# Exhibit F

# Exhibit F

## The following file stamped copies are attached:

Document Name	Date Filed	<b>Bates Number</b>
Verified Complaint	7-21-2011	Doc Stmt 2 - 29
Defendants' Answer to Complaint and		
Counterclaim	10-21-2011	Doc Stmt 30 - 45
Notice of Entry of Order		
re Dismissing Claims of Alis Cohen	6-29-2012	Doc Stmt 46 - 50
Notice of Entry of Order		
Granting Defendants' Motion to Dismiss	6-18-2015	Doc Stmt 51 - 55
Motion for Reconsideration		
of Order of Dismissal	6-19-2015	Doc Stmt 56 - 64
Notice of Entry of Order		
Denying Motion for Reconsideration	7-24-2015	Doc Stmt 65 - 71
Notice of Entry of Order		
Granting Motion for Attorney Fees and Costs	9-3-2015	Doc Stmt 72 - 75
Notice of Entry of Order		
Granting Plaintiff's Rule 50(a) Motion	4-21-2016	Doc Stmt 76 - 84

## CIVIL COVER SHEET

Clark County, Nevada

Case No.

(Assigned by Clerk's Office)

A-11-645353-C XXVIII

I. Party Information		*	<u> Augustus</u>	
Plaintiff(s) (name/address/phone): YACOV HEFETZ AND ALIS COHEN		Defendant(s) (name/address/phone): CHRISTOPHER BEAVOR AND SAMANTHA BEAVOR		
Attorney (name/address/phone): Lee I.Iglody, Esq. 9555 S. Eastern, # 280 Las Vegas, NV 89123		Attorney (name/address/phone):		
II. Nature of Controversy (Please capplicable subcategory, if appropriate)	heck applicable bold	category and	Arbitration Requested	
	Civ	il Cases		
Real Property		т	<u>`orts</u>	
☐ Landlord/Tenant ☐ Unlawful Detainer ☐ Title to Property ☐ Foreclosure	Negligence  Negligence - Auto  Negligence - Medical/Dental  Negligence - Premises Liability (Slip/Fall)  Negligence - Other		☐ Product Liability ☐ Product Liability/Motor Vehicle ☐ Other Torts/Product Liability ☐ Intentional Misconduct	
Liens Quiet Title Specific Performance Condemnation/Eminent Domain Other Real Property Partition			☐ Torts/Defamation (Libel/Slander) ☐ Interfere with Contract Rights ☐ Employment Torts (Wrongful termination) ☐ Other Torts ☐ Anti-trust ☐ Fraud/Misrepresentation ☐ Insurance ☐ Legal Tort	
☐ Planning/Zoning			Unfair Competition	
Probate		Other Civi	l Filing Types	
☐ Summary Administration ☐ General Administration ☐ Special Administration ☐ Set Aside Estates ☐ Trust/Conservatorships ☐ Individual Trustee ☐ Corporate Trustee ☐ Other Probate	Insurance Commerc Other Cor Collection Employm Guarantee Sale Cont Uniform Cor Civil Petition for Departmen	ract & Construction Carrier ial Instrument stracts/Acet/Judgment of Actions ent Contract	☐ Appeal from Lower Court (also check applicable civil case box)  ☐ Transfer from Justice Court ☐ Justice Court Civil Appeal ☐ Civil Writ ☐ Other Special Proceeding ☐ Other Civil Filing ☐ Compromise of Minor's Claim ☐ Conversion of Property ☐ Damage to Property ☐ Employment Security ☐ Enforcement of Judgment ☐ Foreign Judgment — Civil ☐ Other Personal Property ☐ Recovery of Property ☐ Stockholder Suit ☐ Other Civil Matters	
III. Business Court Requested (P)	lease check applicable c	ategory; for Clark or Was	hoe Counties only.)	
☐ NRS Chapters 78-88 ☐ Commodities (NRS 90) ☐ Securities (NRS 90)	☐ Investments (NI	RS 104 Art. 8) Practices (NRS 598)	☐ Enhanced Case Mgmt/Business ☐ Other Business Court Matters	
7/21/11		44	1	

Electronically Filed 07/21/2011 03:59:23 PM 1383 **COMP** 1 T.J. Lee I. Iglody, Esq. Nevada Bar #: 7757 2 CLERK OF THE COURT 9555 S. Eastern Avenue, Suite 280 3 Las Vegas, NV 89123 Tel: (702) 425-5366 4 Fax: (702) 446-5148 5 Email: Lee@Iglody.com Attorney for Plaintiffs 6 DISTRICT COURT 7 8 CLARK COUNTY, NEVADA 9 YACOV JACK HEFETZ, an individual, and ALIS COHEN, an individual. CASE NO: A-11-645353-C 10 IIIVXX DEPT NO.: 11 Plaintiffs, 9555 S. Eastem Ave., Suite 280 Las Vegas, Nevada 89123 (702) 425-5366 FAX: (702) 446-5148 12 LEE IGLODY, ESQ VS, VERIFIED COMPLAINT 13 14 CHRISTOPHER BEAVOR, an individual, and SAMANTHA BEAVOR, an individual, 15 DOES I - X and ROE ENTITIES I - X, inclusive 16 17 Defendants. 18 Plaintiffs YACOV JACK HEFETZ and ALIS COHEN (collectively, "Plaintiffs"), by and 19 through their counsel, Lee Iglody, Esq., hereby complain and allege against Defendants 20 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 This action is necessary as a result of Defendants' failure to meet their joint and 1. 24 several obligations as guarantors of a defaulted loan in the principal amount of \$6,000,000.00. 25 II. PARTIES, JURISDICTION AND VENUE 26 27 Plaintiff Yacov Jack Hefetz is and was at all relevant times hereto an individual 2. 28 that resides in Clark County, Nevada.

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- Plaintiff Alis Cohen is and was at all relevant times hereto an individual that 3. resides in Clark County, Nevada.
- Defendant Christopher Beavor is and was at all relevant times hereto an 4. individual residing in Clark County, Nevada.
- Defendant Samantha Beavor is and was at all relevant times hereto an individual 5. residing in Clark County, Nevada.
- 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.
- The majority of Defendants' wrongful acts occurred and/or arose from or in Clark 7. 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

On or about March 29, 2007, Toluca Lake Vintage, LLC ("Borrower") entered 8. 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.

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9.	The purpose	for the Loa	n was to	improve ar	id develop	certain re	al property
located in Iron	County, Utah	; Los Angele:	s County,	California; a	ınd Clark C	ounty, Ne	vada.

- Plaintiffs participated in the Loan by contributing \$2,214,875.00 toward funding 10. of the Loan ("Participation Amount").
- The Loan was benefitted by the Guarantors' joint and several, absolute, 11. unconditional and irrevocable personal guarantee of full and prompt payment of the principal and interest due and owing on the Loan. A true copy of the Payment Guarantee evidencing Guarantors' obligations is attached hereto as Exhibit 3.
- 12. Borrower defaulted on the Loan. On or about May 14, 2009, Borrower filed a voluntary Chapter 11 petition under the United States Bankruptcy Code, 11 U.S.C. § 101, et seq. on May 14, 2009.
  - 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 to Plaintiffs from Lender, Borrower, or Guarantors.
- 15. On or about July 6, 2011, Lender assigned to Plaintiffs all of Lender's right, title and interest in and to the Loan, including all documents evidencing, securing, guaranteeing or otherwise executed in connection with the Loan. The Guarantors' obligations, as evidenced by the Payment Guarantee, were included in the assignment.

## IV. CLAIM FOR RELIEF

## FIRST CLAIM FOR RELIEF

## (Breach of Guarantee)

- Plaintiffs repeat and incorporate by reference the allegations in the preceding 16. paragraphs as if fully set forth herein.
- Guarantors executed the Payment Guarantee in which they agreed to jointly and 17. severally, absolutely, unconditionally and irrevocably guarantee the full and prompt payment of the principal and interest due and owing on the Loan.
  - 18. Borrower defaulted on its obligations under the Loan.

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19.	Guarantors failed to meet their guarantee obligations	s upon Borrower's d	lefault.
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- Lender assigned to Plaintiffs all of Lender's right, title and interest in and to the 20. Loan, including all documents evidencing, securing, guaranteeing or otherwise executed in connection with the Loan, which encompassed Guarantors' Payment Guarantee.
- Guarantors' failure to meet their guarantee obligations has damaged Plaintiffs in 21. an amount in excess of \$10,000.00.
- It has been necessary for Plaintiffs to retain the services of attorneys to prosecute 22. their claims, and Plaintiffs are thereby entitled to an award of reasonable attorneys' fees and costs.

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

- For judgment in favor of Plaintiffs and against Defendants, jointly and separately, 1. in an amount to be determined at trial, in excess of \$10,000;
  - 2. For prejudgment interest:
  - For attorneys' fees and costs; and 3.
  - For any such other and further relief as the Court deems just and proper under the 4.

circumstance

Dated this day of July, 2011.

Lee I. Iglody, Esq. Nevada Bar #: 7757

Email: Lee@Iglody.com Attorney for Plaintiffs

**LEE IGLODY, ESQ.** 9555 S. Eastern Ave., Suite 280 Las Vegas, Nevada 89123 (702) 425-5366 FAX: (702) 446-5148

### **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.

7/18/20// Date:

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## 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. <u>DEFINITIONS AND ACCOUNTING TERMS</u>.

1.1 <u>Defined Terms</u>. 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

"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.

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"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).

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"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 <u>Use of Defined Terms</u>. 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 as originally executed or as the same may be supplemented, modified or amended.
- 1.3 <u>Accounting Terms</u>. 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 <u>Exhibits</u>. 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:
  - 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 <u>Interest Reserve</u>. A portion of the Loan Amount, in the amounts set forth in <u>Section 3.1</u> 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 <u>Security</u>. 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 <u>Section 4</u>. The Guaranty and the obligations of any Guarantor thereunder shall be unsecured.

### SECTION 4. LOAN DOCUMENTS AND SECURITY.

- 4.1 <u>Phase I Loan.</u> 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 <u>Phase II Loan.</u> Upon disbursement of the Phase II Loan, Borrower shall deliver to Lender the following:

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- (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 <u>Formation, Qualification and Powers of Borrower</u>. 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 <u>Authority and Compliance with Instruments and Government Regulations</u>. 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).

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- 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 <u>No Governmental Approvals Required</u>. 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 <u>Binding Obligations</u>. 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 <u>Compliance with Requirements.</u> 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 <u>Insurance</u>. Borrower shall at all times maintain the following policies of 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 <u>Physical Security of Property.</u> Borrower shall take appropriate measures to protect the physical security of the Property.
- 6.6 <u>Reporting and Requirements</u>. 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 and Event of Default; and
  - (e) any change in the Manager of Borrower, as defined in Borrower's Operating Agreement.
- 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

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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
- 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;

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- (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 <u>Section 3.1</u>, 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 <u>Section 3.1</u>, 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, <u>Section 7.2(b)(i)</u>.

### SECTION 8. MISCELLANEOUS.

- 8.1 <u>Performance by Lender</u>. 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 <u>Binding Effect: Assignment.</u> 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 <u>Amendments: Consents.</u> 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 <u>Severability of Provisions</u>. 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.

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- 8.10 <u>Headings</u>. 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

Christopher Beavor

Manager

LENDER:

HERBERT FREY, Trustee of the Herbert

Revocable Family Trust dated

November 22, 1982

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## EXHIBIT 2

### PROMISSORY NOTE

U.S. \$6,000,000.00

As of 5/23/07

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. <u>Interest.</u> 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 formand of the 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 5/2/02 by delivering written notice to Payee of such extension at the address set forth above on or before 1/2/02. 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 8/2/102 by delivering written notice to Payee of such further extension at the address set forth above on or before 1/2/02. 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. <u>Preferred Return</u>. 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.

- 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 deciare 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

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:

- 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).

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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.
- 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.

DMWEST #6498D78 v3

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

3/28/07

SAMANTHA BEA

Electronically Filed 10/21/2011 04:52:44 PM

1 ACN MARC A. SAGGESE, ESQ. **CLERK OF THE COURT** 2 Nevada Bar No. 7166 SAGGESE & ASSOCIATES, LTD. 3 732 S. Sixth Street, Suite 201 4 Las Vegas, Nevada 89101 Telephone 702.778.8883 5 Facsimile 702.778.8884 marc@maxlawny.com 6 Attorney for Defendants/Counterclaimants 7 DISTRICT COURT 8 **CLARK COUNTY, NEVADA** 9 YACOV JACK HEFETZ, an individual; and 10 Case No.: A-10-645353-C ALIS COHEN, an individual, Dept. No.: 11 Plaintiffs, 12 DEFENDANTS' ANSWER TO vs. COMPLAINT AND COUNTERCLAIM 13 CHRISTOPHER BEAVOR, an individual; 14 SAMANTHA BEAVOR, an individual: DOES I through X and ROE ENTITIES I through X, 15 inclusive, 16 Defendants. 17 18 CHRISTOPHER BEAVOR, an individual; SAMANTHA BEAVOR, an individual, 19 Counterclaimants, 20 21 vs. 22 YACOV JACK HEFETZ, an individual; DOES I through X; and ROE CORPORATIONS 1 23 through 10, inclusive, 24 Counter-Defendant. 25 26 27 28

COMES NOW Defendants CHRISTOPHER BEAVOR and SAMANTHA BEAVOR by and through their attorney of record, MARC A. SAGGESE, ESQ., of the law firm of SAGGESE & ASSOCIATES, LTD., and hereby answers PLAINTIFFS' Complaint as follows:

- 1. In answering Paragraph 1 of Plaintiffs' Complaint, Defendants deny the allegations contained therein.
- 2. In answering Paragraph 2 of Plaintiffs' Complaint, Defendants admit the allegations contained therein.
- 3. In answering Paragraph 3 of Plaintiffs' Complaint, Defendants are without sufficient knowledge or information to form a belief as to the allegations contained therein and therefore deny each allegation contained therein.
- 4. In answering Paragraphs 4 and 5 of Plaintiffs' Complaint, Defendants admit the allegations contained therein.
- 6. In answering Paragraph 6 of Plaintiffs' Complaint, Defendants deny the allegations contained therein.
- 7. In answering Paragraph 7 of Plaintiffs' Complaint, Defendants only admit that jurisdiction and venue are proper in Las Vegas, Clark County, Nevada, and deny every other allegation contained therein.
- 8. In answering Paragraph 8 of Plaintiffs' Complaint, Defendants make special note that the correct name of Lender is the Herbert Frey Revocable Family Trust, dated November 22, 1982, and admits the allegations contained therein.
- 9. In answering Paragraph 9 of Plaintiffs' Complaint, Defendants only admit that the purpose of the Loan was to improve and develop certain real property located in Los Angeles, California, and deny every other allegation contained therein.

- 10. In answering Paragraph 10 of Plaintiffs' Complaint, Defendants are without sufficient knowledge or information to form a belief as to the allegations contained therein and therefore deny each allegation contained therein.
- 11. In answering Paragraphs 11, 12, 13 and 14 of Plaintiffs' Complaint, Defendants deny the allegations contained therein.
- 12. In answering Paragraph 15 of Plaintiffs' Complaint, Defendants admit the allegations contained therein.

## FIRST CLAIM FOR RELIEF (Breach of Guarantee)

- 13. In answering Paragraph 16 of Plaintiffs' Complaint, Defendants reincorporate all of their answers to all preceding paragraphs as though set forth fully herein.
- 14. In answering Paragraphs 17, 18, 19, 21 and 22 of Plaintiffs' Complaint,Defendants deny the allegations contained therein.
- 15. In answering Paragraph 20 of Plaintiffs' Complaint, Defendants admit the allegations contained therein.

### **AFFIRMATIVE DEFENSES**

- 1. Plaintiffs' claims have been waived as a result of Plaintiffs' acts and conduct.
- 2. Plaintiffs are estopped from asserting the claims herein as a result of Plaintiffs' acts and conduct.
  - 3. Plaintiffs have unclean hands.
  - 4. Plaintiffs have failed to mitigate their damages.
- 5. Some or all of Plaintiffs' claims for relief are barred by Plaintiffs' own acts, omissions and/or negligence.

- 6. Plaintiffs' damages, if any, must be offset against the damages Plaintiffs have caused Defendants Christopher and Samantha Beavor.
- 7. The damages sustained by Plaintiffs, if any, were caused by the acts of third persons who were not agents, servants, or employees of Defendants and who were not acting on behalf of Defendants in any manner or form, and as such, Defendants are not liable in any manner toward Plaintiffs.
  - 8. Plaintiffs have failed to state a claim upon which relief can be granted.
- 9. Plaintiffs have materially breached their obligations to these answering parties, thereby excusing any further obligation of performance by these answering parties of any contractual obligations.
- 10. The claim for breach of guarantee is barred as a result of the failure to satisfy conditions precedent.
- 11. Plaintiffs' claims are brought without reasonable ground or to harass these answering parties.
  - 12. Plaintiffs' claims are barred from recovery by the Doctrine of Laches.
  - 13. Plaintiffs' claims are barred by the Doctrine of Ratification.
- 14. The damages sustained by Plaintiffs, if any, were accomplished with the full knowledge of and consent of Plaintiffs.
- 15. The damages, if any, were not caused by and conduct of this answering party, and were caused by Plaintiffs, and Plaintiffs' agents.
  - 16. Plaintiffs' claims are barred by the statute of limitations.
- 17. Plaintiffs' claims are barred by their own fraudulent acts, omissions, and misrepresentations, whether intentional, negligent, or constructive.

- 19. Plaintiffs have not been damaged directly, indirectly, or proximately, or in any manner whatsoever, by any conduct of these answering parties.
  - 20. Plaintiffs' Complaint is filed in bad faith and has no merit.
- 21. Defendants Christopher and Samantha Beavor are excused from any and all liability under the facts alleged in Plaintiffs' claims for relief because at all material times Defendants acted in good faith and conducted all material transactions in good faith.
- 22. All possible affirmative defenses may not have been alleged herein insofar as sufficient facts were not available after reasonable inquiry upon the filing of Defendants' Answer to Plaintiffs' Complaint, and therefore, Defendants reserve the right to amend this answer to allege additional affirmative defenses if subsequent investigation warrants.

WHEREFORE Defendants Christopher and Samantha Beavor pray as follows:

- 1. That Plaintiffs take nothing by way of their Complaint;
- 2. That this Court deny Plaintiffs' claim for equitable relief;
- 3. That Defendants Christopher and Samantha Beavor be awarded costs and reasonable attorneys' fees incurred in defending this action; and
- 4. For such other and further relief as this Court deems just and proper.

DATED this 21st day of October, 2011.

/s/ MARC A. SAGGESE, ESQ.

MARC A. SAGGESE, ESQ.
Nevada Bar No. 7166
SAGGESE & ASSOCIATES, LTD.
732 S. Sixth Street, Suite 201
Las Vegas, Nevada 89101
Telephone 702.778.8883
Facsimile 702.778.8884
marc@maxlawnv.com

Attorney for Defendants/Counterclaimants

#### **COUNTERCLAIM**

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:

- CHRISTOPHER BEAVOR is an individual, who at all times relevant, is a resident of Clark County, Nevada.
- 2. SAMANTHA BEAVOR is an individual, who at all times relevant, is a resident of Clark County, Nevada.
- Upon information and belief, Counter-Defendant YACOV JACK HEFETZ (henceforth "HEFETZ") is an individual, who at all times relevant is a resident of Clark County, Nevada.
- 4. That pursuant to NRCP 10(a) and Nurenberger Hercules-Werke GMBH v. Virostek, 107 Nev. 873 (Nev. 1991), the identity of resident and non-resident Designated herein as DOES I-X and ROE CORPORATIONS XXI-XXX, inclusive, are unknown to Counter-Claimants at this present time; however, it is alleged and believed these Defendants were involved in the initiation, approval, support, or execution of the wrongful acts on which this action is premised, or of similar actions directed against Counter-Claimants about which they are presently unaware. As the specific identities of these parties are revealed through the course of discovery, the DOES and ROES will be replaced to identify these parties by their true names and capacities.
  - 5. That jurisdiction and venue are proper in this Court.

#### **FACTS**

- 6. On or about March 29, 2007, Toluca Lake Vintage, LLC ("Borrower"), entered into a loan agreement with the Herbert Frey Revocable Family Trust dated November 22, 1982 ("Lender"), in an amount of six million dollars (\$6,000,000,00).
- 7. Said Loan was procured by Borrower for the purpose of developing certain real property located in Los Angeles County, California.
  - 8. Counterclaimants signed a personal guarantee to said loan.
- 9. Lender then recorded a deed of trust against Counterclaimants' two Nevada properties as collateral to secure the Ioan. Said properties are located at 905 Domnus Lane, Unit 202, Las Vegas, Nevada 89144, and 60 Chapman Heights, Las Vegas, Nevada 89138.
- 10. One provision of the loan was if Borrower were to file bankruptcy, the loan would default.
- 11. Said Loan was utilized as a down payment for the real estate project to include the purchase price for the land, engineering, marketing, and architects.
- 12. Unbeknownst to Counterclaimants, Counter-Defendant Hefetz had contributed two million dollars (\$2,000,000.00) of the \$6,000,000.00 loan from Lender to Borrower, which was not disclosed or documented.
- 13. After eighteen months of construction of the real property project in Los Angeles County, California, the bank backing the project ceased funding the loan, halting construction.
- 14. The bank then filed an Ex Parte Motion in April 2009 for a receivership to take control of the real estate project.
- 15. Following the filing of said motion, Counterclaimants were contact by Lender and Counter-Defendant Hefetz with a strategy: for Counterclaimant to terminate his legal counsel

and retain Counter-Defendant's attorney to file a Complaint against the bank originally funding the loan. In turn, Borrower should then file bankruptcy, but Counterclaimants would be released from all obligations and personal guarantees under the loan, and the deeds of trust would be released against Counterclaimants' properties.

- 16. Lender then appointed Star Management, LLC, as Manager of Toluca Lake Vintage, LLC, on May 13, 2009. Counter-Defendant Hefetz was Manager of Star Development, LLC.
- 17. On May 14, 2009, Counter-Defendant Hefetz, as Manager of Star Development, LLC, which was Manager of Toluca Lake Vintage, LLC, caused Toluca Lake Vintage, LLC, to file bankruptcy, causing the loan to default and the \$6,000,000.00 to become due to Lender.
- 18. Pursuant to prior negotiations with Lender, Counterclaimants were to be released from all obligations and personal guarantees under the loan after the filing of the bankruptcy, and the deeds of trust were to be released against Counterclaimants' properties.
- Bankruptcy proceedings were initiated in the Central District of San Fernando
   Valley, California, Case No. 1:09BK15680-GM.
- 20. Following the bankruptcy proceedings in court, Counter-Defendant Hefetz reported fraudulent statements to his legal counsel, causing said counsel to file false affidavits with the court stating that Counterclaimants had reached a global settlement agreement with the bank funding the loan, when Counterclaimants had never been briefed on the issue and had never been presented with the purported settlement documents for review.
- 21. A settlement agreement was not presented to Counterclaimants until approximately three (3) months after said affidavits were filed and approved by the court for the bankruptcy proceedings.

- 22. Upon learning this information, Counterclaimants contacted counsel retained by Lender on Counterclaimants' behalf and alerted said counsel of the fraudulent actions being committed by Counter-Defendant Hefetz, as he filed an Ex Parte Motion to finalize the bankruptcy settlement, the terms of which Counterclaimants had not agreed.
- 23. Upon reviewing the settlement information, Counterclaimants discovered that said settlement documents release Counterclaimants from their obligations to the bank, but not their obligations and personal guarantees to Lender, which had previously been agreed upon.
- 24. New counsel was retained by Counterclaimants, at which time oppositions to said bankruptcy proceedings were filed to expose the fraudulent activities that had taken place on the part of Counter-Defendant Hefetz.
- 25. Upon the filing of said affidavits, the bankruptcy court issued a Section 363(b) ruling and stated that good faith dealings had not taken place, and claims were preserved against Lender, Star Development, LLC, and Counter-Defendant Hefetz.
- 26. In December 2010, Counterclaimants were contacted by Wayne Krieger, another Manager of Star Development, LLC, that release documents had been drafted for Counterclaimants' signature that were to release all claims against Lender, and in turn, released Counterclaimants of all obligations and personal guarantees from the \$6,000,000.00 loan, as well as release of the deeds of trust recorded against Counterclaimants' properties.
- 27. Counterclaimants signed the settlement agreement, and agreed to remit \$23,000.00 for payment of associated legal fees.
- 28. In January 2011, Counterclaimant Christopher Beavor proceeded to personally drop off all settlement documents and payments for legal fees to Lender.

- 29. Counter-Defendant Hefetz was in Lender's office at the time of
  Counterclaimant's arrival, and physically grabbed the settlement agreement from
  Counterclaimant and stated that he would not allow Lender to sign the settlement documents
  releasing Counterclaimants of all obligations under the loan.
- 30. Counterclaimants then received a call from Counter-Defendant Hefetz stating that he was going to force Lender to assign him the outstanding debt, to which Counterclaimants could never be released. The instant litigation ensued.

#### FIRST CLAIM FOR RELIEF

#### <u>Fraud</u>

- 31. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1 through 30 above as though fully set forth herein.
- 32. Counter-Defendant Hefetz caused, through Star Development as Manager, false information to be relayed to Star Development's counsel, and the filing of fraudulent affidavits to be filed with the Central District of San Fernando Valley, Case No. 1:09BK15680-GM, by Counter-Defendant Hefetz stating that there existed a global settlement agreement that would have released all parties to the \$6,000,000.00 loan.
- 33. Specifically, upon reviewing the settlement information, Counterclaimants discovered that said settlement documents release Counterclaimants from their obligations to the bank, but not their obligations and personal guarantees to Lender, which had previously been agreed upon.
- 34. Counterclaimants were not included in the global settlement as per Counter-Defendant Hefetz' prior representations, and was excluded from said agreement by the counsel that Counter-Defendant had provided for Counterclaimants.

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

#### Breach of the Covenant of Good Faith and Fair Dealing

- 39. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1 through 38 above as though fully set forth herein.
- 40. Every contract contains an implied covenant of good faith and fair dealing.

  Counter-Defendant Hefetz breached said Covenant of Good Faith and Fair Dealing when he misrepresented the terms of the global settlement agreement during the bankruptcy proceedings.
- 41. Counter-Defendant further breached said Covenant of Good Faith and Fair Dealing when he failed to allow Counterclaimants to be released from their obligations and personal guarantees under the loan from Lender, holding them personally responsible for all monies due, as well as holding liens against their properties.

- 42. Counterclaimants suffered damages in excess of ten thousand dollars (\$10,000.00) as a result of Counter-Defendant's breach of said Covenant of Good Faith and Fair Dealing.
- 43. 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.
- 44. As a result of Counter-Defendant's actions, Counterclaimants have been forced to retain an attorney and have incurred attorney's fees and costs.

#### THIRD CLAIM FOR RELIEF

#### **Breach of Fiduciary Duty**

- 45. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1 through 44 above as though fully set forth herein.
- 46. Counter-Defendant Hefetz, as Manager of Star Development, LLC, and Star Development, as Manager of Toluca Lake Vintage, LLC, owed a fiduciary duty to Counterclaimant, owner of Toluca Lake Vintage, LLC.
- 47. Counter-Defendant Hefetz breached that fiduciary duty when he caused, through Star Development as Manager, false information to be relayed to Star Developments's counsel, causing fraudulent affidavits to be filed with the Central District of San Fernando Valley, Case No. 1:09BK15680-GM, by stating that there existed a global settlement agreement that would have released all parties to the \$6,000,000.00 loan.
- 48. Counter-Defendant Hefetz further breached that duty when he failed to act for the benefit of Counterclaimants by failing to include Counterclaimants in said settlement agreement

to release Counterclaimants from their obligations to and personal guarantees to Lender, which had previously been agreed upon.

- 49. As a result of Counter-Defendant's actions, Counterclaimants suffered damages in excess of ten thousand dollars (\$10,000.00).
- 50. 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.
- 51. As a result of Counter-Defendant's actions, Counterclaimants have been forced to retain an attorney and have incurred attorney's fees and costs.

#### FOURTH CLAIM FOR RELIEF

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

- 52. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1 through 51 above as though fully set forth herein.
- 53. 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.
- 54. 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.
- 55. Counterclaimant Christopher Beavor presented the signed contract to Lender via personal delivery for signature and finalization of the contract.
- 56. Counter-Defendant Hefetz purposefully, actively and deliberately withheld said contract from the possession of Lender.

- 57. As a result of Counter-Defendant's actions, Counterclaimants suffered damages in excess of ten thousand dollars (\$10,000.00).
- 58. 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.
- 59. As a result of Counter-Defendant's actions, Counterclaimants have been forced to retain an attorney and have incurred attorney's fees and costs.

#### FOURTH CLAIM FOR RELIEF

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

- 60. Counterclaimants hereby adopt and incorporate by reference Paragraphs 1 through 59 above as though fully set forth herein.
- 61. Counter-Defendant Hefetz acquired the \$6,000,000.00 note unlawfully from Lender in violation of NRS 645B.
- 62. The Herbert Frey Revocable Family Trust dated November 22, 1982 (Lender) is an unlicensed mortgage broker who transferred the note to Counter-Defendant Hefetz, also an unlicensed mortgage broker, in violation of NRS 645B.
- 63. Counter-Defendant Hefetz and Lender do not meet the exception to the license requirement as designated in NRS 645B.015, as the transfer of the \$6,000,000.00 note was secured by Counterclaimants' real property, and was, at all times an unlawful transfer of a secured transaction.
- 64. As a result of Counter-Defendant's actions, Counterclaimants suffered damages in excess of ten thousand dollars (\$10,000.00).

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

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

WHEREFORE, Counter-Claimants expressly reserve the right to amend this

Counterclaim at time of trial to include all items of damages not yet ascertained, prays for the
following relief against Counter-Defendant:

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

DATED this 21st day of October, 2011.

/s/ MARC A. SAGGESE, ESQ.

MARC A. SAGGESE, ESQ.

Nevada Bar No. 7166

SAGGESE & ASSOCIATES, LTD.

732 S. Sixth Street, Suite 201

Las Vegas, Nevada 89101

Telephone 702.778.8883

Facsimile 702.778.8884

marc@maxlawnv.com

Attorney for Defendants/Counterclaimants

#### **CERTIFICATE OF MAILING**

THIS IS TO CERTIFY that on the 21<sup>st</sup> day of October, 2011, a copy of the foregoing **DEFENDANTS' ANSWER TO COMPLAINT AND COUNTERCLAIM** was sent via facsimile and in a sealed envelope via US Mail, with postage fully pre-paid thereon, to the following counsel of record,

Lee I. Iglody, Esq.
9555 S. Eastern Avenue, Suite 280
Las Vegas, NV 89123
702.446.5366
Attorney for Plaintiffs/Counter-Defendant Hefetz

and that there is regular communication between the place(s) of mailing and the place(s) so addressed.

/s/ Alexis Vardoulis

Employee of SAGGESE & ASSOCIATES, LTD.

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1	NEO	4 . 40		
2	Lee I. Iglody, Esq. Nevada Bar #: 7757	Alm & Lahrum		
	3960 Howard Hughes Parkway, Suite 600	CLERK OF THE COURT		
3	Las Vegas, NV 89169 Tel: (702) 425-5366			
4	Fax: (702) 446-5148 Email: Lee@Iglody.com			
5	Attorney for Plaintiff:	•		
6	Yacov Jack Hefetz			
7	1	T COURT		
8	CLARK COUR	NTY, NEVADA		
9	YACOV JACK HEFETZ, an individual,	) CASE NO: A-11-645353-C		
10	Plaintiff,	) DEPT NO.: XXVIII )		
11		NOTICE OF ENTRY OF ORDER		
12	Vs.	)		
13	CHRISTOPHER BEAVOR, an individual, and SAMANTHA BEAVOR,	)		
14	an individual, DOES I – X and ROE	)		
15	ENTITIES I – X, inclusive,	)		
16	Defendant.	)		
17		)		
18	PLEASE TAKE NOTICE that an Order	stating Alis Cohen is hereby dismissed from this		
19	action and removed from the case caption with the parties to bear their own attorneys' fees and			
20	costs as to Cohen's claims against Defendants in this action, a copy of which is attached hereto,			
21	was entered in the above-entitled matter on the 26 <sup>th</sup> day of June, 2012.			
22	Dated this 28 day of June, 2012.	Л		
23	Dated this $\underline{/D}$ day of June, 2012.	CUA		
24		Lee I. Iglody, Esq.		
Ì		Nevada Bar #: 7757		
25 26		3960 Howard Hughes Parkway, Suite 600 Las Vegas, NV 89169 Tel: (702) 425-5366		
27		Fax: (702) 446-5148		
İ		Email: <u>Lee@Iglody.com</u> Attorney for Plaintiff		
28				
- {	1			

LEE IGLODY, ESQ.
3960 Howard Hughes Parkway, Suite 660
Las Vegas, Nevada 89169
(702) 425-5366 FAX: (702) 446-5148

## LHE IGLODY, HSQ, 3960 Howard Hughes Parkway, Suite 600 Las Vegus, Newada 89169 (702) 425-5366 FAX: (702) 446-5148

б

#### **CERTIFICATE OF MAILING**

The undersigned hereby certifies that on the day of June, 2012, I served a copy of foregoing Notice of Entry of Order, by placing said copy in an envelope, postage fully prepaid, in the U.S. Mail at Las Vegas, Nevada, said envelope addressed to:

#### SAGGESE & ASSOCIATES, LTD.

Marc A. Saggese, Esq. 732 S. Sixth Street, Suite 201 Las Vegas, Nevada 89101 Tel: (702) 778-8883 Attorney for Defendant

An employee of IGLODY LAW

Electronically Filed 06/26/2012 11:14:48 AM

Lee I. Iglody, Esq. Nevada Bar #: 7757 3960 Howard Hughes Pkwy, Suite 600

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

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3960 Howard Highes Pkwy., Suite 600 Les Vegas, Nevada 89169

LEE IGLODY, ESQ

CLERK OF THE COURT

#### DISTRICT COURT

#### CLARK COUNTY, NEVADA

YACOV JACK HEFETZ, an individual, and ALIS COHEN, an individual,	)	CASE NO: A-10-645353-C DEPT NO.: XXVIII
Plaintiffs,	)	
vs.	) ) )	STIPULATION AND ORDER
CHRISTOPHER BEAVOR, an individual, and SAMANTHA BEAVOR, an individual, DOES I – X and ROE ENTITIES I – X, inclusive	)	
Defendants.	)	

#### **STIPULATION**

Plaintiff/Counter-defendant YACOV JACK HEFETZ ("Hefetz") and Plaintiff ALIS COHEN ("Cohen")(collectively, "Plaintiffs"), by and through their undersigned counsel, and Defendants/Counterclaimants CHRISTOPHER BEAVOR and SAMANTHA BEAVOR ("Defendants"), by and through their undersigned counsel, hereby stipulate as follows:

Cohen is hereby dismissed from this action and removed from the case caption (1) with the parties to bear their own attorneys' fees and costs as to Cohen's claims against Defendants in this action; Defendants have not asserted any counterclaims against Cohen.

Page 1 of 2

Gulia a

1	(2) Plaintiff Hefetz shall be listed as sole Plaintiff in the caption henceforth.				
2	DATED this day of June, 2012. DATED this 5_ day of June, 2012.				
3					
4	1100				
5	Lee I. Iglody, Esq. Marc(A. Saggese, Esq.				
	Nevada Bar #: 7757 Nevada Bar #: 7166				
6	3960 Howard Hughes Pkwy, Suite 600 732 S. Sixth Street, Suite 201 Las Vegas, NV 89169 Las Vegas, Nevada 89101				
7	Tel: (702) 425-5366 Tel: (702) 778-8883				
8	Attorney for Plaintiffs Attorney for Defendants				
9	ORDER				
10					
11	Based upon the foregoing Stipulation, and for good cause show,				
12	IT IS HEREBY ORDERED that Cohen is hereby dismissed from this action and				
13	removed from the case caption with the parties to bear their own attorneys' fees and costs as to				
14	Cohen's claims against Defendants in this action.				
15	IT IS FURTHER ORDERED that Plaintiff Hefetz shall be listed as sole Plaintiff in the				
16	caption henceforth.				
17	IT IS SO ORDERED this 2 day of June, 2012.				
18	1 KMalakkrall				
19					
20	Prepared and Submitted by:				
21	[] i n//				
22	Lee I. Iglody, Esq.				
23	Nevada Bar #: 7757				
24	3960 Howard Hughes Parkway, Suite 600 Las Vegas, NV 89169				
25	Tel: (702) 425-5366				
26					
27					
28					

1 2 3 4 5 6 7	ROC DICKINSON WRIGHT PLLC JOEL Z. SCHWARZ Nevada Bar No. 9181 Email: jsehwarz@dickinsonwright.com GABRIEL A. BLUMBERG Nevada Bar No. 12332 Email: gblumberg@dickinsonwright.com 8383 West Sunset Road, Suite 200 Las Vegas, Nevada 89113 Tel: (702) 382-4002 Fax: (702) 382-1661 Attorneys for Christopher Beavor			
8	DISTRICT	COURT		
9	CLARK COUNTY, NEVADA			
10		1, IND VILLER		
11	YACOV JACK HEFETZ,	CLODNO A 11 CAROCO CI		
12	Plaintiff,	CASE NO. A-11-645353-C DEPT. XXVIII		
13	vs.			
14	CHRISTOPHER BEAVOR,			
15	Defendant.			
16	RECEIPT	OF COPY		
17	RECEIPT IS HEREBY ACKNOWLEDGED by the undersigned on this Aday of			
18	June 2015, that a copy of the Notice of Entry of Order (1) Granting Defendant's Motion to			
19	Dismiss Pursuant to NRS 40.435; and (2) Vacating as Moot Defendant's Motion for Leave to			
20	Reopen Dispositive Motion Deadline was received this date.			
21	COHEN-JOHNSON, LLC			
22	7	n. 1 112/ Par		
23		TICKOLY // MUGNUU		
24	Ema	ada Bar No. 00265 ail: sjohnson@cohenjohnson.com		
25	Nev	CHAEL V. HUGHES, ESQ. rada Bar No. 13154		
26	255	ail: mhughes@cohenjohnson.com East Warm Springs Road, Suite 100		
27	Las Atto	Vegas, NV 89119 orneys for Yacov Hefetz		
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NEOJ 1 DICKINSON WRIGHT PLLC JOEL Z. SCHWARZ 2 **CLERK OF THE COURT** Nevada Bar No. 9181 Email: jschwarz@dickinsonwright.com 3 GABRIEL A. BLUMBERG Nevada Bar No. 12332 4 Email: gblumberg@dickinsonwright.com 8383 West Sunset Road, Suite 200 Las Vegas, Nevada 89113 Tel: (702) 382-4002 Fax: (702) 382-1661 6 Attorneys for Christopher Beavor 7 8 DISTRICT COURT 9 CLARK COUNTY, NEVADA 10 YACOV JACK HEFETZ, 11 CASE NO. A-11-645353-C Plaintiff, DEPT. XXVIII 12 13 CHRISTOPHER BEAVOR. 14 Defendant. 15 NOTICE OF ENTRY OF ORDER 16 PLEASE TAKE NOTICE that an Order: (1) Granting Defendant's Motion to Dismiss 17 Pursuant to NRS 40.435; and (2) Vacating as Moot Defendant's Motion for Leave to Reopen 18 Dispositive Motion Deadline was entered by the Court on June 17, 2015. A copy of the order is 19 20 attached hereto. 21 DATED this 18th day of June 2015. 22 DICKINSON WRIGHT, PLLC 23 24 JOEL Z. SCHWARZ, Nevada Bar No. 9181 25 Email: jschwarz@dickinsonwright.com 8383 West Sunsei Road, Suite 200 26 Las Vegas, Nevada 89113 Tel: (702) 382-4002 27 Attorneys for Christopher Beavor 28

#### CERTIFICATE OF SERVICE

The undersigned, an employee of Dickinson Wright, PLLC, hereby certifies that on the 18<sup>th</sup> day of June 2015, she caused a copy of the foregoing Notice of Entry of Order, to be hand-delivered to and transmitted by electronic service in accordance with Administrative Order 14.2, to all interested parties, through the Court's <u>Odyssey E-File & Serve</u> system addressed to:

COHEN-JOHNSON, LLC
H. STAN JOHNSON, ESQ.
Nevada Bar No. 00265
Email: sjohnson@cohenjohnson.com
MICHAEL V. HUGHES, ESQ.
Nevada Bar No. 13154
Email: mhughes@cohenjohnson.com
255 East Warm Springs Road, Suite 100
Las Vegas, NV 89119
Attorneys for Yacov Hefetz

Bobbye Bonaldson, an employee of DICKINSON WRIGHT, PLLC

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1 2 3 4 5 6 7	ORD DICKINSON WRIGHT PLLC JOEL Z. SCHWARZ Nevada Bar No. 9181 Email: jschwarz@dickinsonwright.com GABRIEL A. BLUMBERG Nevada Bar No. 12332 Email: gblumberg@dickinsonwright.com 8383 West Sunset Road, Suite 200 Las Vegas, Nevada 89113 Tel: (702) 382-4002 Fax: (702) 382-1661 Attorneys for Christopher Beaver	CLERK OF THE COURT			
8	DISTRICT	COURT			
9	CLARK COUNT	ry, nevada			
0	YACOV JACK HEFETZ,				
1	Plaintiff,	CASE NO. A-11-645353-C DEPT. XXVIII			
2	vs.	DEFI ( DEFI			
3	CHRISTOPHER BEAVOR,				
14	Defendant.				
15 16 17	ORDER: (1) GRANTING DEFENDANT'S MOTION TO DISMISS PURSUANT TO NRS 40.435; AND (2) VACATING AS MOOT DEFENDANT'S MOTION FOR LEAVE TO REOPEN DISPOSITIVE MOTION DEADLINE				
18	The Court, having reviewed and considered <u>Defendant's Motion to Dismiss Pursuant to</u>				
19	NRS 40.435 (the "Motion to Dismiss") and Defendant Christopher Beaver's Motion for Leave to				
20	Reopen Dispositive Motion Deadline (the "Motion to Reopen") filed by Defendant Christopher				
21	Beavor ("Defendant"), the Opposition to the Motion to Dismiss and the Opposition to the				
22	Motion to Reopen filed by Plaintiff Yacov Hefetz ("Plaintiff"), and Defendant's Reply in				
23	support of the Motion to Dismiss and Reply in support of the Motion to Reopen; having heard				
24	hearing argument from counsel for Plaintiff and Defendant at the June 9, 2015 hearing on the				
25	foregoing filings, and good cause appearing therefore, the Court HEREBY FINDS AND				
26	CONCLUDES:				
27	(1) The Motion to Dismiss is appro-	opriate and timely pursuant to Nevada Revised			
28	Statutes ("NRS") 40.435;	Voluntury Diamissal			

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

- (3) Pursuant to NRS 40.495(5)(d), there can be no waiver of the one action rule by Defendant where his principal residence secures the underlying indebtedness upon which Plaintiff seeks to recover pursuant to his claim for breach of guaranty;
- (4) Plaintiff has not released or re-conveyed his purported security interest in Plaintiff's principal residence, thereby warranting dismissal of Plaintiff's claim for breach of guaranty pursuant to NRS 40.435.

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

IT IS SO ORDERED this

bistrict court byode

DICKINSON WRIGHT, PLLC

JOEL Z. SCHWARZ. Nevada Bar No. 9181

Prepared by:

Email: jschwarz@dickinsonwright.com

GABRIEL A. BLUMBERG Nevada Bar No. 12332

Email: gblumberg@dickinsonwright.com 8383 West Sunset Road, Suite 200

Las Vegas, Nevada 89113 Tel: (702) 382-4002 Fax: (702) 382-1661

Attorneys for Christopher Beavor

Approved as to form and content: COHEN-JOHNSON, LLC H. STAN JOHNSON, ESQUENCIA BAR No. 00265
Email: sjohnson@cohenjohnson.com
MICHAEL V. HÜGHES, ESQ.
Nevada Bar No. 13154
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255 East Warm Springs Road, Suite 100
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Attorneys for Yacov Hefetz б 

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COHEN-JOHNSON, LLC 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	order to permit Hefetz to present a motion for reconsideration			
		Page 1 of 9			
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		order to permit Hefetz to present a motion for reconsideration.			
		firm of Cohen-Johnson, LLC, and hereby moves this Court to reopen the above-captioned case in			
3 ° 6					
)HE 55 E. W Las 702) 823	1	PLAINTIFF'S MOTION TO RE-OPEN THE CASE AND FOR RECONSIDERATION OF AN ORDER OF DISMISSAL WITHOUT PREJUDICE			
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	8	Facsimile No. (702) 823-3400			
	7	Las Vegas, Nevada 89119			
		Suite 100			
		Nevada Bar No. 13154			
		sjohnson@cohenjohnson.com MICHAEL V. HUGHES, ESO.			
		H. STAN JOHNSON, ESQ.			
		COHEN-JOHNSON, LLC			
	1	MOT			

Doc Stmt 56

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

Dated this 19th day of June, 2015.

#### COHEN-JOHNSON, LLC

By:

H. Stan Johnson, Esq. Nevada Bar No. 00265 Michael V. Hughes, Esq. Nevada Bar No. 13154

Suite 100

255 East Warm Springs Road Las Vegas, Nevada 89119 Telephone: (702) 823-3500

Facsimile: (702) 823-3400 Attorneys for Jack Hefetz

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#### **NOTICE OF MOTION**

TO: ALL INTERESTED PARTIES and THEIR ATTORNEYS OF RECORD:

Dated this 19th day of June, 2015.

#### COHEN-JOHNSON, LLC

By:

H. Stan Johnson, Esq. Nevada Bar No. 00265 Michael V. Hughes, Esq. Nevada Bar No. 13154

Suite 100

255 East Warm Springs Road Las Vegas, Nevada 89119

Telephone: (702) 823-3500 Facsimile: (702) 823-3400 Attorneys for Jack Hefetz

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

#### 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

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- (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.

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

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

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

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

## 20HEN-JOHNSON, LLC 255 E. Warn. Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400

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

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

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

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

#### III. <u>CONCLUSION</u>

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

Dated this 19th day of June, 2015.

#### COHEN-JOHNSON, LLC

By:

H. Stan Johnson, Esq. Nevada Bar No. 00265 Michael V. Hughes, Esq. Nevada Bar No. 13154

Suite 100

255 East Warm Springs Road Las Vegas, Nevada 89119 Telephone: (702) 823-3500 Facsimile: (702) 823-3400

Attorneys for Jack Hefetz

Page 8 of 9

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

#### 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:

> Joel Z. Schwarz, Esq. Dickinson Wright PLLC Suite 200 8383 West Sunset road Las Vegas, Nevada 89113 jschwarz@dickinsonwright.com Attorney for Christopher Beaver

NEOJ 1 DICKINSON WRIGHT PLLC 2 JOEL Z. SCHWARZ **CLERK OF THE COURT** Nevada Bar No. 9181 Email: jschwarz@dickinsonwright.com 3 GABRIEL A. BLUMBERG Nevada Bar No. 12332 4 Email: gblumberg@dickinsonwright.com 8383 West Sunset Road, Suite 200 5 Las Vegas, Nevada 89113 Tel: (702) 382-4002 Fax: (702) 382-1661 Attorneys for Christopher Beavor 7 8 9 DISTRICT COURT 10 CLARK COUNTY, NEVADA YACOV JACK HEFETZ, 11 CASE NO. A-11-645353-C DEPT. XXVIII Plaintiff, 12 13 VS. CHRISTOPHER BEAVOR, 14 15 Defendant. 16 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. DATED this of July 2015. 20 21 DICKINSON WRIGHT PLLC 22 23 JÓEL Z. SCHWARZ Nevada Bar No. 9181 24 GABRIEL A. BLUMBERG Nevada Bar No. 12332 25 8363 West Sunset Road, Suite 200 Las Vegas, Nevada 89113-2210 Tel: (702) 382-4002 26 Attorneys for 27 28

DICKINSON WRIGHT PRICE

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

Doc Stmt 65

# DICKINSON WRIGHTPLLC

#### **CERTIFICATE OF SERVICE**

The undersigned, an employee of Dickinson Wright PLLC, hereby certifies that on the 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

Bobbye Donaldson, an employee of Dickinson Wright PLLC

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## ORIGINAL

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Alun J. Chum

**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

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#### DISTRICT COURT

#### CLARK COUNTY, NEVADA

YACOV JACK HEFETZ,	)	
Plaintiff,	)	Case No. A-11-645353-C Dept. No. XXVIII
vs.	į	
CHRISTOPHER BEAVOR,	)	
Defendant.	) )	

#### <u>ORDER</u>

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(e). 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.

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

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

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

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

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

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

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

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

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A-11-645353-d

Your File Number:

4 5 55 > Select N N N N Select Σ Σ  $\Sigma$ bdonaldson@dickinsonwright.com Close Service Recipients E-Filing & E-Service Fees ischwarz@dickinsonwright.com stewart@dickinsonwright.com selected calendar @coheniohnson.com calendar @coheniohnson.com irussell@cohenjohnson.com Select All Select None of 7 ee @iclody.com Email Email Email \$ 3,50 H. Stan Johnson, Esq. Dickinson Wright PLLC Bobbye Donaldson Cohen-Johnson, LLC Joel Z, Schwarz Lisa M. Stewart Jennifer Russell **Eglody** Law Offices Lee Iglody Calendar Hame Kame

NEOJ -DICKINSON WRIGHT PLLC 2 JOEL Z. SCHWARZ Nevada Bar No. 9181 CLERK OF THE COURT Email: jschwarz@dickinsonwright.com 3 GABRIÈL A. BLÚMBERG Nevada Ber No. 12332 4 Email: gblumberg@dickinsonwright.com 8383 West Sunset Road, Suite 200 Las Vegas, Nevada 89113 Tel: (702) 382-4002 Ň Fax: (702) 382-1661 Attorneys for Christopher Beavor ž 8 1,5 DISTRICT COURT CLARK COUNTY, NEVADA 10 YACOV JACK HEFETZ. 11 CASE NO. A-11-645353-C DEPT. XXVIII 12 Plaintiff, 13 VS. CHRISTOPHER BEAVOR. 14 13 Ocfendant. 10 17 NOTICE OF ENTRY OF ORDER 18 NOTICE IS HEREBY GIVEN that an Order Granting Defendant Christopher Beavor's 19 Motion for Attorneys' fices and Costs was entered on September 1, 2015, a cony of which is 20 attached bereto. DATED this 3rd day of September 2015. 21 22DICKINSON WRIGHT PLLC 23 JOEL Z. SCHWARZ 24 Nevada Bar No. 9181 28 GABRIEL A. BLUMBERG Nevada Bar No. 12332 26 8363 West Sunset Road, Suite 200 Las Vegas, Nevada 89113-2210 27 Tel: (702) 382-4002 Attorneys for Christopher Beavor 28

DICKINSON/WRIGHTER

128 Yegs, Sereada \$9153-2219

Doc Stmt 72

#### 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:

6 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

Bobbye Donaldson, an employee of Dickinson Wright PLLC

LVEGAS 65530-1 34751v1

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ORDG DICKINSON WRIGHT PLLC

ORIGINAL.

CLERK OF THE COURT

Nevada Bar No. 9181 Email: jschwarz@dickinsonwright.com GABRIËL A. BLÜMBERG Nevada Bar No. 12332 Email: gblumberg@dickinsonwright.com 8383 West Sunset Road. Suite 200 Las Vegas, Nevada 89113

Tel: (702) 382-4002 Fax: (702) 382-1661

JOEL Z. SCHWARZ

Attorneys for Christopher Beavor

#### DISTRICT COURT

#### CLARK COUNTY, NEVADA

YACOV JACK HEFETZ, CASE NO. A-11-645353-C DEPT, XXVIII

Plaintiff.

18.

CHRISTOPHER BEAVOR.

Defendant.

#### ORDER GRANTING DEFENDANT CHRISTOPHER BEAVOR'S MOTION FOR ATTORNEYS' FEES AND COSTS

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

IT IS HEREBY ORDERED that the Defendant's Motion for Attorney's Fees is GRANTED. Defendant is the prevailing party, having obtained a dismissal without prejudice. Attorney fees are appropriate pursuant to the Offer of Judgment and hereby are awarded in the amount of \$15,000,00.

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

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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 Bruggell factors: (1) the quality of the work performed by Dofendant'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 Relax 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.

Submitted by

DICKINSON WRIGHT PLLC

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JOEL Z. SCHWARZ 21

Nevada Bar No. 9181

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22 GABRIEL A, BLÜMBERG

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Las Vegas, Nevada 89113

Tel: (702) 382-4002

Fax: (702) 382-1661 25 Attorneys for Christopher Beavor

26 27

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1 **NEOJ** COHEN|JOHNSON|PARKER|EDWARDS 2 H. STAN JOHNSON, ESQ. **CLERK OF THE COURT** Nevada Bar No. 00265 3 sjohnson@cohenjohnson.com CHRIS DAVIS, ESQ. 4 Nevada Bar No. 6616 5 cdavis@cohenjohnson.com MICHAEL V. HUGHES, ESO. 6 Nevada Bar No. 13154 mhughes@cohenjohnson.com 7 Suite 100 255 E. Warm Springs Road 8 Las Vegas, Nevada 89119 9 Telephone: (702) 823-3500 Facsimile: (702) 823-3400 10 Attorneys for Plaintiff Yacov Hefetz COHEN | JOHNSON | PARKER | EDWARDS 11 DISTRICT COURT 12 CLARK COUNTY, NEVADA 13 255 E. Warm Springs Road, Suite 100
 Las Vegas, Nevada 89119
 (702) 823-3500 FAX: (702) 823-3400 YACOV JACK HEFETZ, an individual, 14 Case No.: A-11-645353-C Plaintiff, 15 Dept. No.: XXVIII 16 VS. NOTICE OF ENTRY OF ORDER 17 CHRISTOPHER BEAVOR, an individual; SAMANTHA BEAVOR, an individual; DOES I 18 through X; and ROE ENTITIES I through X. inclusive, 19 20 Defendants. 21 22 /// 23 /// 24 25 /// 26 /// 27 28

# COHEN | JOHNSON | PARKER | EDWARDS 255 E. Warm. Springs Road, Suite 100 Las Vegas, Nevada 89119 (702) 823-3500 FAX. (702) 823-3400

#### **NOTICE OF ENTRY OF ORDER**

NOTICE IS HEREBY GIVEN that an Order Granting Plaintiff's Rule 50(a) Motion was entered on April 21, 2016, a copy of which is attached hereto.

#### COHEN|JOHNSON|PARKER|EDWARDS

By: /s/ Chris Davis
H. Stan Johnson, Esq.
Nevada Bar No. 00265
Michael V. Hughes, Esq.
Nevada Bar No. 13154
CHRIS DAVIS, ESQ.
Nevada Bar No. 6616
cdavis@cohenjohnson.com
Suite 100
255 East Warm Springs Road
Las Vegas, Nevada 89119
Telephone: (702) 823-3500
Facsimile: (702) 823-3400
Attorneys for Plaintiff

#### **CERTIFICATE OF SERVICE**

The undersigned certifies that, on the 21<sup>st</sup> day of April, 2016, a true and correct copy of the foregoing **NOTICE OF ENTRY OF ORDER** was served upon the following person pursuant to NRCP 5(b)(2)(D) and EDCR 8.05 via the Odyssey E-Filing system:

Joel Z. Schwarz, Esq.
Dickinson Wright PLLC
Suite 200
8383 West Sunset road
Las Vegas, Nevada 89113
Email: jschwarz@dickinsonwright.com
Attorney for Christopher Beaver

/s/ Sarah Gondek
An Employee of Cohen-Johnson, LLC

Page 2 of 2

COHEN [JOHNSON | PARKER | EDWARDS 255 E. Werm Springs Road, Suite 100

Las Vegas, Nevada 89119 (702) 823-3500 FAX: (702) 823-3400 11

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ORDR 1 COHEN JOHNSON PARKER EDWARDS 2 H. STAN JOHNSON, ESO. Nevada Bar No. 00265 3 siohnson@coheniohnson.com CHRIS DAVIS, ESQ. 4 Nevada Bar No. 6616 cdavis@cohenjohnson.com 5 MICHAEL V. HUGHES, ESO. 6 Nevada Bar No. 13154 mhughes@cohenjohnson.com 7 Suite 100 255 E. Warm Springs Road 8 Las Vegas, Nevada 89119 0 Telephone: (702) 823-3500 Facsimile: (702) 823-3400 10 Attorneys for Plaintiff Yacov Hefetz

CLERK OF THE COURT

#### DISTRICT COURT

#### CLARK COUNTY, NEVADA

YACOV JACK HEFETZ, an individual,		
Plaintiff,	Case No.: Dept. No.:	A-11-645353-C XXVIII
vs.  CHRISTOPHER BEAVOR, an individual; SAMANTHA BEAVOR, an individual; DOES I through X; and ROE ENTITIES I through X, inclusive,	RULE 50(a)	RANTING PLAINTIFF'S ) MOTION uring: March 1, 2013 aring: 10:30 a.m.
Defendants.		

PLAINTIFF YACOV JACK HEFETZ's (hereinafter referred to as "Plaintiff") NRCP 50(a) Motion for Judgment as a Matter of Law on Defendants' Counterclaims came before the Court for a hearing on the 1<sup>st</sup> day of March 2013. Plaintiff appeared by and through his attorney of record. DEPENDANTS CHRISTOPHER BEAVOR and SAMANTHA BEAVOR (hereinafter collectively referred to as "Defendants") appeared by and through their attorney of record. Having considered the papers and pleadings on file, the evidence presented at trial, and the arguments of counsel at the hearing, based on the evidence produced at trial, the Court finds

255 E. Warm Springs Road, Suite, 100 Las Vegas, Nevada 891 I9 (702) 823-3500 FAX: (702) 823-3400 1

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no legal grounds for Defendants' counterclaim for tortuous interference with contract. The Court further finds that Defendants failed to present evidence at trial of forgiveness of the \$6 million note at issue in this case, and also failed to present any evidence of forgiveness of Defendants' guaranty of the note. Additionally, the Court finds that Defendants failed to present evidence at trial showing personal liability of Mr. Hefetz on the counterclaims asserted by Defendants. The Court finds that Defendants failed to present evidence at trial showing that Defendants suffered any damages. Accordingly, based on the Nevada Supreme Court's finding that this Court's Judgment, entered on May 21, 2013, did not dispose of Defendants' counterclaims,

IT IS ORDERED that Plaintiff's NRCP 50(a) Motion for Judgment as a Matter of Law on Defendants' Counterclaims is GRANTED and each and every counterclaim asserted by

DATED THIS Z DAY OF

Defendants is DISMISSED WITH PREJUDICE.

2016

DISTRICT COURT JUDGE

RESPECTFULLY SUBMITTED BY:

COHEN JOHNSON PARKER EDWARDS

H, STAN JOHNSON, ESQ.

Nevada Bar No. 00265

sjohnson@cohenjohnson.com 21

CHRIS DAVIS, ESO.

Nevada Bar No. 6616 22

edavis@cohenjohnson.com

23 255 East Warm Springs Road, Suite 100

Las Vegas, Nevada 89119 24

Telephone: (702) 823-3500

Facsimile: (702) 823-3400 25

Attorneys for Plaintiff

<sup>1</sup> See Exhibit A, Order Dismissing Appeal.

# COHEN | JOHNSON | PARKER | EDWARDS 255 E. Warm Springs Road, Suite 100 Las Veges, Nievada 89119 (702) 823-3500 FAX; (702) 823-3400

1	APPROVED AS TO FORM AND CONTENT BY:
2	DICKINSON WRIGHT PLLC
3	
4	REFUSED TO SIGN
5	Joel Z. Schwarz, Esq. Gabriel A. Blumberg, Esq.
б	Suite 200 8363 West Sunset Road
7	Las Vegas, Nevada 89113 Email: jschwarz@dickinsonwright.com
8	Email: eblumberg@dickinsonwright.com
9	Attorney for Defendant Christopher Beavor
10	
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# COHEN JOHNSON | PARKER | EDWARDS

#### 1.1 255 E. Warm Springs Road, Suite 100 Las Vegns, Nevada 89119 (702) 823-3500 PAX: (702) 823-3400

## Exhibit A

#### IN THE SUPREME COURT OF THE STATE OF NEVADA

YACOV JACK HEFETZ.

Appellant,

CHRISTOPHER BEAVOR.

Respondent.

YACOV JACK HEFETZ,

Appellant,

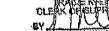
CHRISTOPHER BEAVOR,

Respondent

No. 68438

No. 68848

FILED



#### ORDER DISMISSING APPEALS

These consolidated appeals are from a district court order granting a motion to dismiss a complaint in a breach of contract action and an order granting a motion for attorney fees and costs. Eighth Judicial District Court, Clark County; Ronald J. Israel, Judge.

When our preliminary review of the amended docketing statement and the documents before this court revealed potential jurisdictional defects, we ordered appellant to show cause why these appeals should not be dismissed for lack of jurisdiction. It appeared that the district court had not yet entered a written order adjudicating all the rights and liabilities of all the parties such that the June 17, 2015, order was not a final judgment appealable under NRAP 3A(b)(1); Lee v. GNLV Specifically, it Corp., 116 Nev. 424, 427, 996 P.2d 416, 418 (2000). appeared that the claims asserted by Alis Cohen, the claims asserted against Samantha Beaver, and the counterclaims may remain pending in the district court. And in the absence of a final judgment, the order awarding attorney fees and costs is not appealable as a special order after final judgment. See NRAP 3A(b)(8).

SUPPEME COURT

In response to our order, appellant has demonstrated that the claims asserted by Alis Cohen and against Samantha Beaver have been resolved. Appellant asserts that the counterclaims were dismissed when the court granted his "Rule 50(a) motion" and cites to exhibits 5 and 7 to the response. Exhibit 5 is a copy of the district court minute entries from Those entries indicate that the district court orally March 1, 2013. dismissed the counterclaims. However, the district court's minute order is ineffective. See State. Div. Child & Fam. Serv. v. Dist. Court, 120 Nev. 445, 451, 92 P.3d 1289, 1243 (2004). Exhibit 7 is a notice of entry of judgment for the "May 17, 2013," judgment on jury verdict.1 judgment attached thereto is not file-stamped and is thus ineffective. See id., NRCP 58(c). Moreover, the judgment does not purport to dismiss or otherwise enter judgment on the counterclaims. Appellant thus fails to demonstrate that the district court has entered a final judgment resolving all the claims of all the parties below. As a result, it appears that this court lacks jurisdiction over these appeals and we

ORDER these appeals DISMISSED.

Douglas

Cherry

Gibbons

The district court docket sheet indicates that the judgment was entered on May 21, 2018, not May 17.

cc: Ronald J. Israel, District Judge
Cohen-Johnson LLC
Dickinson Wright PLLC
Eighth District Court Clerk
James J. Jimmerson, Settlement Judge

## Exhibit E

## Exhibit E

#### **Claims by Plaintiff-Appellant:**

Breach of a Payment Guaranty, formal disposition on June 18, 2015.

#### **Claims by Defendant-Respondent:**

Claim for Attorney Fees and Costs, formal disposition on September 3, 2015; Fraud, formal disposition on April 21, 2016;

Fraud in the Inducement, formal disposition on April 21, 2016;

Breach of the Covenant of Good Faith and Fair Dealing, formal disposition on April 21, 2016;

Breach of Fiduciary Duty, formal disposition on April 21, 2016;

Tortious Interference with Contractual Relations, formal disposition on April 21, 2016; and

Negligence Per Se, formal disposition on April 21, 2016.

## Exhibit D

## Exhibit D

Plaintiff Alis Cohen is not a party to this appeal because Alis Cohen voluntarily dismissed her claims against the Beavors and Notice of Entry of Order dismissing claims of Alis Cohen was filed and served on June 29, 2012.

Defendant Samantha Beavor is not a party to this appeal because Appellant-Plaintiff Yacov Hefetz and Defendant Samantha Beavor voluntarily agreed that Defendant Samantha Beavor would no longer be a party to the action. Notice of Entry of Order dismissing claims against Defendant Samantha Beavor was filed and served on June 18, 2015. Notice of Entry of Order dismissing claims asserted by Defendant/Counter-Plaintiff Samantha Beavor was filed and served on April 21, 2016.

## Exhibit C

## Exhibit C

On June 29, 2012, Notice of Entry of Order dismissing claims of Plaintiff
Alis Cohen was filed and served. On February 25, 2013, trial commenced on
Plaintiff's claims and Defendants' counterclaims. On March 01, 2013, the court
acknowledged parties agreement that Defendant Samantha Beavor would no longer
be a party to the action and granted Plaintiff's Rule 50(a) motion which dismissed
Defendants' counterclaims against Plaintiff Yacov Hefetz. Also, on March 01,
2013, the jury entered a verdict in favor of Defendant Christopher Beavor on
Plaintiff's remaining claims. Based on the jury verdict, on March 21, 2013, Notice
of Entry of Judgment was filed and served.

On June 10, 2013, Plaintiff timely filed a Motion for a New Trial or in the Alternative a Motion for Judgment Notwithstanding the Verdict (JNOV), which requested "granting the Plaintiff a new trial. . . ." On September 09, 2013, Notice of Entry of Order was filed and served granting Plaintiff's Motion for a New Trial. On June 18, 2015, Notice of Entry of Order was filed and served dismissing Plaintiff's Complaint, in its entirety, without prejudice, which disposed of all claims against Defendants. Notice of Entry of Order granting Defendant's motion for attorney fees and costs was filed and served on September 03, 2015.

On April 21, 2016, Notice of Entry of Order granting Plaintiff's Rule 50(a) motion dismissed all counter-claims asserted by Defendants against Plaintiff

Yacov Hefetz, and therefore disposed of all remaining claims as to all remaining

parties. Appellant-Plaintiff timely filed a notice of appeal on April 29, 2016.

Plaintiff's Notices of Appeal are therefore timely pursuant to Nev. R. App. P. 4(a) and 26(c).

## Exhibit B

## Exhibit B

The principal issues on appeal are:

- 1. Whether the district court erred in applying the One Action Rule (NRS 40.430) to an action for the recovery on a guaranty of a debt when the debt is not secured by a mortgage or lien upon real estate because the security has been rendered valueless?
- 2. Whether defendant waived the One Action Rule (NRS 40.430), and is therefore barred from raising that affirmative defense, by failing to plead that affirmative defense in his answer?
- 3. Whether defendant waived the One Action Rule (NRS 40.430), and is therefore barred from raising that affirmative defense, by failing to plead that affirmative defense prior to entry of a jury verdict in the first trial and on the eve of a second trial?
- 4. Whether Defendant waived the One Action Rule (NRS 40.430), and is therefore barred from raising that affirmative defense, by moving to dismiss Plaintiff's Complaint base on the One Action Rule after the time for filing such motion expired without showing the good cause required by Nev. R. Civ. P. 16(b)?
- 5. Whether the district court erred in dismissing Plaintiff's Complaint without prejudice when it could have, pursuant to NRS 40.435(2)(b), granted a continuance and ordered the amendment of the pleadings to convert the

proceeding into an action which does not violate the One Action Rule (NRS 40.430)?

- 6. Whether the district court erred in awarding costs to Defendant as the "prevailing party against any adverse party against whom judgment is rendered" when Plaintiff's Complaint was dismissed without prejudice?
- 7. Whether the district court erred in awarding attorney fees to Defendant, based on Plaintiff's good faith rejection of an offer of judgment under NRS 17.115 and Nev. R. Civ. P. 68, when Plaintiff's Complaint was dismissed without prejudice and therefore was not a "more favorable judgment"?
- 8. Whether the district court erred in awarding attorney fees and costs to

  Defendant when the factors set forth in Beattie v. Thomas, 99 Nev. 579, 668

  P.2d 268 (1983) were not met?

## Exhibit A

## Exhibit A

On June 21, 2011, Appellant-Plaintiff Yacov Hefetz filed his Verified Complaint asserting claims against Respondent-Defendant Christopher Beavor for breach of a guaranty to repay a \$6 million loan. Although Defendant never asserted the One Action Rule as an affirmative defense in his Answer, and the time to amend pleading had expired three (3) years before, Defendant untimely moved to dismiss, pursuant to NRS 40.435(2)(a) and NRS 40.430 (otherwise known as the "One Action Rule"). Defendant wrongly argued that the One Action Rule required Plaintiff to first pursue real property securing the loan before seeking to enforce the guaranty. Despite the clear waiver of this unpled affirmative defense, the district court erroneously dismissed Plaintiff's Complaint, without prejudice, pursuant to NRS 40.435.

On July 8, 2015, Defendant wrongly moved for attorney fees and costs based upon his unreasonable Offer of Judgment. As the district court wrongly dismissed Plaintiff's complaint, the district court's award of attorney fees and costs was improper. The district court's order granting fees and costs was also improper because the court failed to provide the analysis required by *Beattie v. Thomas*, 99 Nev. 579, 668 P.2d 268 (1983).

#### IN THE SUPREME COURT OF THE STATE OF NEVADA

INDICATE FULL CAPTION:	Electronically Filed
YACOV JACK HEFETZ,	No. 70327 Jun 02 2016 04:25 p.m. Tracie K. Lindeman
Appellant,	DOCKETING STRAFFENDE Court CIVIL APPEALS
v.	CIVILAFFEALS
CHRISTOPHER BEAVOR,	
Respondent.	
<u>E</u>	

#### 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.

Revised December 2015

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	t <b>:</b>		
Attorney H. Stan Johnson & Chris Davis	Telephone <u>702-823-3500</u>		
Firm COHEN   JOHNSON   PARKER   EDWAR Address Suite 100 255 East Warm Springs Road Las Vegas, Nevada 89119	RDS		
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)	<b>):</b>		
Attorney Joel Schwarz & Gabriel 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)			

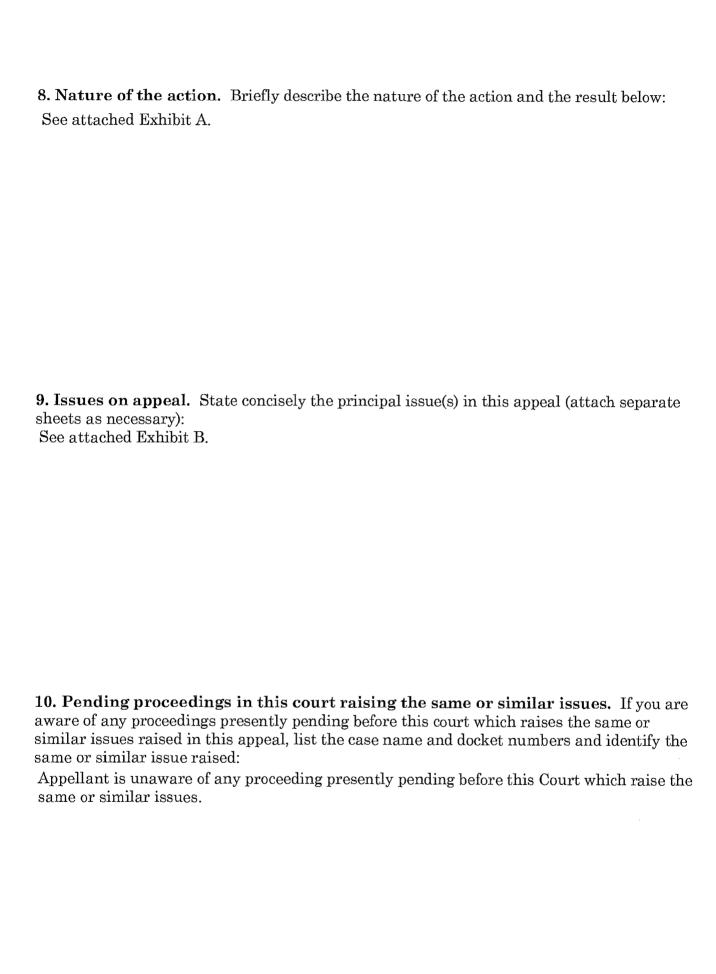
(List additional counsel on separate sheet if necessary)

4. Nature of disposition below (check all that apply):			
☐ Judgment after bench trial	⊠ Dismissal:		
☐ Judgment after jury verdict	$\square$ Lack of jurisdiction		
☐ Summary judgment	$\square$ Failure to state a claim		
☐ Default judgment	☐ Failure to prosecute		
☐ Grant/Denial of NRCP 60(b) relief	☑ Other (specify): Failure to meet NRS 40.435		
$\square$ Grant/Denial of injunction	☐ Divorce Decree:		
☐ Grant/Denial of declaratory relief	☐ Original ☐ Modification		
☐ Review of agency determination	☑ Other disposition (specify): Fee & Cost Award		
5. Does this appeal raise issues conce	rning 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), Nev Sup. Ct. Case No. 65656			
Yacov Jack Hefetz v. Christopher Beavor, Nev Sup. Ct. Case No. 68438 Yacov Jack Hefetz v. Christopher Beavor, Nev Sup. Ct. Case No. 68843			

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:

In re Toluca Lake Vintage, LLC, U.S. Bankr. Ct. Case No. 1:09-bk-15680 (United States Bankruptcy Court for the Central District of California), the case was closed on June 18, 2012.

Yacov Jack Hefetz v. Christopher Beavor, Nev. Dist. Ct. Case No. A-11-645353-C (Eighth Judicial Court for the State of Nevada), Notice of Entry of Order disposing of last remaining claims entered on April 21, 2016.



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
T 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: This case involves the application and waiver of the One Action Rule found in NRS 40.430 as applied to an action for the recovery on a guaranty of a debt.

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:

This matter is presumptively retained by the Supreme Court pursuant to NRAP 17(a)(1) as this case does not involve a case category that is presumptively assigned to the Court of Appeals under NRAP 17(b).

This matter is also presumptively retained by the Supreme Court pursuant to NRAP 17(a) (14) as this case involves the application and waiver of the One Action Rule found in NRS 40.430 as applied to an action for the recovery on a guaranty of a debt, which is a question of statewide public importance and an raisses issues of first impression.

14. Trial.	If this action proceeded to trial, how many days did the trial last?	5
Was i	t a bench or jury trial? First trial: jury trial; dismissed before retria	l.

**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? No.

#### TIMELINESS OF NOTICE OF APPEAL

16. Date of en	try of writte	en judgment or order appealed from $\underline{6/18/15} \ 9/30/15 \ 4/21/16$
	n judgment o ellate review	or order was filed in the district court, explain the basis for
Not Applic	able.	
17. Date write	en notice of	f entry of judgment or order was served Apr 21, 2016
Was service	e by:	
☐ Deliver	r	
⊠ Mail/ele	ctronic/fax	
18. If the time (NRCP 50(b),		he notice of appeal was tolled by a post-judgment motion
` ' -	fy the type of ate of filing.	motion, the date and method of service of the motion, and
□ NRCP 8	0(b) Date	e of filing
□ NRCP 5	1	e of filing
⊠ NRCP 8	9 Date	e of filing Jun 19, 2015
time for		ant to NRCP 60 or motions for rehearing or reconsideration may toll the e of appeal. See AA Primo Builders v. Washington, 126 Nev, 245
(b) Date	of entry of wi	ritten order resolving tolling motion Jul 23, 2015
(c) Date	written notice	e of entry of order resolving tolling motion was served <u>Jul 24, 2015</u>
Wass	ervice by:	
□ De	livery	
$\boxtimes$ Ma	il	

19. Date notice of appeal	filed Apr 29, 2016
If more than one party l notice of appeal was file Not Applicable	has appealed from the judgment or order, list the date each ed and identify by name the party filing the notice of appeal:
20. Specify statute or rule e.g., NRAP 4(a) or other	governing the time limit for filing the notice of appeal,
NRAP 4(a)	
S	UBSTANTIVE APPEALABILITY
21. Specify the statute or the judgment or order ap	other authority granting this court jurisdiction to review pealed from:
(a)  ⊠ NRAP 3A(b)(1)	□ NRS 38.205
☐ NRAP 3A(b)(2)	□ NRS 233B.150
☐ NRAP 3A(b)(3)	□ NRS 703.376
Other (specify)	
(b) Explain how each author See attached Exhibit C.	rity provides a basis for appeal from the judgment or order:

22. List all parties involved in the action or consolidated actions in the district court:  (a) Parties:  Appellant-Plaintiff: Yacov Jack Hefetz Plaintiff Alis Cohen Respondent-Defendant: Chrisopher Beavor Defendant Samantha 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: See attached Exhibit D.
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 attached Exhibit E.
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
<ul><li>25. If you answered "No" to question 24, complete the following:</li><li>(a) Specify the claims remaining pending below:</li><li>Not Applicable.</li></ul>

	cify the parties remaining below: oplicable.
` '	the district court certify the judgment or order appealed from as a final judgment nt to NRCP 54(b)?
□Ye	s
⊠ No	
	the district court make an express determination, pursuant to NRCP 54(b), that no just reason for delay and an express direction for the entry of judgment?
□ Ye	ss
⊠ No	)
	answered "No" to any part of question 25, explain the basis for seeking review (e.g., order is independently appealable under NRAP 3A(b)):
Not Applie	cable.

#### 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, crossclaims and/or third-party claims asserted in the action or consolidated action below, even if not at issue on appeal
- Any other order challenged on appeal
- Notices of entry for each attached order

#### **VERIFICATION**

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

Yacov Jack Hefetz		Chris Davis
Name of appellant		Name of counsel of record
_		/a/Charia Davia
June		/s/Chris Davis Signature of counsel of record
Date		Signature of counsel of record
Clark County, Nevada State and county where signe	d	
	CERTIFICATE O	F SERVICE
I certify that on the 2nd	day of <u>June</u>	, <u>2016</u> , I served a copy of this
completed docketing statemer	nt upon all counsel o	f record:
☐ By personally serving		
⊠ By mailing it by first of address(es): (NOTE: It below and attach a separate of the	f all names and add	cient postage prepaid to the following resses cannot fit below, please list names to addresses.)
Joel Z. Schwarz, Esq. Gabriel A. Blumberg, Es Dickinson Wright PLLC Suite 200 8363 West Sunset Road Las Vegas, Nevada 891		
Attorney for Defendant-	Respondent Christo	pher Beavor
Dated this 2nd	day of June	, <u>2016</u>
		/s/Chris Davis
		Signature