dickinson Wright PLLC

ORIGINAL



CLERK OF THE COURT

1 **ORDG**  
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12 Fax: (702) 382-1661  
13 *Attorneys for Christopher Beavor*

8  
9 **DISTRICT COURT**

10 **CLARK COUNTY, NEVADA**

11 **YACOV JACK HEFETZ,**

12 Plaintiff,

CASE NO. A-11-645353-C  
DEPT. XXVIII

13 vs.

14 **CHRISTOPHER BEAVOR,**

15 Defendant.

16  
17 **ORDER GRANTING DEFENDANT CHRISTOPHER BEAVOR'S MOTION FOR**  
18 **ATTORNEYS' FEES AND COSTS**

19 Defendant Christopher Beavor's ("Defendant") Motion for Attorneys' Fees and Costs  
20 ("Motion") having come before the Court in Chambers on August 19, 2015, the Court having  
21 reviewed the Motion, the opposition, and reply and supplement to reply thereto, and good cause  
22 appearing therefore, the Court hereby finds as follows:

23 IT IS HEREBY ORDERED that the Defendant's Motion for Attorney's Fees is  
24 GRANTED. Defendant is the prevailing party, having obtained a dismissal without prejudice.  
25 Attorney fees are appropriate pursuant to the Offer of Judgment and hereby are awarded in the  
26 amount of \$15,000.00.

27 Defendant's Offer of Judgment was both timely and reasonable in the amount especially  
28

DICKINSON WRIGHT

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Las Vegas, Nevada 89113-7710

9/1/15 (15)

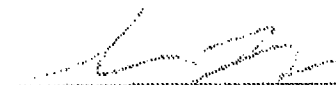
given the circumstances under which the Plaintiff had been advised prior to the filing of the motion to dismiss that the One-Action Rule would resolve the situation.

In discussing the *Brunzell* factors: (1) the quality of the work performed by Defendant's counsel was very good; (2) the character and difficulty of the work was reasonable in nature and particularly so given that it resolved the case; and (3) Defendant achieved appropriate results or results that would satisfy the *Brunzell* factors. It was the amount of time spent following the Offer of Judgment that this Court feels was excessive, and therefore the Court reduces the total award of attorneys' fees to \$15,000.00.

IT IS HEREBY FURTHER ORDERED that the Defendant's Motion for Costs is GRANTED as no timely Motion to Retax was submitted and the costs set forth in Defendant's memorandum of costs are all taxable pursuant to NRS 18.005. Defendant therefore is awarded costs in the amount of \$338.48.

  
DISTRICT COURT JUDGE  
DATED: 8-28-15

Submitted by  
DICKINSON WRIGHT PLLC

  
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Attorneys for Christopher Beavor

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13 *Attorneys for Plaintiff-Appellant*  
14 *Yacov Jack Hefetz*

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

13 YACOV JACK HEFETZ,  
14  
15 Plaintiff-Appellant,  
16  
17 v.  
18 CHRISTOPHER BEAVOR,  
19  
20 Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT L)**

20 YACOV JACK HEFETZ,  
21  
22 Plaintiff-Appellant,  
23  
24 v.  
25 CHRISTOPHER BEAVOR,  
26  
27 Defendant-Respondent.

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT L)**

**ORIGINAL**

*Adam B. Blumberg*

CLERK OF THE COURT

1 **ORDG**  
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13 *Attorneys for Christopher Beavor*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

11 **YACOV JACK HEFEITZ,**

12 Plaintiff,

13 vs.

14 **CHRISTOPHER BEAVOR,**

15 Defendant.

CASE NO. A-11-645353-C  
DEPT. XXVIII

17 **ORDER GRANTING DEFENDANT CHRISTOPHER BEAVOR'S MOTION FOR**  
18 **ATTORNEYS' FEES AND COSTS**

19 Defendant Christopher Beavor's ("Defendant") Motion for Attorneys' Fees and Costs  
20 ("Motion") having come before the Court in Chambers on August 19, 2015, the Court having  
21 reviewed the Motion, the opposition, and reply and supplement to reply thereto, and good cause  
22 appearing therefore, the Court hereby finds as follows:

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25 Attorney fees are appropriate pursuant to the Offer of Judgment and hereby are awarded in the  
26 amount of \$15,000.00.

27 Defendant's Offer of Judgment was both timely and reasonable in the amount especially  
28

DICKINSON WRIGHT LLC

8383 West Sunset Road, Suite 200  
Las Vegas, Nevada 89113-7711

9/27/15 (28)

1 given the circumstances under which the Plaintiff had been advised prior to the filing of the  
2 motion to dismiss that the One-Action Rule would resolve the situation.

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8 award of attorneys' fees to \$15,000.00.


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11 memorandum of costs are all taxable pursuant to NRS 18.005. Defendant therefore is awarded  
12 costs in the amount of \$338.48.

13  
14   
DISTRICT COURT JUDGE

15 DATED: 8-28-15  
16

17 Submitted by

18 DICKINSON WRIGHT PLLC

19  
20   
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28 LVEGLAS 65330-1 33065v1



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13 *Attorneys for Plaintiff-Appellant*

14 *Yacov Jack Hefetz*

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

16 YACOV JACK HEFETZ,

17 Plaintiff-Appellant,

18 v.

19 CHRISTOPHER BEAVOR,

20 Defendant-Respondent.

21 YACOV JACK HEFETZ,

22 Plaintiff-Appellant,

23 v.

24 CHRISTOPHER BEAVOR,

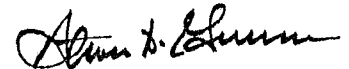
25 Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT K)**

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT K)**



CLERK OF THE COURT

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13 *Attorneys for Christopher Beavor*

8  
9  
10 **DISTRICT COURT**

11 **CLARK COUNTY, NEVADA**

12 **YACOV JACK HEFETZ,**

13 Plaintiff,

14 vs.

15 **CHRISTOPHER BEAVOR,**

16 Defendant.

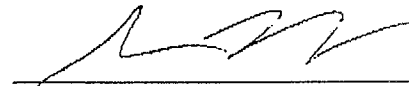
CASE NO. A-11-645353-C  
DEPT. XXVIII

17 **NOTICE OF ENTRY OF ORDER**

18 NOTICE IS HEREBY GIVEN that an Order amending the June 17, 2015 Order was  
19 entered on July 23, 2015, a copy of which is attached hereto.

20 DATED this 24<sup>th</sup> day of July 2015.

21 **DICKINSON WRIGHT PLLC**

22  
23   
24 **JOEL Z. SCHWARZ**  
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255 East Warm Springs Road, Suite 100  
Las Vegas, NV 89119  
*Attorneys for Yacov Hefetz*

LVEGAS 65530-1 29844v1

# ORIGINAL

CLERK OF THE COURT

Judge Ronald J. Israel  
Eighth Judicial District Court  
Department XXVIII  
Regional Justice Center  
200 Lewis Avenue  
Las Vegas, Nevada 89155  
(702)671-3631

CLARK COUNTY, NEVADA

Defendant.

## ORDER

A party filing a motion must state with particularity the grounds therefor, the absence of which may be construed as an admission that the motion is not meritorious. NRCP 7(b); EDCR 2.20(c). Plaintiff's motion does not comply with court rules since it fails to state under what rule it is moving. Rather, it is not until Plaintiff's reply that Defendant and Court are apprised that Plaintiff is moving pursuant to NRCP 59(e), to alter or amend the judgment, despite the motion being titled as motion for reconsideration, which would ordinarily be made pursuant to EDCR 2.24.

1           Regardless, the Court has inherent authority to amend and/or clarify its orders and to ensure  
2 the proper administration of justice. Accordingly, in the absence of a clear standard to be used when  
3 determining whether to dismiss a case without prejudice pursuant to NRS 40.435(2)(a) or grant a  
4 continuance to allow the proceeding to be converted to an action which does not violate the One  
5 Action Rule pursuant to NRS 40.435(2)(b), the Court will clarify why it dismissed Plaintiff's case  
6 instead of continuing it. However, in order to do so, the Court must also discuss the troubled and  
7 tortured history of this case.  
8

9           While this Court in no way abused its discretion when it properly applied a statutory remedy,  
10 and Plaintiff confirms that there is no legal standard to specifically guide district courts when  
11 determining whether to dismiss pursuant to NRS 40.435(2)(a) or continue pursuant to NRS  
12 40.435(2)(b), the Court will entertain Plaintiff's suggestion to consider the following factors when  
13 determining which statutory remedy to apply: (1) good faith of the plaintiff; (2) interests of judicial  
14 economy; and (3) unfair prejudice to defendant.  
15

16           First, it is this Court's opinion this case was brought in bad faith. Without specifically  
17 discussing the numerous substantive mistakes that were made by counsel for both sides in this case,  
18 the testimony at trial was unequivocal that a settlement was reached and an enforceable contract was  
19 completed when Mr. Frey (the original real party in interest) authored and delivered a written  
20 settlement agreement to the Defendant who signed the agreement and returned it to Mr. Frey's office  
21 only to be told by his partner, the Plaintiff (who was later assigned the claim), that Mr. Frey changed  
22 his mind. After the trial on the merits and a defense verdict, Defense counsel failed to oppose the  
23 motion for a new trial on the merits and, as this court stated during argument on the motion, it would  
24 not have been granted except for the lack of a timely and written opposition. Defendant's motion for  
25 a new trial was first based on *Lioce* challenges that were not objected to at time of trial, and  
26 therefore waived; and second, that the jury misunderstood the issues in Bankruptcy Court and  
27  
28

1 therefore ignored the Jury Instructions. However, both of these arguments were without merit, and  
2 without an opposition, the Court granted the motion. Plaintiff was well aware of the violation of the  
3 One Action Rule, or should have been, since this action was initiated or at least for the last year, and  
4 never sought to amend his Complaint in a timely manner. Using these criteria, the decision is clear:  
5 Plaintiff's claim was not brought in good faith and if Defense counsel had not made several errors,  
6 including failing to bring a motion to enforce the written settlement agreement and/or failing to file  
7 an opposition to the motion for a new trial, this case would have been concluded several times.  
8

9 Second, dismissing without prejudice does serve judicial economy under the facts of this  
10 case.

11 Third, there is clear prejudice to Defendant to further delay and prolong this case, given the  
12 countless missteps on both sides. Given the Plaintiff's suggested criteria, this Court finds the weight  
13 of factors lies heavily with the more appropriate decision to dismiss without prejudice, the interests  
14 of justice would not be served by allowing the alternative.  
15

16 While Defendant's Motion for Leave to Strike Reply; or, in the Alternative, Motion to File  
17 Sur-Reply was not noticed and set for hearing either in the ordinary course or on order shortening  
18 time, the Court has considered it and Plaintiff's opposition thereto, and DENIES it as moot. Whether  
19 or not Plaintiff's "Motion to Re-Open the Case and for Reconsideration of an Order of Dismissal  
20 without Prejudice" qualifies as a NRCP 59(e) motion to alter or amend judgment or is an EDCR  
21 2.24 motion for reconsideration is immaterial to this Court as discussed above. Determination of a  
22 NRAP 4(a)(4) tolling motion is within the province of the Nevada Supreme Court.  
23

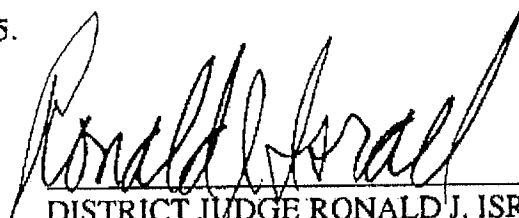
24 IT IS HEREBY ORDERED that the June 17, 2015 Order is amended to incorporate the  
25 clarification and analysis provided in this Decision and Order, noting, however, that this Court  
26 considers its amendment to be for clarification purposes only and not a substantive alteration of the  
27 judgment.  
28

1 IT IS FURTHER ORDERED that Plaintiff's motion is DENIED as lacking merit pursuant to  
2 EDCR 2.20(c).

3 IT IS FURTHER ORDERED Defendant's motion is DENIED as moot.

4 IT IS SO ORDERED.

5 DATED this 23 day of July, 2015.

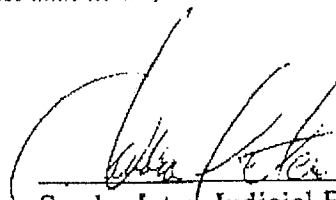
6  
7  
8   
9 DISTRICT JUDGE RONALD J. ISRAEL

10 **CERTIFICATE OF SERVICE**

11  
12 I hereby certify that on the 23<sup>rd</sup> day of July, 2015, I electronically served a true and  
13 correct copy of the foregoing ORDER as follows:

14 Joel Z. Schwarz, Esq.  
15 Gabriel A. Blumberg, Esq.  
16 DICKINSON WRIGHT PLLC  
17 *All e-service recipients listed in Wiznet/Odyssey (See attached list)*

18 H. Stan Johnson, Esq.  
19 Michael V. Hughes, Esq.  
20 COHEN-JOHNSON, LLC  
21 *All e-service recipients listed in Wiznet/Odyssey (See attached list)*

22  
23   
24 Sandra Jeter, Judicial Executive Assistant  
25 A-11-645353-C  
26  
27  
28

\$ 3.50 - E-Filing & E-Service Fees

Close Service Recipients

7 of 7 selected

\*

Select All Select None			
<b>Cohen-Johnson, LLC</b>			
<b>Name</b>	<b>Email</b>	<input checked="" type="checkbox"/>	<b>Select</b>
Calendar	<a href="mailto:calendar@cohenjohnson.com">calendar@cohenjohnson.com</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
H. Stan Johnson, Esq.	<a href="mailto:calendar@cohenjohnson.com">calendar@cohenjohnson.com</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Jennifer Russell	<a href="mailto:jrussell@cohenjohnson.com">jrussell@cohenjohnson.com</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Dickinson Wright PLLC</b>			
<b>Name</b>	<b>Email</b>	<input checked="" type="checkbox"/>	<b>Select</b>
Bobbie Donaldson	<a href="mailto:bdonaldson@dickinsonwright.com">bdonaldson@dickinsonwright.com</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Joel Z. Schwarz	<a href="mailto:jschwarz@dickinsonwright.com">jschwarz@dickinsonwright.com</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lisa M. Stewart	<a href="mailto:lstewart@dickinsonwright.com">lstewart@dickinsonwright.com</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Iglody Law Offices</b>			
<b>Name</b>	<b>Email</b>	<input checked="" type="checkbox"/>	<b>Select</b>
Lee Iglody	<a href="mailto:lee@iglody.com">lee@iglody.com</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Your File Number : A-11-645353-Q



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13 *Attorneys for Plaintiff-Appellant*  
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11 **IN THE SUPREME COURT OF THE STATE OF NEVADA**

13 YACOV JACK HEFETZ,

14 Plaintiff-Appellant,

15 v.

17 CHRISTOPHER BEAVOR,

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20 YACOV JACK HEFETZ,

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24 CHRISTOPHER BEAVOR,

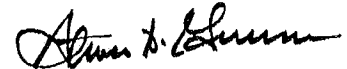
25 Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT J)**

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT J)**



CLERK OF THE COURT

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8 DISTRICT COURT  
9 CLARK COUNTY, NEVADA

10 YACOV JACK HEFETZ,

11 Plaintiff,

CASE NO. A-11-645353-C  
DEPT. XXVIII

12 vs.

13 CHRISTOPHER BEAVOR,

14 Defendant.  
15

16 **ORDER: (1) GRANTING DEFENDANT'S MOTION TO DISMISS PURSUANT TO NRS**  
17 **40.435; AND (2) VACATING AS MOOT DEFENDANT'S MOTION FOR**  
18 **LEAVE TO REOPEN DISPOSITIVE MOTION DEADLINE**

19 The Court, having reviewed and considered Defendant's Motion to Dismiss Pursuant to  
20 NRS 40.435 (the "Motion to Dismiss") and Defendant Christopher Beavor's Motion for Leave to  
21 Reopen Dispositive Motion Deadline (the "Motion to Reopen") filed by Defendant Christopher  
22 Beavor ("Defendant"), the Opposition to the Motion to Dismiss and the Opposition to the  
23 Motion to Reopen filed by Plaintiff Yacov Hefetz ("Plaintiff"), and Defendant's Reply in  
24 support of the Motion to Dismiss and Reply in support of the Motion to Reopen; having heard  
25 hearing argument from counsel for Plaintiff and Defendant at the June 9, 2015 hearing on the  
26 foregoing filings, and good cause appearing therefore, the Court HEREBY FINDS AND  
27 CONCLUDES:

28 (1) The Motion to Dismiss is appropriate and timely pursuant to Nevada Revised  
Statutes ("NRS") 40.435;

<input type="checkbox"/> Voluntary Dismissal	<input type="checkbox"/> Summary Judgment
<input type="checkbox"/> Involuntary Dismissal	<input type="checkbox"/> Stipulated Judgment
<input type="checkbox"/> Stipulated Dismissal	<input type="checkbox"/> Default Judgment
<input checked="" type="checkbox"/> Motion to Dismiss by Deft(s)	<input type="checkbox"/> Judgment of Arbitration

6/17/15 (PB)

1 (2) Proceeding solely with a claim for breach of guaranty against Defendant violates  
2 Nevada's one-action rule;

3 (3) Pursuant to NRS 40.495(5)(d), there can be no waiver of the one action rule by  
4 Defendant where his principal residence secures the underlying indebtedness upon which  
5 Plaintiff seeks to recover pursuant to his claim for breach of guaranty;

6 (4) Plaintiff has not released or re-conveyed his purported security interest in  
7 Plaintiff's principal residence, thereby warranting dismissal of Plaintiff's claim for breach of  
8 guaranty pursuant to NRS 40.435.

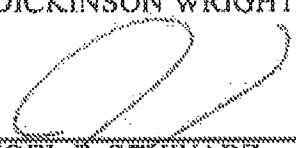
9 Accordingly, the Court HEREBY ORDERS that based upon the foregoing, and for the  
10 reasons stated on the record at the June 9, 2015 hearing, Defendant's Motion to Dismiss is  
11 GRANTED and Plaintiff's Complaint is DISMISSED WITHOUT PREJUDICE. The current  
12 trial date and all other dates scheduled in this matter are vacated. In addition, Defendant's  
13 Motion to Reopen is DENIED AS MOOT.

14 IT IS SO ORDERED this 17 day of June 2015

15   
16 DISTRICT COURT JUDGE

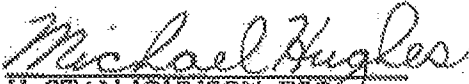
17 Prepared by:

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1 Approved as to form and content:

2 COHEN-JOHNSON, LLC

3 

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*Attorneys for Plaintiff-Appellant*  
*Yacov Jack Hefetz*

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

YACOV JACK HEFETZ,  
  
Plaintiff-Appellant,  
  
v.  
  
CHRISTOPHER BEAVOR,  
  
Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT I)**

YACOV JACK HEFETZ,  
  
Plaintiff-Appellant,  
  
v.  
  
CHRISTOPHER BEAVOR,  
  
Defendant-Respondent.

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT I)**

  
CLERK OF THE COURT

1 **NEOJ**  
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11 Tel: (702) 382-4002  
12 Fax: (702) 382-1661  
13 *Attorneys for Christopher Beavor*

8  
9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 **YACOV JACK HEFETZ,**

12 Plaintiff,

13 vs.

14 **CHRISTOPHER BEAVOR,**

15 Defendant.  
16

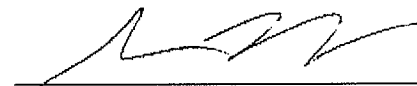
CASE NO. A-11-645353-C  
DEPT. XXVIII

17 **NOTICE OF ENTRY OF ORDER**

18 NOTICE IS HEREBY GIVEN that an Order amending the June 17, 2015 Order was  
19 entered on July 23, 2015, a copy of which is attached hereto.

20 DATED this 24<sup>th</sup> day of July 2015.

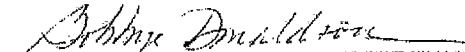
21 **DICKINSON WRIGHT PLLC**

22  
23   
24 **JOEL Z. SCHWARZ**  
25 Nevada Bar No. 9181  
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27 Nevada Bar No. 12332  
28 8363 West Sunset Road, Suite 200  
Las Vegas, Nevada 89113-2210  
Tel: (702) 382-4002  
*Attorneys for*

**CERTIFICATE OF SERVICE**

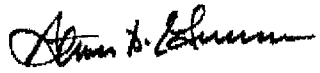
The undersigned, an employee of Dickinson Wright PLLC, hereby certifies that on the 24<sup>th</sup> day of July 2015, she caused a copy of **Notice of Entry of Order** to be served by electronic service in accordance with Administrative Order 14.2, to all interested parties, through the Court's **Odyssey E-File & Serve** system to:

H. Stan Johnson, Esq.  
Email: sjohnson@cohenjohnson.com  
Michael V. Hughes, Esq.  
Email: mhughes@cohenjohnson.com  
COHEN-JOHNSON, LLC  
255 East Warm Springs Road, Suite 100  
Las Vegas, NV 89119  
*Attorneys for Yacov Hefetz*

  
Bobby Donaldson, an employee of  
Dickinson Wright PLLC

**ORIGINAL**

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07/23/2015 01:41:40 PM



CLERK OF THE COURT

**ORDR**

Judge Ronald J. Israel  
Eighth Judicial District Court  
Department XXVIII  
Regional Justice Center  
200 Lewis Avenue  
Las Vegas, Nevada 89155  
(702)671-3631

DISTRICT COURT

CLARK COUNTY, NEVADA

YACOV JACK HEFETZ,

Plaintiff,

vs.

CHRISTOPHER BEAVOR,

Defendant.

Case No. A-11-645353-C  
Dept. No. XXVIII

**ORDER**

Plaintiff's Motion to Re-Open the Case and for Reconsideration of an Order of Dismissal Without Prejudice and Defendant's Motion for Leave to Strike Reply; or, in the Alternative, Motion to File Sur-Reply, having come before the Court in Chambers on July 22, 2015, the Court having reviewed the parties' motions, oppositions, and replies thereto, and good cause appearing therefor, the Court hereby finds as follows:

A party filing a motion must state with particularity the grounds therefor, the absence of which may be construed as an admission that the motion is not meritorious. NRCP 7(b); EDCR 2.20(c). Plaintiff's motion does not comply with court rules since it fails to state under what rule it is moving. Rather, it is not until Plaintiff's reply that Defendant and Court are apprised that Plaintiff is moving pursuant to NRCP 59(e), to alter or amend the judgment, despite the motion being titled as motion for reconsideration, which would ordinarily be made pursuant to EDCR 2.24.



1           Regardless, the Court has inherent authority to amend and/or clarify its orders and to ensure  
2 the proper administration of justice. Accordingly, in the absence of a clear standard to be used when  
3 determining whether to dismiss a case without prejudice pursuant to NRS 40.435(2)(a) or grant a  
4 continuance to allow the proceeding to be converted to an action which does not violate the One  
5 Action Rule pursuant to NRS 40.435(2)(b), the Court will clarify why it dismissed Plaintiff's case  
6 instead of continuing it. However, in order to do so, the Court must also discuss the troubled and  
7 tortured history of this case.  
8

9           While this Court in no way abused its discretion when it properly applied a statutory remedy,  
10 and Plaintiff confirms that there is no legal standard to specifically guide district courts when  
11 determining whether to dismiss pursuant to NRS 40.435(2)(a) or continue pursuant to NRS  
12 40.435(2)(b), the Court will entertain Plaintiff's suggestion to consider the following factors when  
13 determining which statutory remedy to apply: (1) good faith of the plaintiff; (2) interests of judicial  
14 economy; and (3) unfair prejudice to defendant.  
15

16           First, it is this Court's opinion this case was brought in bad faith. Without specifically  
17 discussing the numerous substantive mistakes that were made by counsel for both sides in this case,  
18 the testimony at trial was unequivocal that a settlement was reached and an enforceable contract was  
19 completed when Mr. Frey (the original real party in interest) authored and delivered a written  
20 settlement agreement to the Defendant who signed the agreement and returned it to Mr. Frey's office  
21 only to be told by his partner, the Plaintiff (who was later assigned the claim), that Mr. Frey changed  
22 his mind. After the trial on the merits and a defense verdict, Defense counsel failed to oppose the  
23 motion for a new trial on the merits and, as this court stated during argument on the motion, it would  
24 not have been granted except for the lack of a timely and written opposition. Defendant's motion for  
25 a new trial was first based on *Lioce* challenges that were not objected to at time of trial, and  
26 therefore waived; and second, that the jury misunderstood the issues in Bankruptcy Court and  
27  
28

1 therefore ignored the Jury Instructions. However, both of these arguments were without merit, and  
2 without an opposition, the Court granted the motion. Plaintiff was well aware of the violation of the  
3 One Action Rule, or should have been, since this action was initiated or at least for the last year, and  
4 never sought to amend his Complaint in a timely manner. Using these criteria, the decision is clear:  
5 Plaintiff's claim was not brought in good faith and if Defense counsel had not made several errors,  
6 including failing to bring a motion to enforce the written settlement agreement and/or failing to file  
7 an opposition to the motion for a new trial, this case would have been concluded several times.  
8

9 Second, dismissing without prejudice does serve judicial economy under the facts of this  
10 case.

11 Third, there is clear prejudice to Defendant to further delay and prolong this case, given the  
12 countless missteps on both sides. Given the Plaintiff's suggested criteria, this Court finds the weight  
13 of factors lies heavily with the more appropriate decision to dismiss without prejudice, the interests  
14 of justice would not be served by allowing the alternative.  
15

16 While Defendant's Motion for Leave to Strike Reply; or, in the Alternative, Motion to File  
17 Sur-Reply was not noticed and set for hearing either in the ordinary course or on order shortening  
18 time, the Court has considered it and Plaintiff's opposition thereto, and DENIES it as moot. Whether  
19 or not Plaintiff's "Motion to Re-Open the Case and for Reconsideration of an Order of Dismissal  
20 without Prejudice" qualifies as a NRCP 59(e) motion to alter or amend judgment or is an EDCR  
21 2.24 motion for reconsideration is immaterial to this Court as discussed above. Determination of a  
22 NRAP 4(a)(4) tolling motion is within the province of the Nevada Supreme Court.  
23

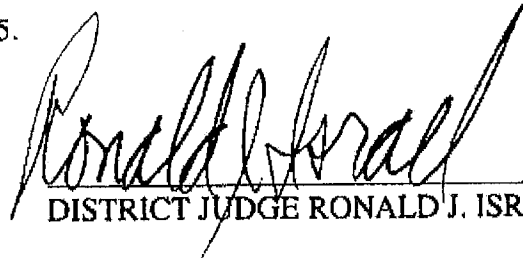
24 IT IS HEREBY ORDERED that the June 17, 2015 Order is amended to incorporate the  
25 clarification and analysis provided in this Decision and Order, noting, however, that this Court  
26 considers its amendment to be for clarification purposes only and not a substantive alteration of the  
27 judgment.  
28

1 IT IS FURTHER ORDERED that Plaintiff's motion is DENIED as lacking merit pursuant to  
2 EDCR 2.20(c).

3 IT IS FURTHER ORDERED Defendant's motion is DENIED as moot.

4 IT IS SO ORDERED.

5 DATED this 23 day of July, 2015.

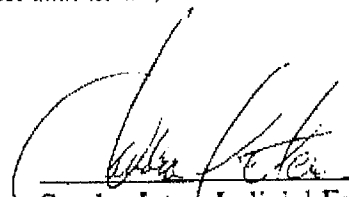
6  
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8   
9 DISTRICT JUDGE RONALD J. ISRAEL

10 **CERTIFICATE OF SERVICE**

11  
12 I hereby certify that on the 23<sup>rd</sup> day of July, 2015, I electronically served a true and  
13 correct copy of the foregoing ORDER as follows:

14 Joel Z. Schwarz, Esq.  
15 Gabriel A. Blumberg, Esq.  
16 DICKINSON WRIGHT PLLC  
17 *All e-service recipients listed in Wiznet/Odyssey (See attached list)*

18 H. Stan Johnson, Esq.  
19 Michael V. Hughes, Esq.  
20 COHEN-JOHNSON, LLC  
21 *All e-service recipients listed in Wiznet/Odyssey (See attached list)*

22  
23   
24 Sandra Jeter, Judicial Executive Assistant  
25 A-11-645353-C  
26  
27  
28

\$ 3.50 - E-Filing & E-Service Fees

Close Service Recipients

7 of 7 selected

\*

Select All Select None		
<b>Cohen-Johnson, LLC</b>		
<b>Name</b>	<b>Email</b>	<b>Select</b>
Calendar	<a href="mailto:calendar@cohenjohnson.com">calendar@cohenjohnson.com</a>	<input checked="" type="checkbox"/>
H. Stan Johnson, Esq.	<a href="mailto:calendar@cohenjohnson.com">calendar@cohenjohnson.com</a>	<input checked="" type="checkbox"/>
Jennifer Russell	<a href="mailto:jrussell@cohenjohnson.com">jrussell@cohenjohnson.com</a>	<input checked="" type="checkbox"/>
<b>Dickinson Wright PLLC</b>		
<b>Name</b>	<b>Email</b>	<b>Select</b>
Bobbye Donaldson	<a href="mailto:bdonaldson@dickinsonwright.com">bdonaldson@dickinsonwright.com</a>	<input checked="" type="checkbox"/>
Joel Z. Schwarz	<a href="mailto:jschwarz@dickinsonwright.com">jschwarz@dickinsonwright.com</a>	<input checked="" type="checkbox"/>
Lisa M. Stewart	<a href="mailto:lstewart@dickinsonwright.com">lstewart@dickinsonwright.com</a>	<input checked="" type="checkbox"/>
<b>Iglody Law Offices</b>		
<b>Name</b>	<b>Email</b>	<b>Select</b>
Lee Iglody	<a href="mailto:lee@iglody.com">lee@iglody.com</a>	<input checked="" type="checkbox"/>

Your File Number : A-11-645353-D

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12 Facsimile No. (702) 823-3400

13 *Attorneys for Plaintiff-Appellant*

14 *Yacov Jack Hefetz*

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

16 YACOV JACK HEFETZ,

17 Plaintiff-Appellant,

18 v.

19 CHRISTOPHER BEAVOR,

20 Defendant-Respondent.

21 YACOV JACK HEFETZ,

22 Plaintiff-Appellant,

23 v.

24 CHRISTOPHER BEAVOR,

25 Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT H)**

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT H)**

*Allen D. Lamm*  
CLERK OF THE COURT

DISTRICT COURT

Case No. A-11-645353-C  
Dept. No. XXVIII

Defendant.

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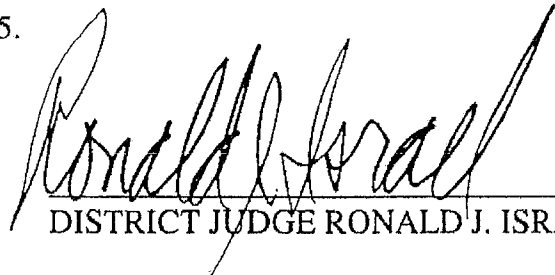


1 IT IS FURTHER ORDERED that Plaintiff's motion is DENIED as lacking merit pursuant to  
2 EDCR 2.20(c).

3 IT IS FURTHER ORDERED Defendant's motion is DENIED as moot.

4 IT IS SO ORDERED.

5 DATED this 23 day of July, 2015.

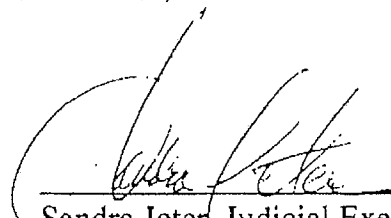
6  
7  
8   
9 DISTRICT JUDGE RONALD J. ISRAEL

10 **CERTIFICATE OF SERVICE**

11  
12 I hereby certify that on the 23<sup>rd</sup> day of July, 2015, I electronically served a true and  
13 correct copy of the foregoing ORDER as follows:

14 Joel Z. Schwarz, Esq.  
15 Gabriel A. Blumberg, Esq.  
16 DICKINSON WRIGHT PLLC  
*All e-service recipients listed in Wiznet/Odyssey (See attached list)*

17 H. Stan Johnson, Esq.  
18 Michael V. Hughes, Esq.  
19 COHEN-JOHNSON, LLC  
*All e-service recipients listed in Wiznet/Odyssey (See attached list)*

20  
21  
22   
23 Sandra Jeter, Judicial Executive Assistant  
24 A-11-645353-C  
25  
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27  
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12 Facsimile No. (702) 823-3400

13 *Attorneys for Plaintiff-Appellant*

14 *Yacov Jack Hefetz*

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

16 YACOV JACK HEFETZ,

17 Plaintiff-Appellant,

18 v.

19 CHRISTOPHER BEAVOR,

20 Defendant-Respondent.

21 YACOV JACK HEFETZ,

22 Plaintiff-Appellant,

23 v.

24 CHRISTOPHER BEAVOR,

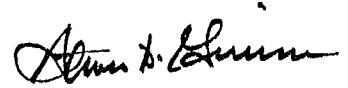
25 Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT G)**

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT G)**

  
CLERK OF THE COURT

MOT  
COHEN-JOHNSON, LLC  
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sjohnson@cohenjohnson.com  
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*Attorneys for Jack Hefetz*

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

YACOV JACK HEFETZ,

Plaintiff,

vs.

CHRISTOPHER BEAVOR,

Defendant.

CASE NO. A-11-645353-C  
DEPT. XXVIII

**PLAINTIFF'S MOTION TO RE-OPEN THE CASE AND FOR RECONSIDERATION  
OF AN ORDER OF DISMISSAL WITHOUT PREJUDICE**

COMES NOW, Plaintiff, Yacov Jack Hefetz (hereinafter referred to as "Hefetz"), by and through his counsel of record, H. Stan Johnson, Esq. and Michael V. Hughes, Esq. of the law firm of Cohen-Johnson, LLC, and hereby moves this Court to reopen the above-captioned case in order to permit Hefetz to present a motion for reconsideration.

...

...

...

...

...

COHEN-JOHNSON, LLC  
255 E. Warm Springs Road, Suite 100  
Las Vegas, Nevada 89119  
(702) 823-3500 FAX: (702) 823-3400

1 This Motion is based upon the following Memorandum of Points and Authorities, the  
2 pleadings and papers on file in the above-captioned proceedings, and any evidence and oral  
3 argument that may be entertained at a hearing on this Motion.

4 Dated this 19th day of June, 2015.

5 COHEN-JOHNSON, LLC

6 By: Michael Hughes  
7 H. Stan Johnson, Esq.  
8 Nevada Bar No. 00265  
9 Michael V. Hughes, Esq.  
10 Nevada Bar No. 13154  
11 Suite 100  
12 255 East Warm Springs Road  
13 Las Vegas, Nevada 89119  
14 Telephone: (702) 823-3500  
15 Facsimile: (702) 823-3400  
16 *Attorneys for Jack Hefetz*  
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COHEN-JOHNSON, LLC  
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Las Vegas, Nevada 89119  
(702) 823-3500 FAX: (702) 823-3400

NOTICE OF MOTION

TO: ALL INTERESTED PARTIES and THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that counsel for the Plaintiff, Yacov Jack Hefetz, will bring PLAINTIFF'S MOTION TO RE-OPEN THE CASE AND FOR RECONSIDERATION OF AN ORDER OF DISMISSAL WITHOUT PREJUDICE for hearing before the above entitled Court on the 21 day of JULY, 2015, at the hour of 9:00A a.m./p.m., or as soon thereafter as counsel may be heard.

Dated this 19th day of June, 2015.

COHEN-JOHNSON, LLC

By: Michael Hughes  
H. Stan Johnson, Esq.  
Nevada Bar No. 00265  
Michael V. Hughes, Esq.  
Nevada Bar No. 13154  
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*Attorneys for Jack Hefetz*

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. STATEMENT OF FACTS**

On May 7, 2015 Christopher Beavor ("Beavor") filed Defendant's Motion to Dismiss Pursuant To NRS 40.435 ("Beavor's Motion") in order to dismiss the above-captioned action on the basis of the NRS 40.435 (hereinafter referred to as the "One Action Rule"). On May 19, 2015 Hefetz opposed Beavor's motion on the five grounds. One of those grounds was for the Court to grant Hefetz a continuance in order that he may convert the above-captioned case into one which was in compliance with the One Action Rule.

On June 9, 2015, there was a hearing on Beavor's Motion. At the conclusion of the hearing, the Court granted Beavor's Motion and dismissed the above-captioned case without prejudice. In granting the dismissal without prejudice, the Court did not articulate the legal standard used to grant the remedy of a dismissal without prejudice over the remedy of a continuance with a right to convert the above-captioned case into one in compliance with the One Action Rule. It also did not explain how it applied the facts present in the above-captioned case to the pertinent legal standard.

On June 10, 2015 the Court closed the case and filed a Civil Order To Statistically Close the Case. Hefetz is now compelled to file this motion.

**II. LEGAL ARGUMENT**

**A. THE COURT MUST SET FORTH ITS LEGAL STANDARD WHEN MAKING A DECISION TO DISMISS OTHERWISE IT HAS ABUSED ITS DISCRETION**

NRS 40.435 governs the facts set forth in the above-captioned case. That statute provides in pertinent part as follows:

1. The commencement of or participation in a judicial proceeding in violation of NRS 40.430 does not forfeit any of the rights of a secured creditor in any real or personal collateral, or impair the ability of the creditor to realize upon any real or personal collateral, if the judicial proceeding is:

(a) Stayed or dismissed before entry of a final judgment; *or*

(b) Converted into an action which does not violate NRS 40.430.

2. If the provisions of NRS § 40.430 are timely interposed as an affirmative defense in such a judicial proceeding, upon the motion of any party to the proceeding the court shall:

(a) Dismiss the proceeding without prejudice; *or*

(b) Grant a continuance and order the amendment of the pleadings to convert the proceeding into an action which does not violate NRS § 40.430.

NRS 40.435 (emphasis added).

Notwithstanding its applicability, NRS 40.435 is silent about the standard to be used by the Court in evaluating between the remedy of dismissal without prejudice and the remedy of a continuance with the order to amend pleadings to convert a case into one in compliance with the One Action Rule. Additionally, Hefetz has not located any Nevada Supreme Court decision that articulates the standard to be applied in evaluating between the two aforementioned remedies. As a consequence, Nevada district courts are provided with very little guidance about the relevant standard. Nonetheless, district courts must articulate on the record the standard applied by them in dismissing a case. Otherwise, they are abusing their discretion.

Here the Court did not articulate a legal standard when it elected the remedy to dismiss without prejudice the above-captioned case over the remedy to grant a continuance in order to convert that case. That failure is an abuse of discretion. Accordingly, Hefetz requests that the Court articulate the legal standard applied by it when electing the remedy of dismissal without prejudice the above-captioned case over the remedy of a continuance with an order to amend pleadings.

1           **B. THE COURT MUST APPLY THE FACTS OF THE CASE TO**  
2           **THE RELEVANT LEGAL STANDARD WHEN MAKING A**  
3           **DECISION TO DISMISS OTHERWISE IT HAS ABUSED ITS**  
4           **DISCRETION**

5           The Court must apply the facts of the case to the relevant legal standard  
6           when making a decision to dismiss otherwise it has abused its discretion. Here,  
7           the Court only found that the One Action Rule applied to the facts present in the  
8           above-captioned case. It did not make any findings to justify its selection of the  
9           remedy of dismissal without prejudice over the remedy of conversion of the  
10          above-captioned case. Accordingly, it has abused its discretion. *See Stratosphere*  
11         *Gaming Corp. v. City of Las Vegas*, 120 Nev. 523, 528, 96 P.3d 756, 760 (2004)  
12         ("A decision that lacks support in the form of substantial evidence is arbitrary or  
13         capricious and, therefore, an abuse of discretion.")

14           **C. THE CASE SHOULD BE CONVERTED AND NOT DISMISSED**  
15           **WITHOUT PREJUDICE IN LIGHT OF HEFETZ'S GOOD**  
16           **FAITH IN PURSUING THE CLAIMS, THE COURT'S**  
17           **INTERESTS OF JUDICIAL ECONOMY, AND THE ABSENCE**  
18           **OF UNFAIR PREJUDICE TO BEAVOR**

19          Though no legal standard appears to have ever been articulated by Nevada  
20          statutes or the Nevada courts, Hefetz respectfully submits that at least the  
21          following two factors, among others, should be explicitly considered when  
22          choosing between the remedy of dismissal without prejudice and the remedy of  
23          continuance with the order to convert: (1) the good faith of the plaintiff; (2) the  
24          interests of judicial economy; and (3) the absence of unfair prejudice to the  
25          defendant. As will be discussed below, the application of the aforementioned  
26          factors here suggests that the Court should elect the remedy of a continuance with  
27          an order to convert the above-captioned action over the remedy of a dismissal  
28          without prejudice of the above-captioned action.



1 Hefetz has acted in good faith. He has not pursued the claim at issue here  
2 with a fraudulent intent. He has not pursued the claim at issue here with a desire  
3 to harass Beavor. He has not pursued an improper purpose in connection with his  
4 claim. He has instead consistently pursued the above-captioned action for nearly  
5 four years in an effort to obtain judicial relief on a personal guaranty claim in  
6 excess of four million dollars. Accordingly, the case should not be dismissed  
7 without prejudice, but should be converted into one that is compliant with the One  
8 Action Rule.

9 Judicial economy will also be advanced by the conversion of the case.  
10 Only one district court judge has presided over the above-captioned case for the  
11 past four years. That judge has already conducted one trial in the above-captioned  
12 case and has ruled on numerous motions, including one motion for summary  
13 judgment. That judge has considerable knowledge about the facts in the above-  
14 captioned case. In short, that judge's continued presence in a converted case will  
15 advance the interests of judicial economy. Accordingly, the interest in judicial  
16 economy favors the remedy of conversion of the above-captioned case into one in  
17 compliance with the One Action Rule over the remedy of dismissal without  
18 prejudice of the above-captioned case since it assures that the same judge shall  
19 preside over the case.

20 Finally, there is no unfair prejudice to Beavor if the above-captioned case  
21 is converted into one in compliance with the One Action Rule. In particular,  
22 Beavor has raised the affirmative defense of the One Action Rule and, therefore,  
23 he can legitimately expect to have a foreclosure proceedings pursued against his  
24 homestead.

1     **III.     CONCLUSION**

2             Based upon the foregoing, Hefetz respectfully requests that this Court grant this motion  
3     in its entirety.

4             Dated this 19th day of June, 2015.

5                             **COHEN-JOHNSON, LLC**

6                             By: Michael Hughes  
7                             H. Stan Johnson, Esq.  
8                             Nevada Bar No. 00265  
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CERTIFICATE OF SERVICE

The undersigned certifies that, on the 19th day of June, 2015, a true and correct copy of the foregoing **PLAINTIFF'S MOTION TO RE-OPEN THE CASE AND FOR RECONSIDERATION OF AN ORDER OF DISMISSAL WITHOUT PREJUDICE** was served upon the following person pursuant to NRCP 5(b)(2)(D) and EDCR 8.05 via the Odyssey E-Filing system and via U.S. First-Class Postage-Prepaid Mail:

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13 *Attorneys for Plaintiff-Appellant*

14 *Yacov Jack Hefetz*

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

16 YACOV JACK HEFETZ,

17 Plaintiff-Appellant,

18 v.

19 CHRISTOPHER BEAVOR,

20 Defendant-Respondent.

21 YACOV JACK HEFETZ,

22 Plaintiff-Appellant,

23 v.

24 CHRISTOPHER BEAVOR,

25 Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT F)**

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT F)**

  
CLERK OF THE COURT

1 ACTCM  
2 MARC A. SAGGESE, ESQ.  
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DISTRICT COURT  
CLARK COUNTY, NEVADA

YACOV JACK HEFETZ, an individual; and  
ALIS COHEN, an individual,

Plaintiffs,

vs.

CHRISTOPHER BEAVOR, an individual;  
SAMANTHA BEAVOR, an individual; DOES I  
through X and ROE ENTITIES I through X,  
inclusive,

Defendants.

Case No.: A-10-645353-C  
Dept. No.: XXVIII

FIRST AMENDED COUNTERCLAIM

CHRISTOPHER BEAVOR, an individual;  
SAMANTHA BEAVOR, an individual,

Counterclaimants,

vs.

YACOV JACK HEFETZ, an individual; DOES I  
through X; and ROE CORPORATIONS 1  
through 10, inclusive,

Counter-Defendant.

COMES NOW, Counterclaimants CHRISTOPHER BEAVOR and SAMANTHA  
BEAVOR, by and through the undersigned counsel, and hereby asserts the following  
Counterclaim against Counter-Defendant YACOV JACK HEFETZ, as follows:

1           1.       CHRISTOPHER BEAVOR is an individual, who at all times relevant, is a  
2 resident of Clark County, Nevada.

3           2.       SAMANTHA BEAVOR is an individual, who at all times relevant, is a resident  
4 of Clark County, Nevada.  
5

6           3.       Upon information and belief, Counter-Defendant YACOV JACK HEFETZ  
7 (henceforth "HEFETZ") is an individual, who at all times relevant is a resident of Clark County,  
8 Nevada.

9           4.       That pursuant to NRCP 10(a) and Nurenberger Hercules-Werke GMBH v.  
10 Virotek, 107 Nev. 873 (Nev. 1991), the identity of resident and non-resident Designated herein  
11 as DOES I-X and ROE CORPORATIONS XXI-XXX, inclusive, are unknown to Counter-  
12 Claimants at this present time; however, it is alleged and believed these Defendants were  
13 involved in the initiation, approval, support, or execution of the wrongful acts on which this  
14 action is premised, or of similar actions directed against Counter-Claimants about which they are  
15 presently unaware. As the specific identities of these parties are revealed through the course of  
16 discovery, the DOES and ROES will be replaced to identify these parties by their true names and  
17 capacities.  
18  
19

20           5.       That jurisdiction and venue are proper in this Court.  
21

## 22                               FACTS

23           6.       On or about March 29, 2007, Toluca Lake Vintage, LLC ("Borrower"), entered  
24 into a loan agreement with the Herbert Frey Revocable Family Trust dated November 22, 1982  
25 ("Lender"), in an amount of six million dollars (\$6,000,000.00).  
26

27           7.       Said Loan was procured by Borrower for the purpose of developing certain real  
28 property located in Los Angeles County, California.

- 1           8.       Counterclaimants signed a personal guarantee to said loan.
- 2           9.       Lender then recorded a deed of trust against Counterclaimants' two Nevada
- 3 properties as collateral to secure the loan. Said properties are located at 905 Domnus Lane, Unit
- 4 202, Las Vegas, Nevada 89144, and 60 Chapman Heights, Las Vegas, Nevada 89138.
- 5
- 6           10.      One provision of the loan was if Borrower were to file bankruptcy, the loan would
- 7 default.
- 8           11.      Said Loan was utilized as a down payment for the real estate project to include the
- 9 purchase price for the land, engineering, marketing, and architects.
- 10
- 11          12.      Unbeknownst to Counterclaimants, Counter-Defendant Hefetz had contributed
- 12 two million dollars (\$2,000,000.00) of the \$6,000,000.00 loan from Lender to Borrower, which
- 13 was not disclosed or documented.
- 14
- 15          13.      After eighteen months of construction of the real property project in Los Angeles
- 16 County, California, the bank backing the project ceased funding the loan, halting construction.
- 17          14.      The bank then filed an Ex Parte Motion in April 2009 for a receivership to take
- 18 control of the real estate project.
- 19          15.      Following the filing of said motion, Counterclaimants were contact by Lender and
- 20 Counter-Defendant Hefetz with a strategy: for Counterclaimant to terminate his legal counsel
- 21 and retain Counter-Defendant's attorney to file a Complaint against the bank originally funding
- 22 the loan. In turn, Borrower should then file bankruptcy, but Counterclaimants would be released
- 23 from all obligations and personal guarantees under the loan, and the deeds of trust would be
- 24 released against Counterclaimants' properties.
- 25
- 26 ...
- 27 ...
- 28 ...

1           16. Lender then appointed Star Management, LLC, as Manager of Toluca Lake  
2 Vintage, LLC, on May 13, 2009. Counter-Defendant Hefetz was Manager of Star Development,  
3 LLC.

4           17. On May 14, 2009, Counter-Defendant Hefetz, as Manager of Star Development,  
5 LLC, which was Manager of Toluca Lake Vintage, LLC, caused Toluca Lake Vintage, LLC, to  
6 file bankruptcy, causing the loan to default and the \$6,000,000.00 to become due to Lender.  
7

8           18. Pursuant to prior negotiations with Lender, Counterclaimants were to be released  
9 from all obligations and personal guarantees under the loan after the filing of the bankruptcy, and  
10 the deeds of trust were to be released against Counterclaimants' properties.  
11

12           19. Bankruptcy proceedings were initiated in the Central District of San Fernando  
13 Valley, California, Case No. 1:09BK15680-GM.

14           20. Following the bankruptcy proceedings in court, Counter-Defendant Hefetz  
15 reported fraudulent statements to his legal counsel, causing said counsel to file false affidavits  
16 with the court stating that Counterclaimants had reached a global settlement agreement with the  
17 bank funding the loan, when Counterclaimants had never been briefed on the issue and had never  
18 been presented with the purported settlement documents for review.  
19

20           21. A settlement agreement was not presented to Counterclaimants until  
21 approximately three (3) months after said affidavits were filed and approved by the court for the  
22 bankruptcy proceedings.  
23

24           22. Upon learning this information, Counterclaimants contacted counsel retained by  
25 Lender on Counterclaimants' behalf and alerted said counsel of the fraudulent actions being  
26 committed by Counter-Defendant Hefetz, as he filed an Ex Parte Motion to finalize the  
27 bankruptcy settlement, the terms of which Counterclaimants had not agreed.  
28



1           23.     Upon reviewing the settlement information, Counterclaimants discovered that  
2 said settlement documents release Counterclaimants from their obligations to the bank, but not  
3 their obligations and personal guarantees to Lender, which had previously been agreed upon.  
4

5           24.     New counsel was retained by Counterclaimants, at which time oppositions to said  
6 bankruptcy proceedings were filed to expose the fraudulent activities that had taken place on the  
7 part of Counter-Defendant Hefetz.  
8

9           25.     Upon the filing of said affidavits, the bankruptcy court issued a Section 363(b)  
10 ruling and stated that good faith dealings had not taken place, and claims were preserved against  
11 Lender, Star Development, LLC, and Counter-Defendant Hefetz.

12           26.     In December 2010, Counterclaimants were contacted by Wayne Krieger, another  
13 Manager of Star Development, LLC, that release documents had been drafted for  
14 Counterclaimants' signature that were to release all claims against Lender, and in turn, released  
15 Counterclaimants of all obligations and personal guarantees from the \$6,000,000.00 loan, as well  
16 as release of the deeds of trust recorded against Counterclaimants' properties.  
17

18           27.     Counterclaimants signed the settlement agreement, and agreed to remit  
19 \$23,000.00 for payment of associated legal fees.  
20

21           28.     In January 2011, Counterclaimant Christopher Beavor proceeded to personally  
22 drop off all settlement documents and payments for legal fees to Lender.

23           29.     Counter-Defendant Hefetz was in Lender's office at the time of  
24 Counterclaimant's arrival, and physically grabbed the settlement agreement from  
25 Counterclaimant and stated that he would not allow Lender to sign the settlement documents  
26 releasing Counterclaimants of all obligations under the loan.  
27

28     ...

1           30. Counterclaimants then received a call from Counter-Defendant Hefetz stating that  
2 he was going to force Lender to assign him the outstanding debt, to which Counterclaimants  
3 could never be released. The instant litigation ensued.  
4

5                                   **FIRST CLAIM FOR RELIEF**

6                                   **Fraud**

7           31. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1  
8 through 30 above as though fully set forth herein.  
9

10           32. Counter-Defendant Hefetz caused, through Star Development as Manager, false  
11 information to be relayed to Star Development's counsel, and the filing of fraudulent affidavits  
12 to be filed with the Central District of San Fernando Valley, Case No. 1:09BK15680-GM, by  
13 Counter-Defendant Hefetz stating that there existed a global settlement agreement that would  
14 have released all parties to the \$6,000,000.00 loan.  
15

16           33. Specifically, upon reviewing the settlement information, Counterclaimants  
17 discovered that said settlement documents release Counterclaimants from their obligations to the  
18 bank, but not their obligations and personal guarantees to Lender, which had previously been  
19 agreed upon.  
20

21           34. Counterclaimants were not included in the global settlement as per Counter-  
22 Defendant Hefetz' prior representations, and was excluded from said agreement by the counsel  
23 that Counter-Defendant had provided for Counterclaimants.

24           35. Counterclaimants justifiably relied on the prior representation of Counter-  
25 Defendant Hefetz that they would be released from their obligations and personal guarantees  
26 under the loan, when in fact, the counsel provided by Counter-Defendant purposefully excluded  
27 Counterclaimants from being released in the settlement documents.  
28

36. As a direct and proximate result of Counter-Defendant's actions, Counterclaimants have suffered damages in excess of ten thousand dollars (\$10,000.00).

37. As a result of Counter-Defendant's actions, Counterclaimants have suffered an unlawful lien on their properties located at 905 Domnus Lane, Unit 202, Las Vegas, Nevada 89144, and 60 Chapman Heights, Las Vegas, Nevada 89138.

38. As a result of Counter-Defendant's actions, Counterclaimants have been forced to retain an attorney and have incurred attorney's fees and costs.

## SECOND CLAIM FOR RELIEF

### Fraud in the Inducement

39. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1 through 38 above as though fully set forth herein.

40. Counter-Defendant Hefetz made a false representation to Counterclaimants when he presented a strategy to Counterclaimants to terminate their legal counsel and retain Counter-Defendant's same attorney in order to file a Complaint against the bank originally funding the loan for the real property to be developed by the parties.

41. Counter-Defendant knew his representations were false when he further stated to Counterclaimants that Toluca Lake Vintage, LLC ("Borrower") should then file bankruptcy, thereby releasing Counterclaimants from any and all obligations, personal guarantees and deeds of trust for their properties held under the loan.

42. Counter-Defendant Hefetz utilized Counterclaimants' desire to be released from their obligations, personal guarantees, and the release of the deeds of trust for their properties as a mechanism to induce them to agree to the filing of the bankruptcy, knowing that the loan payment would default.

1           43.     Counterclaimants justifiably relied upon the representations of Counter-Defendant  
2 Hefetz and followed through with his recommendations, as they were eager to be released from  
3 the prior obligations and guarantees under the terms of the loan.  
4

5           44.     Counterclaimants were not fully informed of all proceedings surrounding the  
6 bankruptcy as Counter-Defendant Hefetz caused fraudulent affidavits to be filed with the Central  
7 District of San Fernando Valley, California, Case No. 1:09BK15680-GM, by Counter-Defendant  
8 Hefetz, stating that there existed a global settlement agreement that would have released all  
9 parties to the \$6,000,000.00 loan, when in fact, Counterclaimants had not been informed of said  
10 agreement at all.  
11

12           45.     Specifically, only upon reviewing the settlement information some three (3)  
13 months following its submission to the Court by Counter-Defendant Hefetz, Counterclaimants  
14 discovered that Counter-Defendant Hefetz never had any intention of releasing Counterclaimants  
15 from their obligations, personal guarantees, or deeds of trust for properties, as all settlement  
16 documents only outlined Counterclaimants' release from obligations to the bank, but not their  
17 obligations and personal guarantees to Lender, which had previously represented to  
18 Counterclaimants.  
19

20           46.     As a direct and proximate result of Counter-Defendant's actions,  
21 Counterclaimants have suffered damages in excess of ten thousand dollars (\$10,000.00).  
22

23           47.     As a result of Counter-Defendant's actions, Counterclaimants have suffered an  
24 unlawful lien on their properties located at 905 Domnus Lane, Unit 202, Las Vegas, Nevada  
25 89144, and 60 Chapman Heights, Las Vegas, Nevada 89138.  
26

27           48.     As a result of Counter-Defendant's actions, Counterclaimants have been forced to  
28 retain an attorney and have incurred attorney's fees and costs.

1 **THIRD CLAIM FOR RELIEF**

2 **Breach of the Covenant of Good Faith and Fair Dealing**

3 49. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1  
4 through 48 above as though fully set forth herein.

5 50. Every contract contains an implied covenant of good faith and fair dealing.  
6 Counter-Defendant Hefetz breached said Covenant of Good Faith and Fair Dealing when he  
7 misrepresented the terms of the global settlement agreement during the bankruptcy proceedings.  
8

9 51. Counter-Defendant further breached said Covenant of Good Faith and Fair  
10 Dealing when he failed to allow Counterclaimants to be released from their obligations and  
11 personal guarantees under the loan from Lender, holding them personally responsible for all  
12 monies due, as well as holding liens against their properties.  
13

14 52. Counterclaimants suffered damages in excess of ten thousand dollars  
15 (\$10,000.00) as a result of Counter-Defendant's breach of said Covenant of Good Faith and Fair  
16 Dealing.  
17

18 53. As a result of Counter-Defendant's actions, Counterclaimants have suffered an  
19 unlawful lien on their properties located at 905 Domnus Lane, Unit 202, Las Vegas, Nevada  
20 89144, and 60 Chapman Heights, Las Vegas, Nevada 89138.  
21

22 54. As a result of Counter-Defendant's actions, Counterclaimants have been forced to  
23 retain an attorney and have incurred attorney's fees and costs.

24 **FOURTH CLAIM FOR RELIEF**

25 **Breach of Fiduciary Duty**

26 55. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1  
27 through 54 above as though fully set forth herein.  
28

1           56.     Counter-Defendant Hefetz, as Manager of Star Development, LLC, and Star  
2 Development, as Manager of Toluca Lake Vintage, LLC, owed a fiduciary duty to  
3 Counterclaimant, owner of Toluca Lake Vintage, LLC.  
4

5           57.     Counter-Defendant Hefetz breached that fiduciary duty when he caused, through  
6 Star Development as Manager, false information to be relayed to Star Developments's counsel,  
7 causing fraudulent affidavits to be filed with the Central District of San Fernando Valley, Case  
8 No. 1:09BK15680-GM, by stating that there existed a global settlement agreement that would  
9 have released all parties to the \$6,000,000.00 loan.  
10

11           58.     Counter-Defendant Hefetz further breached that duty when he failed to act for the  
12 benefit of Counterclaimants by failing to include Counterclaimants in said settlement agreement  
13 to release Counterclaimants from their obligations to and personal guarantees to Lender, which  
14 had previously been agreed upon.  
15

16           59.     As a result of Counter-Defendant's actions, Counterclaimants suffered damages in  
17 excess of ten thousand dollars (\$10,000.00).  
18

19           60.     As a result of Counter-Defendant's actions, Counterclaimants have suffered an  
20 unlawful lien on their properties located at 905 Domnus Lane, Unit 202, Las Vegas, Nevada  
21 89144, and 60 Chapman Heights, Las Vegas, Nevada 89138.  
22

23           61.     As a result of Counter-Defendant's actions, Counterclaimants have been forced to  
24 retain an attorney and have incurred attorney's fees and costs.  
25

#### 26                           **FIFTH CLAIM FOR RELIEF**

#### 27                           **Tortious Interference with Contractual Relations**

28           62.     Counterclaimants hereby adopt and incorporate by reference Paragraphs 1  
through 61 above as though fully set forth herein.

63. Counterclaimants entered into a contract with Lender (the Herbert Frey Revocable Family Trust, dated November 22, 1982) for a mutual release and payment agreement regarding the loan for \$6,000,000.00.

64. Counter-Defendant Hefetz physically intercepted the contract to release Counterclaimants from their obligations, personal guarantee, and property liens on said \$6,000,000.00 loan, as it was being delivered to Mr. Frey for signature.

65. Counterclaimant Christopher Beavor presented the signed contract to Lender via personal delivery for signature and finalization of the contract.

66. Counter-Defendant Hefetz purposefully, actively and deliberately withheld said contract from the possession of Lender.

67. As a result of Counter-Defendant's actions, Counterclaimants suffered damages in excess of ten thousand dollars (\$10,000.00).

68. As a result of Counter-Defendant's actions, Counterclaimants have suffered an unlawful lien on their properties located at 905 Domnus Lane, Unit 202, Las Vegas, Nevada 89144, and 60 Chapman Heights, Las Vegas, Nevada 89138.

69. As a result of Counter-Defendant's actions, Counterclaimants have been forced to retain an attorney and have incurred attorney's fees and costs.

### SIXTH CLAIM FOR RELIEF

### Negligence Per Se (Violation of NRS 645B)

70. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1 through 69 above as though fully set forth herein.

71. Counter-Defendant Hefetz acquired the \$6,000,000.00 note unlawfully from Lender in violation of NRS 645B.

1           72.     The Herbert Frey Revocable Family Trust dated November 22, 1982 (Lender) is  
2 an unlicensed mortgage broker who transferred the note to Counter-Defendant Hefetz, also an  
3 unlicensed mortgage broker, in violation of NRS 645B.  
4

5           73.     Counter-Defendant Hefetz and Lender do not meet the exception to the license  
6 requirement as designated in NRS 645B.015, as the transfer of the \$6,000,000.00 note was  
7 secured by Counterclaimants' real property, and was, at all times an unlawful transfer of a  
8 secured transaction.  
9

10          74.     As a result of Counter-Defendant's actions, Counterclaimants suffered damages in  
11 excess of ten thousand dollars (\$10,000.00).

12          75.     As a result of Counter-Defendant's actions, Counterclaimants have suffered an  
13 unlawful lien on their properties located at 905 Domnus Lane, Unit 202, Las Vegas, Nevada  
14 89144, and 60 Chapman Heights, Las Vegas, Nevada 89138.  
15

16          76.     As a result of Counter-Defendant's actions, Counterclaimants have been forced to  
17 retain an attorney and have incurred attorney's fees and costs.  
18

19 ...

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1           WHEREFORE, Counterclaimants expressly reserve the right to amend this Counterclaim  
2 at time of trial to include all items of damages not yet ascertained, prays for the following relief  
3 against Counter-Defendant:  
4

- 5           1. For general damages in an amount in excess of ten thousand dollars (\$10,000.00);
- 6           2. For special damages in an amount in excess of ten thousand dollars (\$10,000.00);
- 7           3. For economic damages in an amount in excess of ten thousand dollars (\$10,000.00);
- 8           4. For future damages in an amount in excess of ten thousand dollars (\$10,000.00);
- 9           5. For punitive damages in an amount in excess of ten thousand dollars (\$10,000.00);
- 10          6. For an award of attorney's fees and costs of suit as provided by Nevada Revised  
           Statutes;
- 11          7. For prejudgment interest as provided by law; and
- 12          8. For such other and further relief as the Court may deem just or proper.

13           DATED this 9<sup>th</sup> day of April, 2012.

14                                   /s/ MARC A. SAGGESE, ESQ.

15                                   **MARC A. SAGGESE, ESQ.**

16                                   Nevada Bar No. 7166

17                                   **SAGGESE & ASSOCIATES, LTD.**

18                                   732 S. Sixth Street, Suite 201

19                                   Las Vegas, Nevada 89101

20                                   Telephone 702.778.8883

21                                   Facsimile 702.778.8884

22                                   Marc@MaxLawNV.com

23                                   Attorney for Defendants/Counterclaimants  
24  
25  
26  
27  
28



1 **COHEN|JOHNSON|PARKER|EDWARDS**

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10 Las Vegas, Nevada 89119

11 Telephone No. (702) 823-3500

12 Facsimile No. (702) 823-3400

13 *Attorneys for Plaintiff-Appellant*

14 *Yacov Jack Hefetz*

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

16 YACOV JACK HEFETZ,

17 Plaintiff-Appellant,

18 v.

19 CHRISTOPHER BEAVOR,

20 Defendant-Respondent.

21 YACOV JACK HEFETZ,

22 Plaintiff-Appellant,

23 v.

24 CHRISTOPHER BEAVOR,

25 Defendant-Respondent.

Case No. 68438

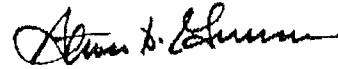
**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT E)**

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT E)**

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Lee I. Iglody, Esq.  
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Las Vegas, NV 89123  
Tel: (702) 425-5366  
Fax: (702) 446-5148  
Email: [Lee@Iglody.com](mailto:Lee@Iglody.com)  
Attorney for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

YACOV JACK HEFETZ, an individual, and  
ALIS COHEN, an individual,  
Plaintiffs,

vs.

CHRISTOPHER BEAVOR, an individual,  
and SAMANTHA BEAVOR, an individual,  
DOES I – X and ROE ENTITIES I – X,  
inclusive  
Defendants.

CASE NO: A-11-645353-C  
DEPT NO.: XXVIIII

VERIFIED COMPLAINT

Plaintiffs YACOV JACK HEFETZ and ALIS COHEN (collectively, "Plaintiffs"), by and through their counsel, Lee Iglody, Esq., hereby complain and allege against Defendants CHRISTOPHER BEAVOR and SAMANTHA BEAVOR (the "Guarantors") and DOES I – X and ROE ENTITIES I – X, inclusive, (collectively, "Defendants") as follows:

I. NATURE OF THE ACTION

1. This action is necessary as a result of Defendants' failure to meet their joint and several obligations as guarantors of a defaulted loan in the principal amount of \$6,000,000.00.

II. PARTIES, JURISDICTION AND VENUE

2. Plaintiff Yacov Jack Hefetz is and was at all relevant times hereto an individual that resides in Clark County, Nevada.

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Las Vegas, Nevada 89123  
(702) 425-5366 FAX: (702) 446-5148

3. Plaintiff Alis Cohen is and was at all relevant times hereto an individual that resides in Clark County, Nevada.

4. Defendant Christopher Beavor is and was at all relevant times hereto an individual residing in Clark County, Nevada.

5. Defendant Samantha Beavor is and was at all relevant times hereto an individual residing in Clark County, Nevada.

6. Defendants designated herein as Does and Roe Entities are individuals and legal entities that are liable to Plaintiffs for the claims set forth herein. In addition to possible alter egos of the above-named Defendants, if discovery should reveal the individual Defendants, or any of their trusts, affiliated entities, family members or ex-spouses are participating in fraudulent transfers for the purpose of avoiding claims such as Plaintiffs' set forth in this Complaint, then members of these entities, trusts and/or third-party transferees, including but not limited to, individual transferees and/or new entities formed for the purpose of holding property and assets, shall be added as Defendants herein. Any transactions and the true capacities of Does and Roe Entities are presently unknown to Plaintiffs and, therefore, Plaintiffs sue said Defendants by such fictitious names. Plaintiffs will amend this Complaint to assert the true names and capacities of such Doe and Roe Entities when more information has been ascertained.

7. The majority of Defendants' wrongful acts occurred and/or arose from or in Clark County, Nevada, and the loan documents at issue provide for jurisdiction and venue in Las Vegas, Clark County, Nevada. Thus, jurisdiction is proper in the courts of this state and venue is proper in this judicial district.

### **III. GENERAL ALLEGATIONS**

8. On or about March 29, 2007, Toluca Lake Vintage, LLC ("Borrower") entered into a Loan Agreement whereby Borrower procured a loan in the amount of \$6,000,000.00 (the "Loan") from a lender, the Herbert Frey Revocable Family Trust ("Lender"). True and correct copies of the Loan Agreement (without exhibits) and the Promissory Note evidencing the Loan are attached hereto as **Exhibits 1 and 2** respectively.

1           9.     The purpose for the Loan was to improve and develop certain real property  
2 located in Iron County, Utah; Los Angeles County, California; and Clark County, Nevada.

3           10.    Plaintiffs participated in the Loan by contributing \$2,214,875.00 toward funding  
4 of the Loan ("Participation Amount").

5           11.    The Loan was benefitted by the Guarantors' joint and several, absolute,  
6 unconditional and irrevocable personal guarantee of full and prompt payment of the principal  
7 and interest due and owing on the Loan. A true copy of the Payment Guarantee evidencing  
8 Guarantors' obligations is attached hereto as **Exhibit 3**.

9           12.    Borrower defaulted on the Loan. On or about May 14, 2009, Borrower filed a  
10 voluntary Chapter 11 petition under the United States Bankruptcy Code, 11 U.S.C. § 101, et seq.  
11 on May 14, 2009.

12           13.    Guarantors did not meet their guarantee obligations upon Borrower's default.

13           14.    The Loan has not been repaid, and the Participation Amount has not been repaid  
14 to Plaintiffs from Lender, Borrower, or Guarantors.

15           15.    On or about July 6, 2011, Lender assigned to Plaintiffs all of Lender's right, title  
16 and interest in and to the Loan, including all documents evidencing, securing, guaranteeing or  
17 otherwise executed in connection with the Loan. The Guarantors' obligations, as evidenced by  
18 the Payment Guarantee, were included in the assignment.

19  
20 **IV. CLAIM FOR RELIEF**

21 **FIRST CLAIM FOR RELIEF**

22 **(Breach of Guarantee)**

23           16.    Plaintiffs repeat and incorporate by reference the allegations in the preceding  
24 paragraphs as if fully set forth herein.

25           17.    Guarantors executed the Payment Guarantee in which they agreed to jointly and  
26 severally, absolutely, unconditionally and irrevocably guarantee the full and prompt payment of  
27 the principal and interest due and owing on the Loan.

28           18.    Borrower defaulted on its obligations under the Loan.

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1 19. Guarantors failed to meet their guarantee obligations upon Borrower's default.

2 20. Lender assigned to Plaintiffs all of Lender's right, title and interest in and to the  
3 Loan, including all documents evidencing, securing, guaranteeing or otherwise executed in  
4 connection with the Loan, which encompassed Guarantors' Payment Guarantee.

5 21. Guarantors' failure to meet their guarantee obligations has damaged Plaintiffs in  
6 an amount in excess of \$10,000.00.

7 22. It has been necessary for Plaintiffs to retain the services of attorneys to prosecute  
8 their claims, and Plaintiffs are thereby entitled to an award of reasonable attorneys' fees and  
9 costs.

10 WHEREFORE, Plaintiffs pray for judgment in its favor and against Defendants as  
11 follows:


12 1. For judgment in favor of Plaintiffs and against Defendants, jointly and separately,  
13 in an amount to be determined at trial, in excess of \$10,000;

14 2. For prejudgment interest;

15 3. For attorneys' fees and costs; and

16 4. For any such other and further relief as the Court deems just and proper under the  
17 circumstances.

18  
19 Dated this 20<sup>th</sup> day of July, 2011.

20  
21   
22 Lee I. Iglody, Esq.  
23 Nevada Bar #: 7757  
24 Email: [Lee@lglody.com](mailto:Lee@lglody.com)  
25 Attorney for Plaintiffs  
26  
27  
28

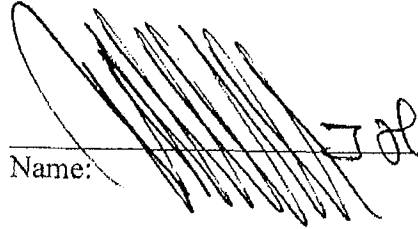
VERIFICATION

Under penalties of perjury, the undersigned declares that he is a Plaintiff named in the foregoing Verified Complaint and knows the contents thereof; that the pleading is true of his own knowledge, except as to those matters stated on information and belief, and that as to such matters he believes it to be true.

Date:

7/18/2011

Name:

A handwritten signature, possibly reading "J. Al", is written over a horizontal line.

LEE IGLODY, ESQ.

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Las Vegas, Nevada 89123  
(702) 425-5366 FAX: (702) 446-5148



# EXHIBIT 1

## LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement"), is made and entered into as of March 29, 2007 by and between Toluca Lake Vintage, LLC, a California limited liability company ("Borrower"), and Herbert Frey, Trustee of the Herbert Frey Revocable Family Trust dated November 22, 1982 ("Lender").

### SECTION 1. DEFINITIONS AND ACCOUNTING TERMS.

1.1 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth respectively after each:

"Acquisition Financing" shall have the meaning set forth in Section 6.7.

"Agreement" means this Loan Agreement.

"Beavor" shall mean Christopher Beavor and Samantha Beavor, each an individual.

"Borrower" means Toluca Lake Vintage, LLC, a California limited liability company.

"Brian Head Deed of Trust" shall have the meaning set forth in Section 4.1(b).

"Brian Head Property" shall have the meaning as described in Exhibit A attached hereto.

"Business Day" means any day on which banks in the State of Nevada are open for business.

"C&S" shall mean C&S Holdings, LLC, a Nevada limited liability company.

"Deeds of Trust" mean (a) the Brian Head Deed of Trust, (b) the Nevada Deed of Trust, and (c) the Toluca Lake Deed of Trust.

"Event of Default" shall have the meaning set forth in Section 7.1.

"Financing Notice" shall have the meaning set forth in Section 6.7.

"Governmental Agency" means any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, court, administrative tribunal or public utility.

"Guarantors" mean, collectively, Beavor; C&S; and Brian Head Lofts, LLC, a Utah limited liability company.

"Guaranty" means, collectively, the Payment Guaranty executed by each Guarantor in favor of Lender, either as originally executed or as it may from time to time be supplemented, modified or amended.

"Improvements" means any and all improvements now existing or hereafter constructed on the Toluca Lake Property.

"Interest Reserve" means that portion of the Loan funds allocated to interest reserve pursuant to Section 3.2 below.

"Laws" means, collectively, all federal, state and local laws, rules, regulations, ordinances and codes.

"Lender" means Herbert Frey, Trustee of the Herbert Frey Revocable Family Trust dated November 22, 1982.

"Loan" means the loan to be made by Lender to Borrower pursuant to Section 3 hereof.

"Loan Documents" means, collectively, this Agreement, the Notes, the Deeds of Trust, the Guaranty and the Security Agreement, in each case either as originally executed or as the same may from time to time be supplemented, modified or amended, together with any other documents or instruments which may at any time be executed by Borrower in connection with the Loan.

"Nevada Deed of Trust" shall have the meaning set forth in Section 4.1(c).

"Nevada Property" shall have the meaning as described in Exhibit A attached hereto.

"Notes" mean the Phase I Note and the Phase II Note, executed by Borrower in favor of Lender to evidence the Loan, either as originally executed or as it may from time to time be supplemented, modified or amended.

"NRS" means the Nevada Revised Statutes, as amended from time to time.

"Person" means any entity, whether an individual, trustee, corporation, partnership, trust, unincorporated organization or otherwise.

"Personal Property" means all present and future personal property of Borrower of every kind and nature, whether tangible or intangible, now or hereafter located at, upon or about the Toluca Lake Property, or used or to be used in connection with or relating to or arising with respect to the Toluca Lake Property, including but not limited to the property described in the Toluca Lake Deed of Trust.

"Phase I Loan Amount" shall have the meaning set forth in Section 3.1(a).

"Phase I Note" shall have the meaning set forth in Section 4.1(a).

"Phase II Note" shall have the meaning set forth in Section 4.1(b).

"Preferred Return" shall have the meaning set forth in Section 4.2(a).

"Property" means, collectively, the Real Property, the Personal Property and any buildings, structures, or improvements now or hereafter located on all or any portion of the Real Property.

"Real Property" means, collectively, (a) the Brian Head Property, (b) the Nevada Property, and (c) the Toluca Lake Property, all as more particularly described in Exhibit A attached hereto.

"Security Agreement" shall have the meaning set forth in Section 4.1(e).

"Security Documents" means the Deeds of Trust, the Guaranty and the Security Agreement.

"Toluca Lake Deed of Trust" shall have the meaning set forth in Section 4.2(b).

"Toluca Lake Property" shall have the meaning as described in Exhibit A attached hereto.

"Unit" means each residential condominium unit created by Borrower on the Toluca Lake Property.

1.2 Use of Defined Terms. Any defined term used in the plural shall refer to all members of the relevant class, and any defined term used in the singular shall refer to any number of the members of the relevant class. Any reference to the Loan Documents and other instruments, documents and agreements shall include such Loan Documents and other instruments, documents and agreements as originally executed or as the same may be supplemented, modified or amended.

1.3 Accounting Terms. All accounting terms not specifically defined in this Agreement shall be construed in conformity with, and all financial data required to be submitted by this Agreement shall be prepared in conformity with, generally accepted accounting principles applied on a consistent basis.

1.4 Exhibits. All exhibits to this Agreement, either as now existing or as the same may from time to time be supplemented, modified or amended, are incorporated herein by this reference.

## SECTION 2. RECITALS.

Borrower has applied to Lender for a Loan to complete the acquisition and development of the Toluca Lake Property. Lender is willing to make the Loan to Borrower on the terms and conditions contained in this Agreement and the other Loan Documents.

## SECTION 3. THE LOAN.

3.1 Amount of the Loan. Subject to the terms and conditions set forth in this Agreement, Lender agrees to make a loan ("Loan") to Borrower in the aggregate principal amount of Six Million Dollars (\$6,000,000) (the "Loan Amount"), the disbursement of which by Lender is subject to the terms and conditions of the Loan Documents. The Loan Amount shall be disbursed to Borrower as follows:

(a) *Phase I.* Concurrently with the execution of this Agreement, Lender shall disburse to Borrower the sum of Two Million Two Hundred Ninety One Thousand Four Hundred Ninety Dollars (\$2,291,490) (the "*Phase I Loan Amount*") in the amounts and according to the disbursement schedule attached hereto as Exhibit B. Of this amount, Borrower and Lender acknowledge and agree that One Hundred Sixty Four Thousand Dollars (\$164,000) shall be withheld by Lender as a loan fee, which shall be deemed nonrefundable and fully earned upon disbursement of the Phase II Loan proceeds as set forth in Section 3.1(b) below, and Seventy Seven Thousand Four Hundred Ninety Dollars (\$77,490) shall be withheld by Lender as a portion of the Interest Reserve to be utilized as set forth in Section 3.2 below. The Phase I Loan shall be evidenced by the Phase I Note.

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(b) Phase II. On June 20, 2007, Lender shall disburse to Borrower the sum of Six Million Dollars (\$6,000,000). Of this amount, Borrower and Lender acknowledge and agree that Two Million Two Hundred Ninety One Thousand Four Hundred Ninety Dollars (\$2,291,490) shall be withheld by Lender and applied to pay and satisfy in full the Phase I Note, and One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) shall be withheld by Lender as a portion of the Interest Reserve to be utilized as set forth in Section 3.2 below. The Phase II Loan shall be evidenced by the Phase II Note.

3.2 Interest Reserve. A portion of the Loan Amount, in the amounts set forth in Section 3.1 above, shall withheld by Lender and applied as interest reserve for its benefit (the "Interest Reserve"). Interest accrued on the then outstanding Loan Amount shall be paid from a portion of the Interest Reserve upon presentation of a monthly interest statement by Lender to Borrower, without the necessity of any instruction or request from Borrower. Except as provided in this paragraph, the funds in the Interest Reserve shall never be used for any other purpose. Depletion of the Interest Reserve shall not release Borrower from any of Borrower's obligations under the Loan Documents, including, but not limited to, the obligation to pay interest accruing under the Note.

3.3 Prepayment. Borrower may prepay the Loan, in full or in part, at any time.

3.4 Security. The indebtedness evidenced by the Notes, and all other indebtedness and obligations of Borrower under the Loan Documents, shall be secured as set forth in Section 4. The Guaranty and the obligations of any Guarantor thereunder shall be unsecured.

#### **SECTION 4. LOAN DOCUMENTS AND SECURITY.**

4.1 Phase I Loan. Upon disbursement of the Phase I Loan, Borrower shall deliver to Lender the following:

(a) A promissory note in the principal amount of the Phase I Loan Amount bearing interest at the rate of twelve percent (12%) per annum (the "Phase I Note"), unless said rate is reduced to eight percent (8%) per annum by reason of a failure by Lender to timely fund the Phase II Loan Amount as set forth in Section 7.2(b);

(b) A Deed of Trust executed by C&S, as grantor, encumbering the Brian Head Property as a first priority lien (the "Brian Head Deed of Trust");

(c) A Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by Beavor, as grantor, encumbering the Nevada Property as a second priority lien (the "Nevada Deed of Trust");

(d) A Payment Guaranty executed by each Guarantor in favor of Lender; and

(e) A Security Agreement and Assignment of Membership Interest by and between C&S; Rocket Construction, Inc., a California corporation; and Essential Investments, LLC, a Nevada limited liability company, collectively, as assignor, and Lender, as assignee (the "Security Agreement").

4.2 Phase II Loan. Upon disbursement of the Phase II Loan, Borrower shall deliver to Lender the following:

*cm HR*

(a) A promissory note in the principal amount of the Phase II Loan bearing interest at the rate of fifteen percent (15%) per annum plus a preferred return ("Preferred Return") in the amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), in the form attached hereto as Exhibit C (the "Phase II Note"). Upon delivery of the Phase II Note, the Phase I Note shall be deemed paid and satisfied in full and Lender shall return the Phase I Note to Borrower marked "Paid in Full"; and

(b) A Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing encumbering the Toluca Lake Property as a second priority lien (the "Toluca Lake Deed of Trust"), in the form attached hereto as Exhibit D. Borrower and Lender acknowledge and agree that the Phase II Loan proceeds will be used by Borrower to acquire the Toluca Lake Property and that the Toluca Lake Deed of Trust will be delivered to Lender concurrently with close of escrow by Borrower for the Toluca Lake Property.

## **SECTION 5. REPRESENTATIONS AND WARRANTIES BY BORROWER.**

5.1 Formation, Qualification and Powers of Borrower. Borrower is a limited liability company duly formed and validly existing under the laws of the State of California and has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver and perform all of its obligations under the Loan Documents.

5.2 Authority and Compliance with Instruments and Government Regulations. The execution, delivery and performance by Borrower of all of its obligations under each Loan Document have been duly authorized by all necessary action and do not and will not:

(a) require any consent or approval not heretofore obtained of any Person holding any security or interest or entitled to receive any security or interest in Borrower;

(b) violate any provision of any organizational document or certificate of Borrower;

(c) result in or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, claim, charge, right of others or other encumbrance of any nature, other than under the Loan Documents, upon or with respect to any property now owned or leased or hereafter acquired by Borrower;

(d) violate any provision of any Law, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Borrower or the Property, which violation would have a material, adverse impact thereon; or

(e) result in a breach of or constitute a default under, cause or permit the acceleration of any obligation owed under, or require any consent under, any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which Borrower or any property of Borrower, is bound or affected; and Borrower is not in default in any respect that is materially adverse to the interest of Lender or that would have any material adverse effect on the financial condition of Borrower or the conduct of its business under any Law, order, writ, judgment, injunction, decree, determination, award, indenture, agreement, lease or instrument described in Sections 5.2(d) and 5.2(e).

Law H.R.

Guaranty: 5.3 Execution of the Guaranty by the Guarantors. The execution and delivery of the

- (a) have been duly authorized by all necessary action;
- (b) do not require the consent, authorization or approval of any Governmental Agency or Person;
- (c) will not result in the creation of any lien or other claim of any nature upon or with respect to the property of the Guarantors, other than as may be set forth in the Guaranty; and
- (d) will not violate any provision of any Law having applicability to the Guarantors, in a manner which would have a material, adverse impact on any Guarantors; and, when executed and delivered, the Guaranty will constitute the legal, valid and binding obligation of the Guarantors enforceable against the Guarantors in accordance with its terms.

5.4 No Governmental Approvals Required. No authorization, consent, approval, order, license, exemption from, or filing, registration or qualification with, any Governmental Agency is or will be required to authorize, or is otherwise required in connection with:

- (a) the execution, delivery and performance by Borrower and the Guarantors of the Loan Documents; or
- (b) the creation of the liens, security interests or other charges or encumbrances described in the Security Documents; except that filing and/or recording may be required to perfect Lender's interest under the Security Documents.

5.5 Binding Obligations. The Loan Documents, when executed and delivered, will constitute the legal, valid and binding obligations of Borrower and the Guarantors, as the case may be, enforceable against them in accordance with their respective terms.

## SECTION 6. AFFIRMATIVE AND NEGATIVE COVENANTS.

Until payment of the Notes in full and performance of all obligations of Borrower under the Loan Documents, unless Lender otherwise consents in writing:

6.1 Compliance with Requirements. Borrower shall comply with all conditions, covenants, restrictions, leases, easements, reservations, rights and rights-of-way and all applicable Laws and other requirements relating to the Property, and obtain all necessary approvals, consents, licenses and permits of any Governmental Agency.

6.2 Sale or Other Encumbrances. Borrower specifically agrees that:

- (a) In order to induce Lender to make the Loan, Borrower agrees that if the Property or any part thereof or any interest therein, shall be sold, assigned, transferred, or conveyed, except as shall be specifically hereinafter permitted or without the prior written consent of Lender, then Lender, at its option, may declare the Notes, and all other obligations hereunder, to be forthwith due and payable. Except as shall be otherwise specifically provided herein, (a) a change in the legal or equitable ownership of the Property whether or not of record, or (b) a change in the form of entity or ownership (including the hypothecation or encumbrance

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thereof) of the stock or any other ownership interest in Borrower shall be deemed a transfer of an interest in the Property; provided, however, that any transfer of the Property or any interest therein to an entity which controls, is controlled by or is under common control with Borrower shall not be considered a transfer hereunder.

(b) Borrower may request Lender to approve a sale or transfer of the Property to a party who would become the legal and equitable owner of the Property and would assume any and all obligations of Borrower under the Loan Documents. Lender shall not be obligated to consider or approve any such sale, transfer or assumption or request for the same. However, upon such request, Lender may impose limiting conditions and requirements to its consent to an assumption.

(c) In the event ownership of the Property, or any part thereof, becomes vested in a person or persons other than Borrower, the Lender may deal with such successor or successors in interest with reference to the Notes or the Deeds of Trust in the same manner as with Borrower, without in any way releasing, discharging or otherwise affecting the liability of Borrower under the Notes, the Deeds of Trust or the other Loan Documents.

6.3 Payment of Taxes, Assessments and Charges. Borrower shall pay, prior to delinquency, all taxes, assessments, charges and levies imposed by any Governmental Agency which are or may become a lien affecting the Property or any part thereof, including, without limitation, assessments on any appurtenant water stock; except that Borrower shall not be required to pay and discharge any tax, assessment, charge or levy that is being actively contested in good faith by appropriate proceedings, as long as Borrower has established and maintains reserves adequate to pay any liabilities contested pursuant to this Section in accordance with generally accepted accounting principles and, by reason of nonpayment, none of the property covered by the Security Documents or the lien or security interest of Lender is in danger of being lost or forfeited.

6.4 Insurance. Borrower shall at all times maintain the following policies of insurance:

(a) prior to completion of the Improvements, builder's "all risk" insurance ("completed value" form), including "course of construction" coverage, covering the Improvements and any Personal Property;

(b) from and after completion of the Improvements, property "all risk" Insurance covering the Improvements and any Personal Property;

(c) commercial general liability insurance in favor of the Borrower (and naming Lender as an additional insured) in an aggregate amount not less than \$2,000,000 (or such greater amount as may be specified by Lender from time to time) combined single limit; and

(d) such other insurance as may be required by applicable Laws (including worker's compensation and employer's liability insurance) or as Lender may reasonably require from time to time (including "all risk" insurance with respect to any other improvements now or in the future located on the Toluca Lake Property and comprehensive form boiler and machinery insurance, if applicable, rental loss insurance and business interruption insurance).

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6.5 Physical Security of Property. Borrower shall take appropriate measures to protect the physical security of the Property.

6.6 Reporting and Requirements. Borrower shall cause to be delivered to Lender, in form and detail satisfactory to Lender promptly upon Borrower's learning thereof, notice of:

- (a) any litigation affecting or relating to Borrower, and/or the Guarantors, and the Property;
- (b) any dispute between Borrower and any Governmental Agency relating to the Property, the adverse determination of which would adversely affect the Property;
- (c) any threat or commencement of proceedings in condemnation or eminent domain relating to the Property;
- (d) any Event of Default or event which, with the giving of notice and/or the passage of time, could become an Event of Default; and
- (e) any change in the Manager of Borrower, as defined in Borrower's Operating Agreement.

6.7 Approval of Toluca Lake Property Financing. Borrower and Lender acknowledge and agree that Borrower intends to obtain a loan for the acquisition of the Toluca Lake Property and construction of a condominium project thereon (the "Acquisition Financing"). The Acquisition Financing shall be secured by a deed of trust encumbering the Toluca Lake Property as a lien superior in priority to the Toluca Lake Deed of Trust. Except as set forth herein, the terms of the Acquisition Financing shall be subject to the written approval of the Lender within its commercially reasonable discretion. Borrower shall deliver written notice (the "Financing Notice") to Lender describing the terms of the Acquisition Financing no later than fifteen (15) days prior to the scheduled close of escrow. In the event Borrower does not receive written notice from Lender within five (5) days after delivery of the Financing Notice to Lender disapproving the proposed terms of the Acquisition Financing, the Acquisition Financing shall be deemed approved by Lender. Notwithstanding the foregoing, Borrower shall not be required to obtain Lender's consent to the Acquisition Financing if the interest rate therefor does not exceed three percent (3%) over the prime rate then charged by major money center banks in the United States and the loan origination fee does not exceed one percent (1%) of the principal loan amount. Borrower and Lender acknowledge and agree that during the term of the Loan, the aggregate principal amount of all indebtedness secured by the Toluca Lake Property, including the Acquisition Financing and the Loan, shall not exceed Twenty Six Million Dollars (\$26,000,000).

## **SECTION 7. EVENTS OF DEFAULT AND REMEDIES UPON DEFAULT.**

7.1 Events of Default. The occurrence of any one or more of the following, whatever the reason therefor, shall constitute an Event of Default hereunder:

(a) Borrower shall fail to pay when due any installment of principal or interest on the Notes or any other amount owing under this Agreement or the other Loan Documents, and such failure shall continue uncured as of ten (10) calendar days after Borrower receives written notice of such failure; or

(b) Borrower or any Guarantor shall fail to perform or observe any term, covenant or agreement contained in any of the Loan Documents on its part to be performed or

observed, other than the failure to make a payment covered by Section 7.1(a), and such failure shall continue uncured as of thirty (30) calendar days after Borrower receives written notice of such failure; provided, however, that if Borrower has commenced to cure the default within said thirty (30) day period and is diligently pursuing such cure, but the default is of such a nature that it cannot be cured within thirty (30) days, then the cure period shall be extended for the number of days necessary to complete the cure, but in no event shall the total cure period be longer than sixty (60) days (the cure period set forth in this Section 7.1(b) shall not apply to any other Events of Default); or

(c) any representation or warranty in any of the Loan Documents or in any certificate, agreement, instrument or other document made or delivered pursuant to or in connection with any of the Loan Documents proves to have been incorrect in any material respect when made; or

(d) Borrower (which term shall include any entity comprising Borrower) is dissolved or liquidated, or otherwise ceases to exist, or all or substantially all of the assets of Borrower or any Guarantor are sold or otherwise transferred without Lender's written consent; or

(e) Borrower or any Guarantor is the subject of an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Borrower or any Guarantor applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer (the "Receiver"); or a Receiver is appointed without the application or consent of Borrower or any Guarantor, as the case may be, and the appointment continues undischarged or unstayed for sixty (60) calendar days; or Borrower or any Guarantor institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceedings relating to it or to all or any part of its property under the laws of any jurisdiction; or any similar proceeding is instituted without the consent of Borrower or any Guarantor, as the case may be, and continues undismissed or unstayed for sixty (60) calendar days; or any judgment, writ, attachment, execution or similar process is issued or levied against all or any part of the Property of Borrower or any Guarantor, and is not released, vacated or fully bonded within sixty (60) calendar days after such issue or levy.

## 7.2 Remedies Upon Default.

(a) Upon the occurrence of any Event of Default, Lender may, at its option, do any or all of the following:

(i) declare the principal of all amounts owing under a Note, this Agreement and the other Loan Documents and other obligations secured by the Security Documents, together with interest thereon, and any other obligations of Borrower to Lender, to be forthwith due and payable, regardless of any other specified maturity or due date, without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, and without the necessity of prior recourse to any security;

(ii) terminate any right of Borrower to receive any additional advance;

(iii) terminate all rights of Borrower and obligations of Lender under the Loan Documents;

(iv) exercise its right and power to sell, or otherwise dispose of, the Personal Property, or any part thereof, and for that purpose may take immediate and exclusive possession of the Personal Property, or any part thereof, and with or without judicial process to the extent permitted by law, enter upon any premises on which the Personal Property or any part thereof may be situated and remove the same therefrom without being deemed guilty of trespass and without liability for damages thereby occasioned, or at Lender's option Borrower shall assemble the Personal Property and make it available to the Lender at the place and the time designated in the demand; and

(v) exercise any and all of its rights under the Loan Documents, including but not limited to the right to take possession of and foreclose on any security, and exercise any other rights with respect to any security, whether under the Security Documents or any other agreement or as provided by Law, all in such order and in such manner as Lender in its sole discretion may determine.

(b) If Lender shall fail to perform any obligation under this Agreement, including, without limitation, timely disbursement of the funds as set forth in Section 3.1, Borrower shall be entitled to all or any of the following remedies:

(i) in the event Lender fails to timely disburse funds as set forth in Section 3.1, the interest rate under the Phase I Note shall be reduced from twelve percent (12%) to eight percent (8%) per annum effective as of the date of Lender's failure to so fund; and

(ii) pursue an action to specifically enforce the performance of any and all provisions of this Agreement, including, without limitation, Section 7.2(b)(i).

## **SECTION 8. MISCELLANEOUS.**

8.1 Performance by Lender. In the event that Borrower shall default in or fail to perform any of its obligations under the Loan Documents, Lender shall have the right, but not the duty, without limitation upon any of Lender's rights pursuant thereto, upon no less than fifteen (15) calendar days prior written notice, to perform the same, and Borrower agrees to pay to Lender, within seventy-two (72) hours after demand therefor, all costs and expenses incurred by Lender in connection therewith, including without limitation actual attorneys' fees reasonably incurred.

8.2 Actions. Provided Borrower has not promptly so acted, Lender shall have the right to commence, appear in, and defend any action or proceeding purporting to affect the rights or duties of the parties hereunder or the payment of any funds, and in connection therewith Lender may pay necessary expenses, employ counsel, and pay reasonable attorneys' fees. Borrower agrees to pay to Lender within seventy-two (72) hours after demand therefor, all costs and expenses incurred by Lender in connection therewith, including without limitation actual attorneys' fees reasonably incurred.

8.3 Advances Obligatory. Anything herein to the contrary notwithstanding, it is specifically understood and agreed that any advances made by Lender pursuant to this Agreement,

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including, but not limited to, all funds advanced by Lender, shall be deemed advanced by Lender under an obligation to do so.

8.4 Binding Effect: Assignment. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except that, as provided herein, Borrower may not assign its rights or interest or delegate any of its duties under this Agreement or any of the other Loan Documents without prior written consent of Lender.

8.5 Amendments: Consents. No amendment, modification, supplement, termination or waiver of any provision of this Agreement or any of the other Loan Documents, and no consent to any departure by Borrower therefrom, may in any event be effective unless in writing signed by Lender, and then only in the specific instance and for the specific purpose given.

8.6 Notices. All notices to be given pursuant to this Agreement shall be sufficient if given by personal service, by guaranteed overnight delivery service, by telex, telecopy or telegram or by being mailed postage prepaid, certified or registered mail, return receipt requested, to the described addresses of the parties hereto as set forth below, or to such other address as a party may request in writing. Any time period provided in the giving of any notice hereunder shall commence upon the date of personal service, the day after delivery to the guaranteed overnight delivery service, the date of sending the telex, telecopy or telegram or two (2) days after mailing certified or registered mail.

BORROWER'S ADDRESS:

Toluca Lake Vintage, LLC  
1930 Village Center Circle, Suite 3-231  
Las Vegas, Nevada 89134  
Attention: Christopher Beavor  
Telephone: (702) 853-7900  
Facsimile: (702) 947-6111

LENDER'S ADDRESS:

Herbert Frey, Trustee of the  
Herbert Frey Revocable Family Trust  
157 E. Warm Springs Road  
Telephone: (702) \_\_\_\_\_  
Facsimile: (702) \_\_\_\_\_

8.7 Governing Law. The laws of the State of Nevada, without regard to its choice of law provisions, shall govern enforcement of the Loan Documents.

8.8 Jurisdiction. Borrower and Lender, to the full extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, (i) submit to personal jurisdiction in the State of Nevada over any suit, action or proceeding by any person arising from or relating to the Notes, this instrument or any other of the Loan Documents, (ii) agree that any such action, suit or proceeding shall be brought in a state or federal court of competent jurisdiction sitting in Clark County, Nevada, (iii) submit to the jurisdiction of such courts, and (iv) to the fullest extent permitted by law, agrees that they will not bring any action, suit or proceeding in any forum other than Clark County, Nevada.

8.9 Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable or invalid shall be inoperative, unenforceable or invalid without affecting the remaining provisions, and to this end the provisions of all Loan Documents are declared to be severable.

8.10 Headings. Section headings in this Agreement are included for convenience of reference only and are not part of this Agreement for any other purpose.


8.11 Attorney's Fees. If any legal action or proceeding is initiated by a party to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover the reasonable fees of attorneys and any other costs incurred in connection therewith.

8.12 Time of the Essence. Time is of the essence as to any and all provisions of this Agreement.

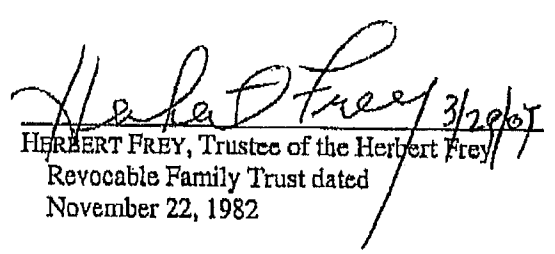
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**BORROWER:**

TOLUCA LAKE VINTAGE, LLC  
A California limited liability company

By:  3/29/07  
Christopher Beavor  
Manager

**LENDER:**

 3/29/07  
HERBERT FREY, Trustee of the Herbert Frey  
Revocable Family Trust dated  
November 22, 1982

# EXHIBIT 2

PROMISSORY NOTE

U.S. \$6,000,000.00

As of 8/23/07

FOR VALUE RECEIVED, Toluca Lake Vintage, LLC, a California limited liability company, having an address at 1930 Village Center Circle, Suite 3-231, Las Vegas, Nevada 89134 ("Maker"), hereby promises to pay to the order of Herbert Frey, Trustee of the Herbert Frey Revocable Family Trust dated November 22, 1982 ("Payee"), having an address at 157 E. Warm Springs Road, Las Vegas, Nevada 89119, the principal sum of Six Million Dollars (\$6,000,000.00) or so much thereof as may be advanced from time to time, and interest from the date hereof on the balance of principal from time to time outstanding, in United States currency, at the rates and at the times hereinafter described.

This Note is issued by Maker pursuant to that certain Loan Agreement dated as of March 29, 2007, as amended, (the "Loan Agreement") entered into between Payee and Maker. This Note evidences the Phase II Loan (as defined in the Loan Agreement). Payment of this Note is governed by the Loan Agreement, the terms of which are incorporated herein by express reference as if fully set forth herein. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

1. Interest. The principal amount hereof outstanding from time to time shall bear interest until paid in full at the rate of fifteen percent (15%) per annum.

2. Monthly Payments. Interest only shall be payable in arrears on the first (1st) Business Day of each calendar month after the date hereof up to and including the Maturity Date in the amount of all interest accrued during the immediately preceding calendar month. All payments on account of the indebtedness evidenced by this Note shall be made to Payee not later than 11:00 a.m. Las Vegas, Nevada time on the day when due in lawful money of the United States and shall be first applied to late charges, costs of collection or enforcement and other similar amounts due, if any, under this Note and any of the other Loan Documents, then to interest due and payable hereunder and the remainder to principal due and payable hereunder.

3. Maturity Date. The indebtedness evidenced hereby shall mature on February 21, 2009, as such date may be extended by Maker as set forth herein ("Maturity Date"). Provided that an Event of Default does not exist under the Loan Documents, Maker shall have the right to extend the Maturity Date to 5/21/09 by delivering written notice to Payee of such extension at the address set forth above on or before 1/21/09. Moreover, provided that Maker has so extended the Maturity Date and an Event of Default does not exist under the Loan Documents, Maker shall have the right to further extend the Maturity Date to 8/21/09 by delivering written notice to Payee of such further extension at the address set forth above on or before 4/21/09. On the Maturity Date, the entire outstanding principal balance hereof, together with accrued and unpaid interest and all other sums evidenced by this Note, shall, if not sooner paid, become due and payable.

4. Preferred Return. In consideration for the Loan, Payee shall be entitled to receive a preferred return (the "Preferred Return") in the amount of One Million Eight Hundred Thousand Dollars (\$1,800,000.00). The Preferred Return shall not bear interest hereunder and shall be payable upon the sale, transfer or conveyance of each Unit by Maker to any Person as follows: (a) to Payee, the

amount of Thirty Five Thousand Dollars (\$35,000.00); and (b) to The Gilmore Company, a Nevada corporation, at its offices located at \_\_\_\_\_, the amount of Five Thousand Dollars (\$5,000.00).

5. General Provisions.

(a) The parties hereto intend and believe that each provision in this Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Note is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Maker and the holder or holders hereof under the remainder of this Note shall continue in full force and effect. All agreements herein are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holders hereof for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, the fulfillment of any provision hereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance the holder hereof shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due hereunder and not to the payment of interest.

(b) This Note and all provisions hereof shall be binding upon Maker and all persons claiming under or through Maker, and shall inure to the benefit of Payee, together with its successors and assigns, including each owner and holder from time to time of this Note.

(c) Time is of the essence as to all dates set forth herein.

(d) Maker agrees that its liability shall not be in any manner affected by any indulgence, extension of time, renewal, waiver, or modification granted or consented to by Payee; and Maker consents to any indulgences and all extensions of time, renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Note, and to any substitution, exchange or release of the collateral, or any part thereof, with or without substitution, and agrees to the addition or release of any makers, endorsers, guarantors, or sureties, all whether primarily or secondarily liable, without notice to Maker and without affecting its liability hereunder.

(e) If this Note is placed in the hands of attorneys for collection or is collected through any legal proceedings, Maker promises and agrees to pay, in addition to the principal, interest and other sums due and payable hereon, all costs of collecting or attempting to collect this Note, including all reasonable attorneys' fees and disbursements.

(f) All parties now or hereafter liable with respect to this Note, whether Maker, principal, surety, guarantor, endorsee or otherwise hereby severally waive presentment for payment, demand, notice of nonpayment or dishonor, protest and notice of protest, except as Lender



agrees to provide in the Loan Documents. No failure to accelerate the indebtedness evidenced hereby, acceptance of a past due installment following the expiration of any cure period provided by this Note, any Loan Document or applicable law, or indulgences granted from time to time shall be construed (i) as a novation of this Note or as a reinstatement of the indebtedness evidenced hereby or as a waiver of such right of acceleration or of the right of Payee thereafter to insist upon strict compliance with the terms of this Note, or (ii) to prevent the exercise of such right of acceleration or any other right granted hereunder or by the laws of the State. Maker hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing.

(g) THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

Maker has delivered this Note as of the date first set forth above.

MAKER:

TOLUCA LAKE VINTAGE, LLC  
A California limited liability company

By: 

Christopher Beavor  
Manager

# EXHIBIT 3

## PAYMENT GUARANTY

THIS PAYMENT GUARANTY ("Guaranty") made as of March 29, 2007, by Christopher Beavor, an individual, and Samantha Beavor, an individual (collectively, "*Guarantor*"), to and for the benefit of Herbert Frey, Trustee of the Herbert Frey Revocable Family Trust dated November 22, 1982 ("*Lender*").

### RECITALS

A. On or about the date hereof Toluca Lake Vintage, LLC, a California limited liability company, ("*Borrower*") and Lender entered into that certain Loan Agreement ("*Loan Agreement*") whereby Lender agreed to make a secured loan (the "*Loan*") available to Borrower in the aggregate amount of Six Million Dollars (\$6,000,000), to finance the acquisition and development of the Toluca Lake Property. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

B. In connection with the Loan, Borrower will execute and deliver the Notes in favor of Lender, payment of which will be secured by (i) the Deeds of Trust made by Borrower in favor of Lender and (ii) the other Security Documents.

C. Guarantor will derive material financial benefit from the Loan evidenced and secured by the Notes, the Deeds of Trust and the other Security Documents.

D. Lender has relied on the statements and agreements contained herein in agreeing to make the Loan. The execution and delivery of this Guaranty by Guarantor is a condition precedent to the making of the Loan by Lender.

### AGREEMENTS

NOW, THEREFORE, intending to be legally bound, Guarantor, in consideration of the matters described in the foregoing Recitals, which Recitals are incorporated herein and made a part hereof, and for other good and valuable consideration the receipt and sufficiency of which are acknowledged, hereby covenants and agrees for the benefit of Lender and its respective successors, indorsees, transferees, participants and assigns as follows:

1. Guarantor absolutely, unconditionally and irrevocably guarantees:

(a) the full and prompt payment of the principal of and interest on the Notes when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, and the full and prompt payment of all sums which may now be or may hereafter become due and owing under the Notes, the Loan Agreement and the other Loan Documents;

(b) the prompt, full and complete performance of all of Borrower's obligations under each and every covenant contained in the Loan Documents; and

(c) the full and prompt payment of any Enforcement Costs (as hereinafter defined in Section 6 hereof).

All amounts due, debts, liabilities and payment obligations described in subsections (a) and (b) of this Section 1 shall be hereinafter collectively referred to as the "Indebtedness".

2. In the event of any default by Borrower in the payment of the Indebtedness, after the expiration of any applicable cure or grace period, Guarantor agrees, on demand by Lender or the holder of the Note, to pay the Indebtedness regardless of any defense, right of set-off or claims which Borrower or Guarantor may have against Lender or the holder of the Note.

All of the remedies set forth herein and/or provided for in any of the Loan Documents or at law or equity shall be equally available to Lender, and the choice by Lender of one such alternative over another shall not be subject to question or challenge by Guarantor or any other person, nor shall any such choice be asserted as a defense, setoff, or failure to mitigate damages in any action, proceeding, or counteraction by Lender to recover or seeking any other remedy under this Guaranty, nor shall such choice preclude Lender from subsequently electing to exercise a different remedy. The parties have agreed to the alternative remedies provided herein in part because they recognize that the choice of remedies in the event of a default hereunder will necessarily be and should properly be a matter of good faith business judgment, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by Lender at the lowest cost to Borrower and/or Guarantor.

3. Guarantor does hereby (a) waive notice of acceptance of this Guaranty by Lender and any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (b) agree to refrain from asserting, until after repayment in full of the Loan, any defense, right of set-off or other claim which Guarantor may have against Borrower (c) waive any defense, right of set-off or other claim which Guarantor or Borrower may have against Lender, or the holder of the Note, (d) waive any and all rights Guarantor may have under any anti-deficiency statute or other similar protections, (e) waive presentment for payment, demand for payment, notice of nonpayment or dishonor, protest and notice of protest, diligence in collection and any and all formalities which otherwise might be legally required to charge Guarantor with liability, and (f) waive any failure by Lender to inform Guarantor of any facts Lender may now or hereafter know about Borrower, the Loan, or the transactions contemplated by the Loan Agreement, it being understood and agreed that Lender has no duty so to inform and that Guarantor is fully responsible for being and remaining informed by Borrower of all circumstances bearing on the risk of nonperformance of Borrower's obligations. Credit may be granted or continued from time to time by Lender to Borrower without notice to or authorization from Guarantor, regardless of the financial or other condition of Borrower at the time of any such grant or continuation.

4. Guarantor further agrees that Guarantor's liability as guarantor shall not be impaired or affected by any renewals or extensions which may be made from time to time, with or without the knowledge or consent of Guarantor of the time for payment of interest or principal under the Notes or by any forbearance or delay in collecting interest or principal under the Notes, or by any waiver by Lender under the Loan Agreement, Deeds of Trust or any other Loan Documents, or by Lender's failure or election not to pursue any other remedies it may have against Borrower or Guarantor, or by any change or modification in the Notes, Loan Agreement, Deeds of Trust or any other Loan Document, or by the acceptance by Lender of any additional security or any increase, substitution or change therein, or by the release by Lender of any security or any withdrawal thereof or decrease therein, or by the application of payments received from any source to the payment of any obligation other than the Indebtedness even though Lender might lawfully have elected to apply such payments to any part or all of the Indebtedness, it being the intent hereof that, subject to Lender's compliance with the terms of this Guaranty, Guarantor shall remain liable for the payment of the Indebtedness, until the Indebtedness has been paid in full, notwithstanding any act or thing which might otherwise operate as a legal or equitable discharge of a surety. Guarantor further understands and agrees that Lender may at any time enter into agreements with Borrower to amend and modify the Notes, Loan Agreement, Deeds of Trust or other Loan Documents,

and may waive or release any provision or provisions of the Notes, Loan Agreement, Deeds of Trust and other Loan Documents or any thereof, and, with reference to such instruments, may make and enter into any such agreement or agreements as Lender and Borrower may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Lender's rights hereunder or Guarantor's obligations hereunder.

5. This is an absolute, present and continuing guaranty of payment and not of collection. Guarantor agrees that this Guaranty may be enforced by Lender without the necessity at any time of resorting to or exhausting any other security or collateral given in connection herewith or with the Notes, Loan Agreement, Deeds of Trust or any of the other Loan Documents through foreclosure or sale proceedings, as the case may be, under the Deeds of Trust or otherwise, or resorting to any other guaranties, and without limiting the generality of the foregoing, Guarantor waives any right Guarantor may have under the Nevada one action rule, Nevada Revised Statutes Section 40.430.

6. If: (a) this Guaranty is placed in the hands of an attorney for collection or is collected through any legal proceeding; (b) an attorney is retained to represent Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Guaranty; (c) an attorney is retained to provide advice or other representation with respect to this Guaranty; or (d) an attorney is retained to represent Lender in any proceedings whatsoever in connection with this Guaranty and Lender prevails in any such proceedings, then Guarantor shall pay to Lender upon demand all attorney's fees, costs and expenses incurred in connection therewith (all of which are referred to herein as "*Enforcement Costs*"), in addition to all other amounts due hereunder, regardless of whether all or a portion of such Enforcement Costs are incurred in a single proceeding brought to enforce this Guaranty as well as the other Loan Documents.

7. The parties hereto intend and believe that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable, as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Lender or the holder of the Note under the remainder of this Guaranty shall continue in full force and effect.

8. TO THE GREATEST EXTENT PERMITTED BY LAW, GUARANTOR HEREBY WAIVES ANY AND ALL RIGHTS TO REQUIRE MARSHALLING OF ASSETS BY LENDER WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDINGS RELATING TO THIS GUARANTY (EACH, A "PROCEEDING"), LENDER AND GUARANTOR IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS HAVING JURISDICTION IN THE CITY OF LAS VEGAS, AND STATE OF NEVADA, AND (B) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDING BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDING, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY. NOTHING IN THIS GUARANTY SHALL PRECLUDE LENDER FROM BRINGING A PROCEEDING IN ANY OTHER JURISDICTION NOR WILL THE BRINGING OF A PROCEEDING IN ANY ONE OR MORE JURISDICTIONS PRECLUDE THE BRINGING OF A PROCEEDING IN ANY OTHER JURISDICTION. LENDER

AND GUARANTOR FURTHER AGREE AND CONSENT THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY PROCEEDING IN ANY NEVADA STATE OR UNITED STATES COURT SITTING IN THE CITY OF LAS VEGAS AND MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO THE APPLICABLE PARTY AT THE ADDRESS INDICATED BELOW, AND SERVICE SO MADE SHALL BE COMPLETE UPON RECEIPT; EXCEPT THAT IF SUCH PARTY SHALL REFUSE TO ACCEPT DELIVERY, SERVICE SHALL BE DEEMED COMPLETE FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO MAILED.

9. Any indebtedness of Borrower to Guarantor now or hereafter existing is hereby subordinated to the payment of the Indebtedness. Guarantor agrees that, until the entire Indebtedness has been paid in full, Guarantor will not seek, accept, or retain for its own account, any payment from Borrower on account of such subordinated debt. Any payments to Guarantor on account of such subordinated debt shall be collected and received by Guarantor in trust for Lender and shall be paid over to Lender on account of the Indebtedness without impairing or releasing the obligations of Guarantor hereunder.

10. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (a) if hand delivered, when delivered; (b) if mailed by United States Certified Mail (postage prepaid, return receipt requested), three Business Days after mailing (c) if by Federal Express or other reliable overnight courier service, on the next Business Day after delivered to such courier service or (d) if by telecopier on the day of transmission so long as copy is sent on the same day by overnight courier as set forth below:

Guarantor:

Christopher Beavor  
1930 Village Center Circle Suite 3-231  
Las Vegas, Nevada 89134  
Telephone: (702) 853-7900  
Facsimile: (702) 947-6111

Lender:

Herbert Frey, Trustee of the Herbert Frey  
Revocable Family Trust dated November 22, 1982  
157 E. Warm Springs Road  
Las Vegas, Nevada 89119  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_


or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

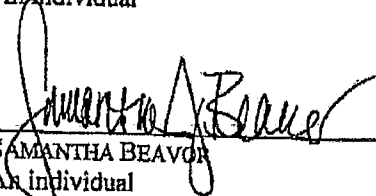
11. This Guaranty shall be binding upon the heirs, executors, legal and personal representatives, successors and assigns of Guarantor and shall not be discharged in whole or in part by the death of Guarantor. If more than one party executes this Guaranty, the liability of all such parties shall be joint and several.

12. This Guaranty may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Guarantor has delivered this Guaranty in the State of Nevada as of the date first written above.

GUARANTOR:

  
CHRISTOPHER BEAVOR  
An individual 3/28/07

  
SAMANTHA BEAVOR  
An individual 3/28/07

COHEN | JOHNSON | PARKER | EDWARDS  
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*Attorneys for Plaintiff-Appellant*  
*Yacov Jack Hefetz*

IN THE SUPREME COURT OF THE STATE OF NEVADA

YACOV JACK HEFETZ,

Plaintiff-Appellant,

v.

CHRISTOPHER BEAVOR,

Defendant-Respondent.

Case No. 68438

DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT D)

YACOV JACK HEFETZ,

Plaintiff-Appellant,

v.

CHRISTOPHER BEAVOR,

Defendant-Respondent.

Case No. 68843

DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT D)



Plaintiff-Appellant: Breach of a Payment Guaranty  
(Disposition Date: June 17, 2015)

Defendant-Respondent: Fraud  
(Disposition Date: June 17, 2015)  
Fraud in the Inducement  
(Disposition Date: June 17, 2015)  
Breach of the Covenant of Good Faith  
and Fair Dealing  
(Disposition Date: June 17, 2015)  
Breach of Fiduciary Duty  
(Disposition Date: June 17, 2015)  
Tortious Interference with Contractual Relations  
(Disposition Date: June 17, 2015)  
Negligence Per Se  
(Disposition Date: June 17, 2015)  
Claim for Legal Fees and Costs  
(Disposition Date: September 1, 2015)

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IN THE SUPREME COURT OF THE STATE OF NEVADA

YACOV JACK HEFETZ,

Plaintiff-Appellant,

v.

CHRISTOPHER BEAVOR,

Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT C)**

YACOV JACK HEFETZ,

Plaintiff-Appellant,

v.

CHRISTOPHER BEAVOR,

Defendant-Respondent.

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT C)**

This consolidated appeal involves matters of first impression regarding Nevada's common law interpretation of the One Action Rule (NRS 40.430) and the meaning of judgment under NRS 17.115, NRS 18.020, NRS 18.110 and NRCP 68. *See* NRAP 17(a)(13).

It also raises as a principal issue a question of statewide public importance regarding the One Action Rule (NRS 40.430) and the meaning of judgment NRS 17.115, NRS 18.020, NRS 18.110 and NRCP 68. *See* NRAP 17(a)(14).

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*Yacov Jack Hefetz*

IN THE SUPREME COURT OF THE STATE OF NEVADA

YACOV JACK HEFETZ,

Plaintiff-Appellant,

v.

CHRISTOPHER BEAVOR,

Defendant-Respondent.

Case No. 68438

DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT B)

YACOV JACK HEFETZ,

Plaintiff-Appellant,

v.

CHRISTOPHER BEAVOR,

Defendant-Respondent.

Case No. 68843

DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT B)

This consolidated appeal concerns two orders. The first order concerns the following appellate issues:

1. Does the One Action Rule (NRS 40.430) apply in an action for the recovery of a debt not secured by a mortgage or lien upon real estate?
2. Did the Respondent waive the affirmative defense of the One Action Rule (NRS 40.430) by failing to interpose that affirmative defense in his answer?
3. Is the Respondent estopped from raising the affirmative defense of the One Action Rule (NRS 40.430) by failing to interpose that affirmative defense in his answer?
4. Did the Respondent waive the affirmative defense of the One Action Rule (NRS 40.430) by failing to interpose that affirmative defense prior to the entry of a jury verdict and a final judgment?
5. Is the Respondent estopped from raising the affirmative defense of the One Action Rule (NRS 40.430) by failing to interpose that affirmative defense prior to the entry of a jury verdict and a final judgment?
6. Is the Respondent barred from raising the affirmative defense of the One Action Rule (NRS 40.430) by virtue of NRCP 6(b)?
7. Did the District Court abuse its discretion when it dismissed without prejudice the Appellant's claim instead of granting a continuance with an

order to amend the pleading to bring the pleadings into compliance with the One Action Rule (NRS 40.430)?

The second order concerns the following appellate issues:

1. Whether the dismissal of a claim without prejudice constitutes a “judgment” within the meaning of NRS 17.115 and NRCP 68?
2. Whether the dismissal of a claim without prejudice constitutes a “judgment” within the meaning of NRS 18.020 and NRS 18.110?
3. Whether the application of the factors set forth in *Beattie v. Thomas*, 99 Nev. 579, 668 P.2d 268 (1983) justifies an award to Respondent of legal fees under the circumstances of this case?
4. Whether the award to Respondent of legal fees in this case was unreasonable in light of the factors set forth in *Bunzell v. Golden Gate National Bank*, 85 Nev. 345, 455 P.2d 31 (1969)?

1 **COHEN|JOHNSON|PARKER|EDWARDS**  
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13 *Attorneys for Plaintiff-Appellant*  
14 *Yacov Jack Hefetz*

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

13 YACOV JACK HEFETZ,

14 Plaintiff-Appellant,

15 v.

16 CHRISTOPHER BEAVOR,

17 Defendant-Respondent.

18 YACOV JACK HEFETZ,

19 Plaintiff-Appellant,

20 v.

21 CHRISTOPHER BEAVOR,

22 Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT A)**

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS  
(EXHIBIT A)**

This consolidated appeal arises from two separate orders. The first order is an order of dismissal without prejudice of an action that concerned a payment guaranty contract. That payment guaranty contract arose in connection with a real estate loan between a predecessor in interest to the Appellant and a limited liability company previously managed and presumably owned by the Respondent. That real estate loan contract contained a deed of trust, which attached to many parcels of real estate, including the personal residence of the Respondent. There was a default on the real estate loan. There was subsequently a default on the payment guaranty. Appellant, thereafter, commenced this lawsuit on the breach of the payment guaranty. Respondent responded to complaint with an answer and several counterclaims, but did not raise in his answer the affirmative defense of the One Action Rule (NRS 40.430). The case proceeded to a jury trial and the jury returned a verdict in favor of the Respondent in the amount of zero dollars. The District Court granted Appellant's motion for a new trial. While preparing for the second trial, the Respondent raised for the first time a motion to dismiss pursuant to NRS 40.435. Appellant objected to the motion to dismiss on a series of grounds and requested that the action be continued to allow the proceedings to be converted to an action in compliance with the One Action Rule (NRS 40.430). The District Court dismissed the action without prejudice on the base of NRS 40.435(2)(a). Shortly thereafter, Respondent obtained a second order. That order was judgment



for attorney's fees and costs on the basis of a lapsed offer of judgment even though the case was only dismissed without prejudice.

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*Attorneys for Plaintiff-Appellant**Yacov Jack Hefetz*Electronically Filed  
Feb 02 2016 01:05 p.m.  
Tracie K. Lindeman  
Clerk of Supreme Court**IN THE SUPREME COURT OF THE STATE OF NEVADA**

YACOV JACK HEFETZ,

Plaintiff-Appellant,

v.

CHRISTOPHER BEAVOR,

Defendant-Respondent.

Case No. 68438

**DOCKETING STATEMENT  
CIVIL APPEALS**

YACOV JACK HEFETZ,

Plaintiff-Appellant,

v.

CHRISTOPHER BEAVOR,

Defendant-Respondent.

Case No. 68843

**DOCKETING STATEMENT  
CIVIL APPEALS**

# IN THE SUPREME COURT OF THE STATE OF NEVADA

## INDICATE FULL CAPTION:

YACOV JACK HEFETZ,

Appellant,

v.

CHRISTOPHER BEAVOR,

Respondent.

No. 68438 & 68843

## DOCKETING STATEMENT CIVIL APPEALS

### GENERAL INFORMATION

Appellants must complete this docketing statement in compliance with NRAP 14(a). The purpose of the docketing statement is to assist the Supreme Court in screening jurisdiction, identifying issues on appeal, assessing presumptive assignment to the Court of Appeals under NRAP 17, scheduling cases for oral argument and settlement conferences, classifying cases for expedited treatment and assignment to the Court of Appeals, and compiling statistical information.

### WARNING

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

A complete list of the documents that must be attached appears as Question 27 on this docketing statement. Failure to attach all required documents will result in the delay of your appeal and may result in the imposition of sanctions.

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

1. Judicial District Eighth Department XXVIII  
County Clark Judge Ronald J. Israel  
District Ct. Case No. A-11-645353-C

**2. Attorney filing this docketing statement:**

Attorney H. Stan Johnson & Michael V. Hughes Telephone (702) 823-3500

Firm Cohen | Johnson | Parker | Edwards

Address Suite 100  
255 East Warm Springs Road  
Las Vegas, Nevada 89119

Client(s) Yacov Jack Hefetz

If this is a joint statement by multiple appellants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement.

**3. Attorney(s) representing respondents(s):**

Attorney Joel Z. Schwarz & Gabriel A. Blumberg Telephone (702) 382-4002

Firm Dickinson Wright PLLC

Address Suite 200  
8383 West Sunset Road  
Las Vegas, Nevada 89113

Client(s) Christopher Beavor

Attorney \_\_\_\_\_ Telephone \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_

Client(s) \_\_\_\_\_

(List additional counsel on separate sheet if necessary)

**4. Nature of disposition below (check all that apply):**

- |                                                             |                                                                                              |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Judgment after bench trial         | <input checked="" type="checkbox"/> Dismissal:                                               |
| <input type="checkbox"/> Judgment after jury verdict        | <input type="checkbox"/> Lack of jurisdiction                                                |
| <input type="checkbox"/> Summary judgment                   | <input type="checkbox"/> Failure to state a claim                                            |
| <input type="checkbox"/> Default judgment                   | <input type="checkbox"/> Failure to prosecute                                                |
| <input type="checkbox"/> Grant/Denial of NRCP 60(b) relief  | <input checked="" type="checkbox"/> Other (specify): <u>Failure to Meet NRS 40.430</u>       |
| <input type="checkbox"/> Grant/Denial of injunction         | <input type="checkbox"/> Divorce Decree:                                                     |
| <input type="checkbox"/> Grant/Denial of declaratory relief | <input type="checkbox"/> Original <input type="checkbox"/> Modification                      |
| <input type="checkbox"/> Review of agency determination     | <input checked="" type="checkbox"/> Other disposition (specify): <u>Fee &amp; Cost Award</u> |

**5. Does this appeal raise issues concerning any of the following?**

- ☐ Child Custody  
☐ Venue  
☐ Termination of parental rights

**6. Pending and prior proceedings in this court.** List the case name and docket number of all appeals or original proceedings presently or previously pending before this court which are related to this appeal:

Christopher Beavor v. Eighth Judicial District Court (Hefetz), Case No. 65656 (Supreme Court of Nevada). Case Filed: May 13, 2014. Case Closed: October 13, 2014.

**7. Pending and prior proceedings in other courts.** List the case name, number and court of all pending and prior proceedings in other courts which are related to this appeal (e.g., bankruptcy, consolidated or bifurcated proceedings) and their dates of disposition:

- (a) Yacov Jack Hefetz v. Christopher Beavor, Case No. A-11-645353-C (Eighth Judicial District Court for the State of Nevada) (Department No. XXVIII) (District Court Judge Ronald J. Israel). Judgment: May 21, 2013. Docketing Date: May 29, 2013.  
(b) Yacov Jack Hefetz v. Christopher Beavor, Case No. A-11-645353-C (Eighth Judicial District Court for the State of Nevada) (Department No. XXVIII) (District Court Judge Ronald J. Israel). Order of Dismissal: June 17, 2015. Docketing Date: June 18, 2015.  
(c) Yacov Jack Hefetz v. Christopher Beavor, Case No. A-11-645353-C (Eighth Judicial District Court for the State of Nevada) (Department No. XXVIII) (District Court Judge Ronald J. Israel). Order Awarding Fees and Costs: September 1, 2015. Docketing Date: September 9, 2015.

**8. Nature of the action.** Briefly describe the nature of the action and the result below:  
See Exhibit A attached hereto.

**9. Issues on appeal.** State concisely the principal issue(s) in this appeal (attach separate sheets as necessary):  
See Exhibit B attached hereto.

**10. Pending proceedings in this court raising the same or similar issues.** If you are aware of any proceedings presently pending before this court which raises the same or similar issues raised in this appeal, list the case name and docket numbers and identify the same or similar issue raised:

Appellant is unaware of any proceedings pending before the Nevada Supreme Court which raises the same or similar issues as the ones arising under this appeal.

**11. Constitutional issues.** If this appeal challenges the constitutionality of a statute, and the state, any state agency, or any officer or employee thereof is not a party to this appeal, have you notified the clerk of this court and the attorney general in accordance with NRAP 44 and NRS 30.130?

☒ N/A

☐ Yes

☐ No

If not, explain:

**12. Other issues.** Does this appeal involve any of the following issues?

☐ Reversal of well-settled Nevada precedent(identify the case(s))

☐ An issue arising under the United States and/or Nevada Constitutions

☒ A substantial issue of first impression

☒ An issue of public policy

☐ An issue where en banc consideration is necessary to maintain uniformity of this court's decisions

☐ A ballot question

If so, explain:

**13. Assignment to the Court of Appeals or retention in the Supreme Court.** Briefly set forth whether the matter is presumptively retained by the Supreme Court or assigned to the Court of Appeals under NRAP 17, and cite the subparagraph(s) of the Rule under which the matter falls. If appellant believes that the Supreme Court should retain the case despite its presumptive assignment to the Court of Appeals, identify the specific issue(s) or circumstance(s) that warrant retaining the case, and include an explanation of their importance or significance:

See Exhibit C attached hereto.

**14. Trial.** If this action proceeded to trial, how many days did the trial last? 5

Was it a bench or jury trial? First Trial: Jury Trial / Second Trial: None Held

**15. Judicial Disqualification.** Do you intend to file a motion to disqualify or have a justice recuse him/herself from participation in this appeal? If so, which Justice?

Appellant does not intend to file a motion for disqualification of any Justice of the Nevada Supreme Court.



## TIMELINESS OF NOTICE OF APPEAL

**16. Date of entry of written judgment or order appealed from** 06/17/2015, 09/01/2015

If no written judgment or order was filed in the district court, explain the basis for seeking appellate review:

Not Applicable

**17. Date written notice of entry of judgment or order was served** 06/18/15, 09/03/15

Was service by:

☐ Delivery

☒ Mail/electronic/fax

**18. If the time for filing the notice of appeal was tolled by a post-judgment motion (NRCP 50(b), 52(b), or 59)**

(a) Specify the type of motion, the date and method of service of the motion, and the date of filing.

☐ NRCP 50(b)      Date of filing \_\_\_\_\_

☐ NRCP 52(b)      Date of filing \_\_\_\_\_

☒ NRCP 59      Date of filing 06/19/2015

**NOTE: Motions made pursuant to NRCP 60 or motions for rehearing or reconsideration may toll the time for filing a notice of appeal. See AA Primo Builders v. Washington, 126 Nev. \_\_\_, 245 P.3d 1190 (2010).**

(b) Date of entry of written order resolving tolling motion 07/23/2015

(c) Date written notice of entry of order resolving tolling motion was served 07/24/2015

Was service by:

☐ Delivery

☒ Mail

**19. Date notice of appeal filed** 07/14/15 (Case No. 68438) & 09/15/15 (Case No. 68843)

If more than one party has appealed from the judgment or order, list the date each notice of appeal was filed and identify by name the party filing the notice of appeal:

Not Applicable

**20. Specify statute or rule governing the time limit for filing the notice of appeal, e.g., NRAP 4(a) or other**

NRAP 4(a)

### **SUBSTANTIVE APPEALABILITY**

**21. Specify the statute or other authority granting this court jurisdiction to review the judgment or order appealed from:**

(a)

- |                                                   |                                       |
|---------------------------------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> NRAP 3A(b)(1) | <input type="checkbox"/> NRS 38.205   |
| <input type="checkbox"/> NRAP 3A(b)(2)            | <input type="checkbox"/> NRS 233B.150 |
| <input type="checkbox"/> NRAP 3A(b)(3)            | <input type="checkbox"/> NRS 703.376  |
| <input type="checkbox"/> Other (specify) _____    |                                       |

(b) Explain how each authority provides a basis for appeal from the judgment or order:

The two orders at issue in this consolidated appeal arise from a civil action previously pending in the Eighth Judicial District Court for the State of Nevada. The orders at issue in this consolidated appeal are final orders which disposed of all of the claims previously pending in the District Court and, as a consequence, are subject to being appealed under NRAP 3A(b)(1).

**22. List all parties involved in the action or consolidated actions in the district court:**

(a) Parties:

Plaintiff-Appellant: Yacov Jack Hefetz  
Defendant-Respondent: Christopher Beavor

(b) If all parties in the district court are not parties to this appeal, explain in detail why those parties are not involved in this appeal, *e.g.*, formally dismissed, not served, or other:

Not Applicable

**23. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims, or third-party claims and the date of formal disposition of each claim.**

See Exhibit D attached hereto.

**24. Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action or consolidated actions below?**

☒ Yes

☐ No

**25. If you answered "No" to question 24, complete the following:**

(a) Specify the claims remaining pending below:

(b) Specify the parties remaining below:

(c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b)?

☐ Yes

☐ No

(d) Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment?

☐ Yes

☐ No

**26. If you answered "No" to any part of question 25, explain the basis for seeking appellate review (e.g., order is independently appealable under NRAP 3A(b)):**

**27. Attach file-stamped copies of the following documents:**

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

## VERIFICATION

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

Yacov Jack Hefetz  
Name of appellant

Michael V. Hughes  
Name of counsel of record

02/01/2016  
Date

Michael Hughes  
Signature of counsel of record

Clark County, Nevada  
State and county where signed

## CERTIFICATE OF SERVICE

I certify that on the 2nd day of February, 2016, I served a copy of this completed docketing statement upon all counsel of record:

☐ By personally serving it upon him/her; or

☒ By mailing it by first class mail with sufficient postage prepaid to the following address(es): (NOTE: If all names and addresses cannot fit below, please list names below and attach a separate sheet with the addresses.)

Joel Z. Schwarz, Esq.  
Dickinson Wright PLLC  
Suite 200  
8383 West Sunset Road  
Las Vegas, Nevada 89113

Dated this 2nd day of February, 2016

Michael Hughes  
Signature