

IN THE SUPREME COURT OF THE STATE OF NEVADA

PEGGY CAIN, an Individual; JEFFREY
CAIN, an Individual; and HELI OPS
INTERNATIONAL, LLC, an Oregon
limited liability company,

Appellants,

v.

RICHARD PRICE, an Individual; and
MICKEY SHACKELFORD, an
Individual,

Respondents.

Electronically Filed
Aug 05 2016 03:39 p.m.
Tracie K. Lindeman
Clerk of Supreme Court

Supreme Court Case No. 70864

District Court Case No.: 11-CV-0296

**DOCKETING STATEMENT
CIVIL APPEALS**

GENERAL INFORMATION

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

WARNING

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

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

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

1. **Judicial District:** Ninth **Department:** II
County: Douglas **Judge:** Thomas W. Gregory
District Court Case No. 11-CV-0296

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

Attorney: Michael L. Matuska Telephone: (775) 350-7220
Firm: Matuska Law Offices, Ltd.
Address: 2310 South Carson Street, Suite 6, Carson City, NV 89701

Attorney: Robert L. Eisenberg, Esq. Telephone: (775) 786-6868
Firm: Lemons, Grundy & Eisenberg
Address: 6005 Plumas Street, 3rd Floor, Reno NV 89519

Client(s): Peggy Cain; Jeffrey Cain; Heli Ops International, LLC

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 respondent(s):**

Attorney: Mark Forsberg, Esq. Telephone: (775) 301-4250
Firm: Oshinski & Forsberg, Ltd.
Address: 504 East Musser Street, Suite 302, Carson City NV 89701
Client(s): Richard Price and Mickey Shackelford

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

- | | |
|---|--|
| <input type="checkbox"/> Judgment after bench trial | <input type="checkbox"/> Dismissal |
| <input type="checkbox"/> Judgment after jury verdict | <input type="checkbox"/> Lack of jurisdiction |
| <input type="checkbox"/> Summary judgment | <input type="checkbox"/> Failure to state a claim |
| <input type="checkbox"/> Default judgment | <input type="checkbox"/> Failure to prosecute |
| <input type="checkbox"/> Grant/Denial of NRCP 60(b) | <input type="checkbox"/> Other (specify): _____ |
| <input type="checkbox"/> Grant/Denial of injunction | <input type="checkbox"/> Divorce decree: |
| <input type="checkbox"/> Grant/Denial of declaratory relief | <input type="checkbox"/> Original <input type="checkbox"/> Modification |
| <input type="checkbox"/> Review of agency determination | <input checked="" type="checkbox"/> Other disposition (specify):
<u>Order Granting Attorney Fees as a Sanction (NRCP 11) entered after judgment and with appeal pending</u> |

5. Does this appeal raise issues concerning any of the following? No

- Child custody
- Venue
- Termination of parental rights

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

Pending: Nevada Supreme Court Case No. 69333
(consolidated with Case No. 69889)

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:

Ninth Judicial District Court Case No. 11-CV-0296
Peggy Cain, et al. v. D.R. Rawson, et al.

Order Granting Summary Judgment as to Richard Price and Mickey Shackelford entered on 11/05/15

Order Granting Attorney's Fees as a Sanction (NRCP 11) entered on 07/01/16

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

This case involves various claims of Plaintiffs/Appellants Jeffrey Cain, Peggy Cain and Heli Ops International, LLC (together, the "Cains") for fraud and diversion of funds in connection with a securities investment. The Cains invested \$1,000,000 with the Defendants/Respondents. The investment was memorialized in a joint venture agreement between Heli Ops and C4 Worldwide, Inc. Respondents Richard Price and Mickey Shackelford were officers and directors of C4. C4 and its officers and directors diverted the money and never paid the Cains. On February 20, 2010, prior to filing the action, C4 admitted its liability and agreed to pay \$20,000,000 and to surrender the securities if the Cains were not paid. C4 failed to pay the amount due or surrender the securities. The Cains filed their Complaint on September 14,

2011 against C4 and its officers and directors. The Cains have settled with or obtained judgments against all Defendants except Respondents Richard Price and Mickey Shackelford. On July 28, 2015, Judge Gregory granted in part Defendant Joe Baker's Motion for Judgment on the Pleadings. Judge Gregory ruled that C4's officers and directors obtained the benefit of the release clause in the February 20, 2010 settlement agreement, even though they never paid the amounts due or surrendered the securities. On November 5, 2015, Judge Gregory made his prior ruling on the Motion for Judgment on the Pleadings a final summary judgment. Those orders are on appeal in Case No. 69333.

On February 10, 2016, Judge Gregory entered his order awarding attorney fees to Defendants Price and Shackelford. Judge Gregory awarded costs on February 10, 2016. He entered another order February 10, 2016 quashing out of state subpoenas that Price and Shackelford argued were issued after judgment, but based on commissions and letters rogatory for out state depositions that Judge Gregory issued prior to judgment. Those three orders are on appeal in Case No. 69889.

On or about April 5, 2016, Defendants Price and Shackelford filed a Motion for Attorney's Fees as a Sanction (NRCF 11). Plaintiffs filed their Opposition on April 22, 2016. Defendants Price and Shackelford filed their Reply on or about May 2, 2016. On July 1, 2016, Judge Gregory entered his Order Granting Attorney's Fees as a Sanction (NRCF 11). That order is on appeal in this Case No. 70864.

9. Issues on appeal. State specifically all issues in this appeal (attach separate sheets as necessary):

1. Whether the district court had jurisdiction over Price and Shackelford's Motion to Quash while the case was on appeal;
2. Whether Price and Shackelford failed to meet and confer prior to filing the Motion to Quash;
3. Whether the Motion to Quash should have been filed in Texas instead of Nevada;
4. Whether Appellants had an affirmative duty (implied in the rulings of the District Court) to revoke commissions and letters rogatory after judgment was entered;

5. Whether attorney fees should have been awarded under NRCP 11 when Price and Shackelford failed to give the Cains and their counsel the required 21 notice prior to filing the NRCP 11 motion;

6. Whether the District Court erred by awarding attorney fees pursuant to NRCP 11;

7. Whether the attorney fees requested by Price and Shackelford and awarded by the District Court were reasonable.

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

Pending: Nevada Supreme Court Case No. 69333

Pending: Nevada Supreme Court Case No. 69889

(These cases have been consolidated)

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

- N/A
- Yes
- No

If not, explain: _____

12. Other issues. Does this appeal involve any of the following issues? No

- 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

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 appeal docket involves post-judgment orders that do not themselves fall within categories of cases presumptively retained by the Supreme Court or assigned to the Court of Appeals. Nevertheless, this appeal is directly related to appeal Nos. 69333 and 69889, which are the appeals from the underlying judgment. Although the first two appeals have been consolidated, appellants will be moving for consolidation of briefing and oral argument of the three appeals, as the first two appeals do not settle in the settlement program and this appeal has been exempted from the settlement program. If the court reverses the judgment in the consolidated No. 69333, the post-judgment orders will also necessarily be reversed in the present appeal docket. As indicated in the docketing statement in Nos. 69333 and 69889, those appeals involve issues of first impression and issues of public policy, which would be presumptively retained by the Supreme Court. NRAP 17(a)(14). Under these circumstances, appellants respectfully contend that this third appeal should be placed on the same decisional track (i.e., retained by the Supreme Court).

- 14. Trial.** If this action proceeded to trial, how many days did the trial last?
N/A

Was it a bench or jury trial? _____

- 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 entry of written judgment or order appeal from:

1. *Order Granting Attorney's Fees as a Sanction* entered on July 1, 2016;

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

17. Date written notice of entry of judgment or order served:

1. 07/05/16

Was service by:

- Delivery
- Mail/electronic/fax

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

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

- NRCP 50(b) Date of filing: _____
- NRCP 52(b) Date of filing: _____
- NRCP 59 Date of filing: _____

NOTE: Motions made pursuant to NRCP 60 or motions for rehearing or reconsideration may toll the time for filing a notice of appeal.

See AA Primo Builders v. Washington, 126 Nev. ___, 245 P.3d 1190 (2010)

- (b) Date of entry of written order resolving tolling motion: N/A
- (c) Date written notice of entry of order resolving tolling motion served: N/A

Was service by:

- Delivery
- Mail

19. Date notice of appeal filed: 07/18/2016

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

20. Specify statute or rule governing the time limit for filing the notice of appeal, e.g., NRAP 4(a), NRS 155.190, or other: NRAP 4(a)

SUBSTANTIVE APPEALABILITY

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

- (a) NRAP 3A(b)(1) NRS 38.205
- NRAP 3A(b)(2) NRS 233B.150
- NRAP 3A(b)(3) NRS 703.376
- Other (specify): 3A(b)(8)

- (b) The order awarding attorney fees as a sanction is appealable as a special order entered after final judgment pursuant to NRAP 3A(b)(8). Appellants have also appealed the February 10, 2015 Order Granting Motion to Quash Subpoena, For Protective Order and for Sanctions under NRAP 3A(b)(8) in an abundance of caution, although Appellants contend that the District Court lacked jurisdiction to enter such order while Case No. 69333 was pending and question whether the order is valid and final for any purpose. Appellants intend to file a motion to determine the finality of that order.

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

- (a) Parties:

Plaintiffs/Appellants Peggy Cain; Jeffrey Cain; and Heli Ops International, LLC

Defendants: DR Rawson; C4 Worldwide, Inc.; Margaret Rawson;
Joe Baker, Michael K. Kavanagh; Jeffrey Edwards
Defendants/Respondents Richard Price; Mickey Shackelford

- (b) If all parties in the district court [case(s)] 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:
DR Rawson – Default Judgment entered on 05/17/2013

C4 Worldwide, Inc. – Default Judgment entered on 05/17/2013

Michael K. Kavanagh – Default Judgment entered on 05/17/2013

Margaret Rawson – Added to Default Judgment on 02/10/2014

Jeffrey Edwards – Default Judgment entered on 03/16/2015

Joe Baker – Settled and Dismissed per stipulation on 09/11/2015

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.

Appellants claim that the Defendants used their company, C4 Worldwide, to commit fraud and divert Appellants' \$1,000,000 investment.

Respondents do not deny the diversion, but deny their involvement in the fraudulent scheme and claim the benefit of the release clause in the settlement agreement with C4, even though the settlement agreement was breached and the Appellants were never paid.

The District Court committed additional errors by awarding costs and attorney fees to Defendants Price and Shackelford, and entering the subsequent order quashing subpoenas and awarding attorney fees as sanctions.

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

- Yes
- No

25. If you answered “No” to question 24, complete the following:

- (a) Specify the claims remaining pending below:
- (b) Specify the parties remaining below:
- (c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b)?

- Yes
- No

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

- Yes
- No

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

27. Attach File-Stamped Copies of the Following Documents:

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

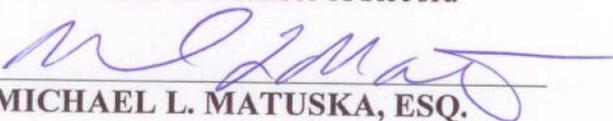
VERIFICATION

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

PEGGY CAIN, JEFFREY CAIN, and
HELI OPS INTERNATIONAL, LLC
Name of Appellant

August 5th, 2016
Date

Michael L. Matuska
Name of Counsel of Record


MICHAEL L. MATUSKA, ESQ.

Nevada, Carson City
State and county where signed

PEGGY CAIN, JEFFREY CAIN, and
HELI OPS INTERNATIONAL, LLC
Name of Appellant

August 5, 2016
Date

Robert L. Eisenberg
Name of Counsel of Record


ROBERT L. EISENBERG, ESQ.

Nevada, Washoe County
State and county where signed

CERTIFICATE OF SERVICE

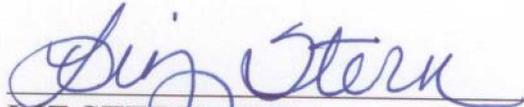
I certify that on the 30th day of August 2016, I served a copy of this completed docketing statement upon all counsel of record:

- By personally serving it upon him/her; or
- By mailing it by first class mail with sufficient postage prepaid to the following address(es): (NOTE: If all names and addresses cannot fit below, please list names below and attach a separate sheet with the addresses.)

Richard A. Oshinski, Esq.
Mark Forsberg, Esq.
Oshinski & Forsberg, Ltd.
504 East Musser Street, Suite 302
Carson City NV 89701

Attorneys for Respondents Richard Price and
Mickey Shackelford

Dated this 30th day of August 2016.


LIZ STERN, ALS

RECEIVED

MAR 30 2015

FILED

Douglas County
District Court Clerk

2015 MAR 30 PM 4:31

BOBBIE R. WILLIAMS
CLERK

D. HECIMOVIH
DEPUTY

1 CASE NO.: 11-CV-0296

2 DEPT. NO.: II

3
4 This document does not contain personal information of any person.

5
6 THE NINTH JUDICIAL DISTRICT COURT OF NEVADA
7 IN AND FOR THE COUNTY OF DOUGLAS
8

9 PEGGY CAIN, an individual; JEFFREY CAIN,
10 an individual; and HELI OPS
INTERNATIONAL, LLC. an Oregon limited
11 liability company,

12 Plaintiffs,

13 v.

14 D.R. RAWSON, an individual;
C4 WORLDWIDE, INC., a Nevada corporation;
15 RICHARD PRICE, an individual; JOE BAKER,
an individual; MICKEY SHACKELFORD,
16 an individual; MICHAEL K. KAVANAGH,
an individual; JEFFREY EDWARDS,
17 an individual; and DOES 1 through 10, inclusive.

18 Defendants.

THIRD AMENDED COMPLAINT
(BREACH OF CONTRACT, FRAUD,
NEGLIGENCE, CIVIL CONSPIRACY,
CONVERSION, CONSTRUCTIVE TRUST,
INTENTIONAL INTERFERENCE WITH
CONTRACTUAL ADVANTAGE)

19 COME NOW Plaintiffs, PEGGY CAIN, JEFFREY CAIN, and HELI OPS
20 INTERNATIONAL, LLC, ("Plaintiffs"), by and through their counsel of record,
21 Michael L. Matuska, Matuska Law Offices, Ltd., and hereby allege, aver, and complain as
22 follows:
23

24 I.
PARTIES

25 1. Plaintiffs Peggy Cain and Jeffrey Cain (collectively the "Cains") are now and at all
26 times mentioned herein were residents of Douglas County, Nevada.
27

28 ///

MATUSKA LAW OFFICES, LTD.
2310 S. Carson Street, Suite 6
Carson City, NV 89701
(775) 350-7220

1 2. Plaintiff Heli Ops International, LLC ("Heli Ops") is now and at all times
2 mentioned herein was an Oregon limited liability company, duly organized and existing under the
3 laws of the state of Oregon.

4 3. Defendant C4 Worldwide, Inc. ("C4") is now and at all times mentioned herein was
5 a Nevada corporation, duly organized and existing under the laws of the state of Nevada, which
6 has contractually consented to jurisdiction and venue in Douglas County, Nevada.

7 4. D.R. Rawson ("Rawson") is now and at all times mentioned herein was a resident
8 of Orange County, California, who has contractually consented to jurisdiction and venue in
9 Douglas County, Nevada.

10 5. Defendant Richard Price ("Price") is now and at all times mentioned herein was a
11 resident of Travis County, Texas.

12 6. Defendant Joe Baker ("Baker") is now and at all times mentioned herein was a
13 resident of Williamson County, Texas.

14 7. Defendant Mickey Shackelford ("Shackelford") is now and at all times mentioned
15 herein was a resident of Tulsa County, Oklahoma.

16 8. Defendant Michael K. Kavanagh ("Kavanagh") is now and at all times mentioned
17 herein was a resident of Riverside County, California.

18 9. Defendant Jeffrey Edwards ("Edwards") is now and at all times mentioned herein
19 was a resident of Clay County, Florida.

20 10. The aforementioned individuals are now and at all times referenced herein were
21 officers and/or directors of C4.

22 11. The true names or capacities, whether individual, corporate, associate or otherwise,
23 of the defendants sued herein as Does 1 through 10, inclusive, are unknown to Plaintiffs, who are
24 informed and believe, and thereon allege, that each of these fictitiously named defendants is in
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27
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1 some way liable to Plaintiffs on the causes of action below, and therefore sues these Defendants
2 by such fictitious names. Plaintiffs will move to amend this Complaint and insert the true names
3 and capacities of said fictitiously named defendants when the same have been ascertained.

4
5 12. Plaintiffs are informed and believe, and thereon allege, that at all times herein
6 mentioned, each actually and fictitiously named defendant was the principal, agent, co-venturer,
7 partner, surety, guarantor, officer, director, and/or employee of each co-defendant and in doing the
8 things herein alleged was acting within the scope of authority and with the permission of each co-
9 defendant or took some part in the acts and omissions hereinafter set forth, and by reason thereof
10 each said defendant is liable to Plaintiffs for the relief prayed herein.

11
12 **II.**
13 **BACKGROUND TO CLAIMS**

14 13. In approximately November 2009, Defendants induced the Cains, through their
15 business Heli Ops, to loan One Million Dollars (\$1,000,000) to C4 for the purpose of enabling C4
16 to acquire Collateralized Mortgage Obligations ("CMOs") with the loan proceeds.

17 14. Based on the inducement, Heli Ops loaned C4 One Million Dollars (\$1,000,000)
18 pursuant to the terms of a Joint Venture Agreement and Promissory Note that obligated C4 to
19 repay Heli Ops Twenty Million Dollars (\$20,000,000) no later than sixty (60) days from the date
20 of the loan. The payment was sent from the Heli Ops principal office in Nevada.

21 15. C4 defaulted in its obligations under the loan and has failed to repay any part of it.

22 16. All of the individually named Defendants participated in communications with the
23 Plaintiffs regarding the investments that are the subject of this Complaint, and participated in the
24 inducement for Plaintiffs to make the loan.

25
26 17. By agreement dated February 28, 2010 (the "Settlement Agreement"), Rawson and
27 C4 acknowledged their liability for the amounts due to Plaintiffs in the amount of Twenty Million
28 Dollars (\$20,000,000), together with interest thereon at the rate of nine percent (9%) per annum

1 from December 31, 2009 until paid in full. A copy of the Settlement Agreement setting forth
2 Rawson's and C4's acknowledgement of liability is attached hereto as *Exhibit I*.

3 18. Under the Settlement Agreement, Rawson and C4 promised to pay Plaintiffs the
4 total sum of Twenty Million Dollars (\$20,000,000), plus all accumulated interest, no later than
5 ninety (90) days from February 25, 2010.
6

7 19. Under that same Settlement Agreement, Rawson and C4 agreed that any legal
8 action would be filed in Douglas County, Nevada.

9 20. Rawson and C4 have failed and refused to pay Plaintiffs the Twenty Million Dollar
10 (\$20,000,000) obligation or any part thereof.

11 **III.**
12 **FIRST CLAIM FOR RELIEF**
13 **(Breach of Contract)**

14 21. Plaintiffs incorporate by reference herein the allegations set forth in the preceding
15 paragraphs as if those allegations were repeated in their entirety herein.

16 22. Plaintiffs have satisfied all conditions precedent on their part, or such conditions
17 have been waived or excused, under the February 28, 2010 Settlement Agreement.

18 23. Rawson and C4 have breached the Settlement Agreement by failing to pay the
19 Twenty Millions Dollar (\$20,000,000) obligation owed to Plaintiffs, or any part thereof.
20

21 24. Pursuant to Section 4 of the Settlement Agreement, Plaintiffs are entitled to recover
22 all attorney's fees, costs, and expenses incurred in pursuing this action.

23 25. Plaintiffs are entitled to judgment against Rawson and C4 in the amount of Twenty
24 Million Dollars (\$20,000,000), plus interest at the rate of nine percent (9%) per annum from
25 December 31, 2009 until paid.

26 26. At the time C4 and Rawson executed the Settlement Agreement, each of the
27 individual Defendants knew or should have known that the Settlement Agreement was illusory in
28

1 that C4 was a mere shell corporation with no ability to repay the amounts owed, and Rawson had
2 no intention of repaying the loan.

3 27. Plaintiffs are informed and believe, and thereon allege, that at all times relevant
4 herein C4 was a mere sham and was organized and operated as the alter ego of the individual
5 Defendants named herein for their personal benefit and advantage, in that the individual
6 Defendants have at all times herein mentioned exercised total dominion and control over C4. The
7 individual Defendants and C4 have so intermingled their personal and financial affairs that C4
8 was, and is, the alter ego of the individual Defendants, and should be disregarded. By reason of
9 the failure of C4, each individual Defendant should be and is liable to Plaintiff for the relief prayed
10 for herein.

11 28. Plaintiffs are further informed and believe and on that basis allege that C4 was
12 created for the sole purpose of transacting business with the Plaintiffs and does not conduct any
13 other business; that C4 owns no assets other than assets described in this Complaint; that C4 was
14 never funded or capitalized; and that the individually named defendants have comingled their
15 personal finances with that of C4 and disregarded the corporate entity by taking loans from C4 to
16 pay personal expenses.

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20 **IV.**
SECOND CLAIM FOR RELIEF
(Fraud)

21 29. Plaintiffs incorporate by reference herein the allegations set forth in the preceding
22 paragraphs as if those allegations were repeated in their entirety herein.

23 30. All of the individually named Defendants created a false perception regarding C4
24 and Rawson, including their experience, professionalism, and expertise in financial matters.

25 31. Defendants, and each of them created this false perception in order obtain funds
26 from Plaintiffs.
27
28

1 10.01 Books and Records. The Joint Venture shall keep adequate
2 books and records at its place of business, setting forth a true and correct
3 account of all business transactions arising out of and in connection with
4 the conduct of the joint venture.

5 10.02 Joint bank account. The funds loaned to C4WW will be
6 held in a separate checking account from all other C4WW funds. The JVP
7 and C4WW will jointly own a bank account where the proceeds of the
8 loan will be held, used and administered as determined by this Agreement.
9 Pursuant to 5.01 above, C4WW will administer and control the joint
10 checking account.

11 10.03 Proof of Funds. All monies received from the JVP as a
12 loan to C4WW shall be kept in a separate checking account from all other
13 C4WW funds, see 10.02 above. The JVP will be able to view the account
14 balance online via the internet at any time from any internet and computer
15 enabled location.

16 47. In addition to the foregoing, Defendants promised and agreed on multiple
17 occasions to surrender C4's interest in the CMOs to the Plaintiffs.

18 48. In contravention of the foregoing, the funds loaned to C4 were not placed in a
19 checking account separate from all other C4 funds, but rather, were placed in C4's Wells Fargo
20 checking account no. xxxxxx177 from where over \$400,000 of the funds were diverted as
21 payments or loans to the individual defendants.

22 49. The CMOs earned dividends (interest payments) of approximately \$17,000 per
23 month.

24 50. Also in contravention of the foregoing, the dividends were not paid to the Plaintiffs,
25 but rather were diverted for the benefit of the Defendants.

26 51. Also in contravention of the foregoing, Defendants entered into various agreements
27 to pool, transfer and sell the CMOs without approval or consent of the Plaintiffs.

28 52. The foregoing acts constitute a distinct exercise of dominion and control by the
Defendants, and each of them, over Plaintiffs' CMOs and other funds and money belonging to the
Plaintiffs.

1 paragraphs as if those allegations were repeated in their entirety herein.

2 62. The Joint Venture Agreement is a valid contract.

3 63. Defendants, and each of them, knew of the Joint Venture Agreement.

4 64. Defendants committed intentional acts, as described above, intended to or designed
5 to disrupt the Joint Venture Agreement.

6 65. There was an actual disruption of the Joint Venture Agreement.

7 66. Plaintiffs sustained damages as a result of the disruption of the Joint Venture
8 Agreement in an amount in excess of \$10,000.

9 WHEREFORE, Plaintiffs Peggy Cain, Jeffrey Cain, and Heli Ops pray for judgment
10 against Defendants as follows:

11 1. For compensatory damages against all Defendants, jointly and severally, in the
12 amount of \$20,000,000, together with interest at the rate of nine percent (9%) per annum from
13 December 31, 2009 until paid in full.

14 3. For punitive damages against all Defendants in an amount to be determined at trial
15 due to the fraudulent conduct described elsewhere in the Complaint.

16 4. For the imposition of an actual and/or constructive trust.

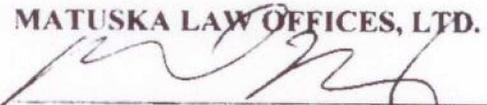
17 5. For the cost of suit and attorney's fees.

18 6. For such other and further relief as the Court deems just in the premises.

19 Respectfully submitted.

20 Dated this 30 day of March 2015.

21
22
23
24 MATUSKA LAW OFFICES, L.T.D.

25 
26 MICHAEL L. MATUSKA, SBN 5711
27 (775) 350-7220
28 (775) 350-7222 (Fax)
Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Matuska Law Offices, Ltd., and that on the 30th day of March 2015, I served a true and correct copy of the preceding document entitled **THIRD AMENDED COMPLAINT** as follows:

Michael K. Johnson, Esq.
Rollston, Henderson, Crabb & Johnson, Ltd.
P.O. Box 4848
Stateline NV 89449-4848

Richard A. Oshinski, Esq.
Mark Forsberg, Esq.
Oshinski & Forsberg, Ltd.
504 E. Musser Street, Suite 302
Carson City NV 89701

Attorney for Defendant Joe Baker

Attorney for Defendants Richard Price and Mickey Shackelford

Jeffrey Edwards
595 Chivas Court
Orange Park Fl 33073

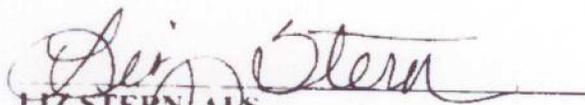
BY U.S. MAIL: I deposited for mailing in the United States mail, with postage fully prepaid, an envelope containing the above-identified document(s) at Carson City, Nevada, in the ordinary course of business.

BY PERSONAL SERVICE: I personally delivered the above-identified document(s) by hand delivery to the office(s) of the person(s) named above.

BY FACSIMILE:

BY FEDERAL EXPRESS ONE-DAY DELIVERY.

BY MESSENGER SERVICE: I delivered the above-identified document(s) to Reno-Carson Messenger Service for delivery.


LIZ STERN, ALS

MATUSKA LAW OFFICES, LTD.
2310 S. Carson Street, Suite 6
Carson City, NV 89701
(775) 350-7220

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1 Case No. 11-CV-0296
2 Dept. No. II

RECEIVED
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Douglas County District Court Clerk
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LAMS
M. BIAGGINI DEPUTY

6 IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7 IN AND FOR THE COUNTY OF DOUGLAS

9 PEGGY CAIN, an individual;
10 JEFFREY CAIN, an individual;
11 and HELI OPS INTERNATIONAL
12 LLC, an Oregon limited
13 liability company,

12 Plaintiffs,

13 vs.

ORDER GRANTING ATTORNEY'S FEES
AS A SANCTION (NRCP 11)

14 DR RAWSON, an individual; C4
15 WORLDWIDE, INC., a Nevada
16 corporation; RICHARD PRICE, an
17 individual; JOE BAKER, an
18 individual; MICKEY SHACKELFORD,
19 an individual; MICHAEL K.
20 KAVANAGH, an individual;
21 JEFFREY EDWARDS, an individual;
22 and DOES 1-10, inclusive,

19 Defendants.

21 THIS MATTER comes before the Court on Defendants Price and
22 Shackelford's Motion for Attorney's Fees as a Sanction (NRCP 11)
23 filed April 27, 2016. The motion is ripe for consideration.
24 Good cause appearing, the Court grants the requested relief.

25 **Findings of Fact and Conclusions of Law**

26 On November 5, 2015, the Court issued an Order Granting
27 Summary Judgment in favor of Defendants Price and Shackelford.
28 Price and Shackelford moved for attorney's fees. During the

THOMAS W. GREGORY
DISTRICT JUDGE
NINTH JUDICIAL
DISTRICT COURT
P.O. BOX 218
MINDEN, NV 89423

1 briefing process, Plaintiffs filed a document entitled *Sur-Reply*
2 to which Price and Shackelford filed a *Motion to Strike Sur-*
3 *Reply*. On February 5, 2016, the Court issued an *Order Granting*
4 *Motion to Strike Sur-Reply*, wherein Price and Shackelford were
5 granted leave to file a motion for attorney's fees incurred in
6 responding to the *Sur-Reply*.

7 Price and Shackelford also filed a *Motion to Quash*
8 *Subpoenas, for Protective Order and for Sanctions* referencing the
9 continued efforts of Plaintiffs to conduct discovery post-
10 judgment. On February 10, 2016, the Court issued an *Order*
11 *Granting Motion to Quash Subpoenas, for Protective Order and for*
12 *Sanctions* on February 10, 2016, wherein Price and Shackelford
13 were granted leave to file a motion for attorneys' fees as a
14 sanction.

15 On April 26, 2016, Price and Shackelford filed the pending
16 *Motion for Attorney's Fees as a Sanction (NRCP 11)* wherein they
17 request attorney's fees pursuant to NRS 18.010(2)(b) and NRCP 11.
18 The Certificate of Service attached to the motion reflects mail
19 service on Plaintiffs' counsel on April 5, 2016. Price and
20 Shackelford's request for sanctions is timely and in accord with
21 proper procedure. NRCP 11; NRCP 54(c)(2)(C).

22 A court has discretion to award attorney's fees to a
23 prevailing party:

24 when the court finds that the claim...of the opposing
25 party was brought or maintained without reasonable
26 grounds or to harass the prevailing party. The court
27 shall liberally construe the provisions of this
paragraph in favor of awarding attorney's fees in all
appropriate situations. It is the intent of the
Legislature that the court award fees pursuant to this
paragraph...in all appropriate situations...

1 NRS 18.010(2)(b).

2 NRCF 11 authorizes the awarding of attorney's fees as a
3 sanction for the filing of any paper for improper purpose or
4 premised upon frivolous legal contentions. NRCF 11. Similarly,
5 NRCF 26 authorizes the awarding of attorney's fees as a sanction
6 for the pursuit of discovery requests not allowed by NRCF or
7 discovery interposed for an improper purpose. NRCF 26.

8 The Court has already held that Plaintiffs' December 12,
9 2015, *Sur-Reply* was not authorized by law and represented a
10 fugitive document, not the first to be filed by Plaintiffs in
11 this lawsuit. The Court finds that a sanction of reasonable
12 attorney's fees incurred by Defendants in moving to strike the
13 fugitive document is an appropriate means of deterring similar
14 conduct. NRCF 11.

15 The Court has already held that Plaintiffs' post-judgment
16 discovery efforts were not authorized by law. That Plaintiffs,
17 post-judgment, pursued documentation through utilization of the
18 subpoena process under the auspice of Court authorization, is a
19 flagrant violation of law meriting a monetary sanction. NRCF 11;
20 NRCF 26. That Plaintiffs, when served with Defendants' motion to
21 quash, filed an opposition instead of acquiescing, only
22 emphasizes the impropriety.

23 The Court exercises its discretion to award Price and
24 Shackelford reasonable attorney's fees. In analyzing the
25 reasonableness of the requested fees, the Court has considered
26 the following factors without giving any singular factor undue
27 weight: (1) The qualities of the advocate; (2) The character of
28 the work done; (3) The work actually performed by the lawyer; and

1 (4) The result obtained. *Brunzell v. Golden Gate National Bank*,
2 85 Nev. 345, 349-350, 455 P.2d 31 (1969).

3 Price and Shackelford jointly retained Oshinski & Forsberg,
4 Ltd, to represent them in this matter. Price and Shackelford
5 have provided sufficient proof that they incurred legal fees in
6 putting a stop to Plaintiffs' post-judgment discovery efforts and
7 the filing of fugitive documents.

8 The Court has previously held that the rate per hour of
9 legal services charged by Oshinski & Forsberg, Ltd., \$350, is
10 reasonable considering the experience of counsel, the nature of
11 the case, Mr. Forsberg's averment that the rate is within the
12 range of fees charged by other attorneys in the community and the
13 Court's knowledge of the same.

14 The Court finds that the amount of time spent by Oshinski &
15 Forsberg, Ltd., on these issues, representing the interests of
16 two clients, was likewise reasonable.

17 Having weighed all of the *Brunzell* factors, the Court finds
18 that Price and Shackelford's request for attorney's fees is
19 reasonable as is the amount requested, \$9,514.00. Finding no
20 reason to adjust the requested fees, the Court exercises its
21 discretion to award the requested fees.

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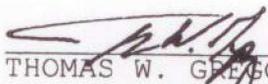
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28 /////

1 **IT IS HEREBY ORDERED** that Price and Shackelford's *Motion for*
2 *Attorney's Fees as a Sanction (NRCP 11)* is **GRANTED**. Plaintiffs
3 are ordered to pay Defendant Price and Shackelford's attorney's
4 fees in the amount of \$9,514.00 to Oshinski & Forsberg, Ltd.
5 within 30 days of the date of this Order.

6 Dated this 12th day of July, 2016.

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THOMAS W. GREGORY
DISTRICT COURT JUDGE

11 Copies served by mail this 1 day of July, 2016, addressed to:

12 Michael Matuska, Esq.
13 2310 South Carson Street, #6
14 Carson City, Nevada 89701

14 Richard A. Oshinski, Esq.
15 Mark Forsberg, Esq.
16 Oshinski & Forsberg, Ltd.
17 504 E. Musser Street, Suite 302
18 Carson City, Nevada 89701



Vicki Barrett

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District Court Clerk

FILED

2016 JUL -7 PM 1:40

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M. BIAGGINI
DEPUTY

1 Mark Forsberg, Esq., NSB 4265
2 Rick Oshinski, Esq., NSB 4127
3 OSHINSKI & FORSBERG, LTD.
4 504 E. Musser Street, Suite 302
5 Carson City, NV 89701
6 T 775-301-4250 | F 775-301-4251
7 Mark@OshinskiForsberg.com
8 Rick@OshinskiForsberg.com
9 *Attorney for Defendants*
10 *MICKEY SHACKELFORD and*
11 *RICHARD PRICE*

9 IN THE NINTH JUDICIAL DISTRICT COURT OF NEVADA

10 IN AND FOR THE COUNTY OF DOUGLAS

12
13
14 PEGGY CAIN, an individual; JEFFREY CAIN,
15 an individual; and HELI OPS
16 INTERNATIONAL, LLC, an Oregon limited
17 liability company,

Case No. 11 CV 0296

Dept. No. II

18 Plaintiffs,

NOTICE OF ENTRY OF ORDER

19 vs.

20 D.R. RAWSON, an individual; C4
21 WORLDWIDE, INC., a Nevada corporation;
22 RICHARD PRICE, an individual; JOE BAKER,
23 an individual; MICKEY SHACKELFORD, an
24 individual; MICHAEL K. KAVANAGH, an
25 individual; JEFFREY EDWARDS, an
26 individual; and DOES 1-10, inclusive,

27 Defendants.

28 PLEASE TAKE NOTICE that this Court entered its *Order Granting Attorney's Fees as a
Sanction (NRCF 11)* on the 1st day of July, 2016, a true and correct copy of which is attached hereto as
Exhibit 1.

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The undersigned does hereby affirm that this document does not contain the Social Security Number of any person.

Dated this 5th day of July, 2016.

OSHINSKI & FORSBERG, LTD.

By 
Mark Forsberg, Esq., NSB 4265
Rick Oshinski, Esq., NSB 4127
*Attorneys for Defendants Richard Price
and Mickey Shackelford*

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CERTIFICATE OF SERVICE

I hereby certify that I am an employee of Oshinski & Forsberg, Ltd., and that on this date, I served the within **Notice of Entry of Order Granting Attorney's Fees as a Sanction (NRCP 11)** on the following individuals or entities by serving a true copy thereof by the following method(s):

enclosed in a sealed envelope with postage fully prepaid thereon, in the United States Post Office mail, pursuant to NRCP 5(b)(2)(B);

via electronic filing pursuant to Nevada Electronic Filing and Conversion Rules ("NEFCR") 9(b);

hand delivery via Reno/Carson Messenger Service pursuant to NRCP 5(b)(2)(A);

electronic transmission (e-mail) to the address(es) listed below, pursuant to NRCP 5(b)(2)(D);and/or

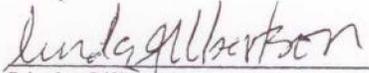
Federal Express, UPS, or other overnight delivery

fully addressed as follows:

Michael L. Matuska, Esq.
Matuska Law Offices, Ltd.
2310 S. Carson Street, Suite 6
Carson City, NV 89701
F 775-350-7222
Attorneys for Plaintiffs

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

Executed on this 5th day of July, 2016, in Carson City, Nevada.



Linda Gilbertson

EXHIBIT 1

EXHIBIT 1

1 Case No. 11-CV-0296

2 Dept. No. II

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6 IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7 IN AND FOR THE COUNTY OF DOUGLAS

9 PEGGY CAIN, an individual;
10 JEFFREY CAIN, an individual;
11 and HELI OPS INTERNATIONAL
12 LLC, an Oregon limited
13 liability company,
14
15 Plaintiffs,

16 vs.

ORDER GRANTING ATTORNEY'S FEES
AS A SANCTION (NRCP 11)

17 DR RAWSON, an individual; C4
18 WORLDWIDE, INC., a Nevada
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22 an individual; MICHAEL K.
23 KAVANAGH, an individual;
24 JEFFREY EDWARDS, an individual;
25 and DOES 1-10, inclusive,
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27 Defendants.

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30 Shackelford's Motion for Attorney's Fees as a Sanction (NRCP 11)
31 filed April 27, 2016. The motion is ripe for consideration.
32 Good cause appearing, the Court grants the requested relief.

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THOMAS W. GREGORY
DISTRICT JUDGE
NINTH JUDICIAL
DISTRICT COURT
P.O. BOX 218
MINDEN, NV 89423

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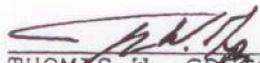
28 /////

1 IT IS HEREBY ORDERED that Price and Shackelford's Motion for
2 Attorney's Fees as a Sanction (NRCP 11) is GRANTED. Plaintiffs
3 are ordered to pay Defendant Price and Shackelford's attorney's
4 fees in the amount of \$9,514.00 to Oshinski & Forsberg, Ltd.
5 within 30 days of the date of this Order.

6 Dated this 13th day of July, 2016.

7

8


THOMAS W. GREGORY
DISTRICT COURT JUDGE

9

10

11 Copies served by mail this 1 day of July, 2016, addressed to:

12 Michael Matuska, Esq.
2310 South Carson Street, #6
13 Carson City, Nevada 89701

14 Richard A. Oshinski, Esq.
Mark Forsberg, Esq.
15 Oshinski & Forsberg, Ltd.
504 E. Musser Street, Suite 302
16 Carson City, Nevada 89701

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Vicki Barrett

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