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

EXHIBIT 1

EXHIBIT 1

1	DISTRICT COURT		
2	CLARK COUNTY, NEVADA		
3	FAR WEST INDUSTRIES, a)	
4	California corporation,)	
5	Plaintiff,)	CASE NO: A-12-670352-F
6	vs.)	DEPT NO: XV
7	RIO VISTA NEVADA, LLC, a)	
8	Nevada limited liability)	
9	company; WORLD DEVELOPMENT,)	
10	INC., a California)	
11	corporation; BRUCE MAIZE,)	
12	an individual, MICHAEL J.)	
13	MONA, JR., an individual;)	
14	DOES I through 100,)	
15	inclusive,)	
16	Defendants.)	
17	<hr/>		
18	JUDGMENT DEBTOR EXAMINATION OF MICHAEL J. MONA, JR.		
19	LAS VEGAS, NEVADA		
20	TUESDAY, JUNE 30, 2015		
21			
22			
23			
24	REPORTED BY: BRITTANY J. CASTREJON, CCR NO. 926		
25	JOB NO.: 252981		

1 Q. The trust?

2 A. (Shakes head.)

3 Q. Any entities in which you hold an interest?

4 A. No.

5 Q. How did your wife acquire this Jaguar?

6 A. We got a -- Mona Family Trust, I believe it was
7 or Mike and Rhonda Mona -- I don't know -- received a
8 check from Employers Compensation. I guess Employers --
9 Employers Compensation that we used to pay through the
10 properties was a public company that we had, you know,
11 you pay your employment. So much of that goes to that.
12 I had no idea of that. I was contacted -- I don't know
13 -- maybe a year ago by them and said we had money
14 sitting there. They contacted me. It was 90-some
15 thousand, I believe, or 100-some thousand, something
16 like that. They contacted me. They charged a fee,
17 obviously, to go get the money. We received the money.
18 I gave it to my wife to buy her car. She demanded it.

19 Q. And can you give me a little bit more
20 explanation? I'm not quite sure I follow what you were
21 paying into and what this money was?

22 A. Well, again, I was not aware of this. I guess
23 Joy McLaughlin who worked for me for years -- Employers
24 Compensation went public, I believe, years ago, and we
25 opted to pay a little extra money into the public

1 company from what I understand. And they contacted me
2 and said we had money sitting there. I had no idea. It
3 was a pleasant surprise.

4 Q. And how much money did you ultimately receive
5 from Employers Compensation?

6 A. I'm guessing -- again, I believe I supplied the
7 document. I'm guessing 90,000, maybe, something like
8 that.

9 Q. And you gave all that money to your wife?

10 A. Correct.

11 Q. And it's with that money that she purchased the
12 Jaguar?

13 A. Yes.

14 Q. Do you know how much the Jaguar cost?

15 A. No.

16 Q. Is the Jaguar in your wife's name?

17 A. I believe so.

18 Q. Where's the Jaguar?

19 A. Right now it's in San Diego.

20 Q. And where in San Diego?

21 A. 877 Island Avenue.

22 Q. In a particular parking spot?

23 A. The garage.

24 Q. Just the garage in general?

25 A. Pardon me?

1 and the 2013 or '14 Jaguar; correct?

2 A. (Nods head.)

3 Q. What color is the Mercedes?

4 A. Pewter.

5 Q. I'm not good with my colors.

6 A. Silver.

7 Q. Okay. Do you have any debt on the that car?

8 A. I borrowed \$25,000 from Tracy Secchiarly three
9 years ago on it. Tracy S-E-C-C-H-I-A-R-L-Y.

10 Q. Have you paid any money on that debt?

11 A. No.

12 Q. You still owe the full amount?

13 A. (Nods head.)

14 Q. IS there any debt against the Jaguar?

15 A. I don't know if my wife put that against it or
16 not. I don't think so.

17 Q. You didn't put any debt against it?

18 A. I did not, no.

19 Q. Where is the Mercedes registered?

20 A. Las Vegas.

21 Q. Where is the Jaguar registered?

22 A. Las Vegas.

23 Q. Do you know the license plate of the Mercedes?

24 A. No.

25 Q. And the license plate number of the Jaguar?

1 Shustick?

2 A. No.

3 Q. Why's that?

4 A. Business. Bad business, I guess.

5 Q. Like what?

6 A. I believe I'm here because of Mike Shustick, and
7 that's enough to make me not want to talk with him. If
8 I was smart, I would have listened to Mr. Soy (phonetic
9 spelling) years ago, but I didn't.

10 Q. Are you an officer of Roen Ventures?

11 A. No.

12 Q. Are you a manager of Roen Ventures?

13 A. Whatever that agreement is that I signed. I
14 don't know if that's manager or consultant. I don't
15 know what the actual definition is, but to what the
16 document reads, that's what I am.

17 Q. Has the Mona Family Trust ever filed tax returns?

18 A. I believe so, yes.

19 Q. If you had copies of those, you would have
20 produced those in this case?

21 A. Yes.

22 Q. Okay. Did you file 2014 tax returns?

23 A. Yes.

24 Q. Did you receive a refund?

25 A. No. Not yet.

1 Q. When do you expect to receive a refund?

2 A. Hopefully.

3 Q. When?

4 A. Oh, I have no idea.

5 Q. When did you file the 2014 tax returns?

6 A. I believe Mr. Wilson filed them April 13th, 14th,
7 something like that.

8 Q. Is there a reason you haven't received your
9 refund yet?

10 A. I have no idea.

11 Q. Have you asked about it?

12 A. Asked about it yesterday.

13 Q. And?

14 A. He'll check on it he said.

15 Q. What do you intend to do with that money?

16 A. Probably give it to Mona Co to pay bills.

17 Q. What bills?

18 A. Everyday living bills, expenses.

19 Q. Your living expenses?

20 A. Whatever expenses that arise.

21 Q. But you're not going to deposit that into your
22 personal account?

23 A. I don't know what I'm doing with it. My wife
24 gets half of it obviously. She wants the whole thing,
25 and I told her no.

1 Q. On the second page, you see the return identifies
2 that you're entitled to a refund of \$55,541?

3 A. Correct.

4 Q. Which you haven't received that yet?

5 A. Correct.

6 Q. I'm going to direct your attention to page 5 of
7 Exhibit 18. Under interest and ordinary dividends, do
8 you see you reported a little over \$5,000 from Bank of
9 George?

10 A. Correct.

11 Q. Why are you receiving \$5,000 in interest from
12 Bank of George?

13 A. That's my wife's bank. I have no idea. I don't
14 deal with Bank of George.

15 Q. Why did you receive a little over \$15,000 in
16 interest from Roen Ventures?

17 A. I have no idea.

18 Q. In 2014 you don't know why you received that from
19 Roen Ventures?

20 A. I'm guessing that was my interest on the 2.6
21 prior to selling it to Mr. Mackay is what I have to
22 guess.

23 Q. Down at the bottom of this page, part three,
24 foreign accounts and trust.

25 Do you see where it asks if you've ever had an

1 your closet?

2 A. No.

3 Q. For all these questions, I'm using the you in the
4 broad sense. You understand that?

5 A. Yes.

6 Q. Do you have a cabin?

7 A. Cabin?

8 Q. (Nods head.)

9 A. No.

10 Q. Do you have any firearms?

11 A. Yes.

12 Q. How many?

13 A. I've got probably six or eight handguns and
14 probably four or five rifles that were left to me years
15 ago when a buddy passed away. Michael --

16 Q. Do you have a blue card you could give us for
17 your guns?

18 A. Yes.

19 Q. Do you have them on you?

20 A. No.

21 Q. You don't hold the blue cards right now?

22 A. No.

23 MR. COFFING: You mean on his person right
24 now?

25 MR. EDWARDS: Correct.

1 STATE OF NEVADA)
2) SS:
3 COUNTY OF CLARK)

4 CERTIFICATE OF REPORTER

5 I, Brittany J. Castrejon, a Certified Court
6 Reporter licensed by the State of Nevada, do hereby
7 certify: That I reported the JUDGMENT DEBTOR
8 EXAMINATION OF MICHAEL J. MONA, JR., on Tuesday, June
9 30, 2015, at 9:31 a.m.;

10 That prior to being examined, the witness was
11 duly sworn by me to testify to the truth. That I
12 thereafter transcribed my said stenographic notes into
13 written form, and that the typewritten transcript is a
14 complete, true and accurate transcription of my said
15 stenographic notes. That the reading and signing of the
16 transcript was requested.

17 I further certify that I am not a relative,
18 employee or independent contractor of counsel or of any
19 of the parties involved in the proceeding; nor a person
20 financially interested in the proceeding; nor do I have
21 any other relationship that may reasonably cause my
22 impartiality to be question.

23 IN WITNESS WHEREOF, I have set my hand in my
24 office in the County of Clark State of Nevada, this 9th
25 day of July, 2015.

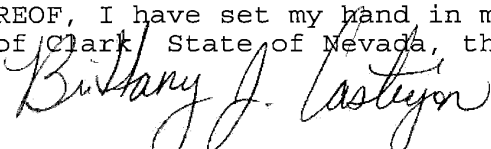

Brittany J. Castrejon, CCR NO. 926

EXHIBIT 2

EXHIBIT 2

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DISTRICT COURT
CLARK COUNTY, NEVADA

* * * * *

FAR WEST INDUSTRIES, a
California corporation,

Plaintiff,

vs.

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

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

Defendants.

DEPOSITION OF

RHONDA MONA

Las Vegas, Nevada

June 26, 2015

10:31 a.m.

Reported by: Heidi K. Konsten, RPR, CCR
Nevada CCR No. 845 - NCRA RPR No. 816435
JOB NO. 252983

1 A He's in Germany.

2 Q Okay. You have one vehicle between the

3 two of you?

4 A No.

5 Q Okay. What other vehicles do you have?

6 A I have my car.

7 Q Okay.

8 A I have a Jaguar. It's in San Diego.

9 Q Okay. I love Jaguars.

10 What kind?

11 A A white one.

12 Q Do you know the model?

13 A It's a white convertible, two doors.

14 Q Okay. So does that make it an XK?

15 A It could be.

16 Q I'm shopping, so --

17 A It could be. I don't know. I know it's

18 white and cute.

19 Q Okay. What year is it?

20 A I got it a year ago.

21 Q Okay. Did you purchase it or lease it?

22 A I purchased it.

23 Q Okay. Purchased it with -- did you take

24 out a loan for it?

25 A I don't think so.

1 Q You believe you paid all cash for it?

2 A My husband took care of it, so I really
3 don't know.

4 Q So your husband bought you a car?

5 A I don't know. He took care of the
6 financing.

7 Q Okay. You're not exactly sure where
8 money came from?

9 A Exactly.

10 Q But you believe it was paid for in cash?

11 A I think so.

12 Q And you bought it new?

13 A No. I think it was -- I can't remember
14 if it was slightly used or new.

15 Q But close to new.

16 Do you know what year it is, by chance?

17 A 2014, probably.

18 Q And you said it's in San Diego?

19 A Uh-huh.

20 Q Has it always been in San Diego?

21 A I purchased it here, and then --

22 Q And then drove it to San Diego?

23 A I drive it back and forth. It's my
24 own -- it's my car.

25 Q Understood.

1 Q You have already spoken about the two
2 vehicles you own, one being the Mercedes and the
3 other being the Jaguar.

4 A Correct.

5 Q Do you own any other vehicles?

6 A Not to my knowledge.

7 Q Do you own any firearms?

8 A Yes.

9 Q How many?

10 A I own a gun.

11 Q I'm sorry?

12 A I own a gun.

13 Q One gun?

14 A I do.

15 Q Okay. And I'm asking, again, the broad
16 sense of "you," you, your husband, the trust, any
17 entities in which --

18 A He owns some guns.

19 Q Okay. So you own one.

20 How many does your husband own?

21 A A couple.

22 Q How many is "a couple"?

23 A A few. Three, maybe.

24 Q Three. Not ten?

25 A No.

CERTIFICATE OF COURT REPORTER

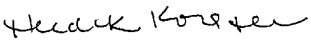
STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

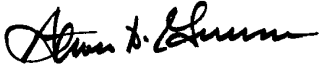
I, Heidi K. Konsten, Certified Court Reporter
licensed by the State of Nevada, do hereby certify
that I reported the deposition of RHONDA MONA,
commencing on June 26, 2015, at 10:31 a.m.

Prior to being deposed, the witness was duly
sworn by me to testify to the truth. I thereafter
transcribed my said stenographic notes via
computer-aided transcription into written form,
and that the transcript is a complete, true and
accurate transcription and that a request was made
for a review of the transcript.

I further certify that I am not a relative,
employee or independent contractor of counsel or
any party involved in the proceeding, nor a person
financially interested in the proceeding, nor do I
have any other relationship that may reasonably
cause my impartiality to be questioned.

IN WITNESS WHEREOF, I have set my hand in my
office in the County of Clark, State of Nevada,
this July 7, 2015.


Heidi K. Konsten, RPR, CCR No. 845



CLERK OF THE COURT

1 **MEMC**
2 F. THOMAS EDWARDS, ESQ.
3 Nevada Bar No. 9549
4 E-mail: tedwards@nevadafirm.com
5 ANDREA M. GANDARA, ESQ.
6 Nevada Bar No. 12580
7 E-mail: agandara@nevadafirm.com
8 HOLLEY DRIGGS WALCH
9 FINE WRAY PUZEY & THOMPSON
10 400 South Fourth Street, Third Floor
11 Las Vegas, Nevada 89101
12 Telephone: 702/791-0308
13 Facsimile: 702/791-1912

14 *Attorneys for Plaintiff Far West Industries*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California
18 corporation,

19 Plaintiff,

20 v.

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

26 Defendants.

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

**PLAINTIFF'S MEMORANDUM OF FEES
AND COSTS ASSOCIATED WITH
ORDER TO SHOW CAUSE WHY
ACCOUNTS OF RHONDA MONA
SHOULD NOT BE SUBJECT TO
EXECUTION AND WHY THE COURT
SHOULD NOT FIND MONAS IN
CONTEMPT**

27 Pursuant to the Court's Order Regarding Order to Show Cause Why Accounts of Rhonda
28 Mona Should Not be Subject to Execution and Why the Court Should Not Find Monas in
Contempt, entered on July 17, 2015 (the "Order"), Plaintiff Far West Industries, by and through
its undersigned counsel, hereby submits this memorandum of fees and costs associated with the
Order to Show Cause Why Accounts of Rhonda Mona Should Not be Subject to Execution and
Why the Court Should Not Find Monas in Contempt.¹

¹ The Order provides that today is the deadline to file this memorandum of fees and costs.
However, just today, the Nevada Supreme Court entered an order granting a temporary stay of
the Order pending receipt and consideration of Far West's opposition to the Monas' stay request.
Thus, Far West submits this memorandum of fees and costs in an abundance of caution to
comply with the deadline in the Order, although the Court cannot act upon this memorandum of
fees and costs until the the Nevada Supreme Court lifts the temporary stay.

Date	Professional	Description	Time	Rate	Total
6/28/2015	FTE	Draft ex parte application for order to show cause why accounts of Mrs. Mona are not subject to execution and request for sanctions; draft order to show cause	7.8	\$315	\$2,457.00
6/29/2015	FTE	Revise ex parte motion; prepare exhibits for same; finalize and file ex parte motion	1.2	\$315	\$378.00
7/7/2015	FTE	Review opposition to Order to Show Cause; research and draft reply in support of Order to Show Cause	2.3	\$315	\$724.50
7/7/2015	AMG	Receive and analyze response to order to show cause; research family court records regarding the Monas' divorce filing; analyze case law regarding order to show cause	0.8	\$225	\$180.00
7/8/2015	FTE	Research and draft reply in support of order to show cause; draft declaration of Ms. Wiley regarding search of produced records; finalize and file reply brief; correspond with opposing counsel regarding same; review supplement filed by Monas; draft declaration in support of contempt finding	5.8	\$315	\$1,827.00
7/8/2015	AMG	Research and draft argument sections for reply in support of OSC	4.5	\$225	\$1,012.50
7/8/2015	JW	Revise declaration; review document production; prepare thumbdrives of searchable documents for hearing	0.8	\$195	\$156.00
7/9/2015	FTE	Prepare for and attend hearing on order to show cause	3.7	\$315	\$1,165.50
7/9/2015	AMG	Attend hearing on order to show cause; draft proposed order on OSC	4.7	\$225	\$1,057.50
7/10/2015	FTE	Revise order regarding sanctions; teleconference with opposing counsel; correspond with opposing counsel	2.9	\$315	\$913.50
7/10/2015	AMG	Revise and supplement order regarding OSC	3.3	\$225	\$742.50
7/13/2015	FTE	Review and revise proposed order; correspond with opposing counsel regarding same	1.2	\$315	\$378.00
7/14/2015	FTE	Correspond with Attorney Echols regarding order; revise order; correspond with opposing counsel regarding same; submit order to court	0.6	\$315	\$189.00

FEES SUBTOTAL					\$11,181.00
COSTS					
		Description	Units	Cost	Total
		Filing fees	6	\$3.50	\$21.00
		Delivery fees	4	\$10	\$40.00
COSTS SUBTOTAL					\$61.00
FEES AND COSTS TOTAL					\$11,242.00

STATE OF NEVADA)
) ss.
 COUNTY OF CLARK)

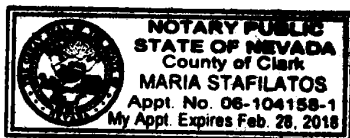
F. THOMAS EDWARDS, being duly sworn under penalty of perjury, states: that the affiant is the attorney for the Plaintiff; that the items contain in the above memorandum are true and correct and to the best of this affiant's knowledge and belief; and that the said disbursements have been necessarily incurred in this action.

FURTHER YOUR AFFIANT SAYETH NAUGHT.


 F. THOMAS EDWARDS, ESQ.

Subscribed and Sworn to before me
 this 20th day of July, 2015.


 NOTARY PUBLIC



1 **CERTIFICATE OF ELECTRONIC FILING/SERVICE**

2 I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson. On the
3 20th day of July, 2015, I filed with this Court and electronically served in accordance with
4 Administrative Order 14.2, to all interested parties, through this Court's Wiznet/Odyssey E-File
5 & Serve, a true copy of the foregoing PLAINTIFF'S MEMORANDUM OF FEES AND COSTS
6 ASSOCIATED WITH ORDER TO SHOW CAUSE WHY ACCOUNTS OF RHONDA MONA
7 SHOULD NOT BE SUBJECT TO EXECUTION AND WHY THE COURT SHOULD NOT
8 FIND MONAS IN CONTEMPT, in the above matter, addressed as follows:

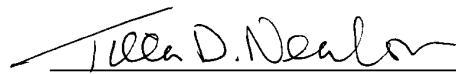
9
10 Terry Coffing, Esq.
11 Tye Hanseen, Esq.
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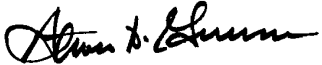
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25 lee-lawfirm@live.com

F. Thomas Edwards, Esq.
Andrea M. Gandara, Esq.
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27
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Tilla D. Nealon, an employee of
Holley, Driggs, Walch, Fine, Wray, Puzey &
Thompson



CLERK OF THE COURT

MBAP
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Nevada Bar No. 9549
E-mail: tedwards@nevadafirm.com
ANDREA M. GANDARA, ESQ.
Nevada Bar No. 12580
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HOLLEY DRIGGS WALCH
FINE WRAY PUZEY & THOMPSON
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Telephone: 702/791-0308
Facsimile: 702/791-1912

Attorneys for Plaintiff Far West Industries

DISTRICT COURT

CLARK COUNTY, NEVADA

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

v.

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

Defendants.

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

MOTION ON AN ORDER SHORTENING TIME FOR BOND PENDING APPEAL

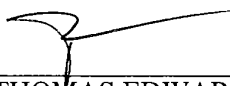
Plaintiff FAR WEST INDUSTRIES (“Plaintiff” or alternatively, the “Judgment Creditor”), by and through its attorneys, F. THOMAS EDWARDS, ESQ. and ANDREA M. GANDARA, ESQ. of the law firm of HOLLEY DRIGGS WALCH FINE WRAY PUZEY & THOMPSON, hereby respectfully requests that this Court set a bond pending appeal on an order shortening time.

The Nevada Supreme Court stayed this action and deferred to this Court to set a bond pending appeal. See Nevada Supreme Court Order entered August 31, 2015, attached hereto as **Exhibit 1**. In fact, the Nevada Supreme Court has stated “that a bond would be an appropriate method to protect [Plaintiff’s] ability to eventually execute on their judgment and, as explained

1 above, the district court is the proper forum to seek a bond.” Id. Accordingly, the only
2 remaining question is the amount of the bond. In Nevada, the bond “should usually be set in an
3 amount that will permit full satisfaction of the judgment.” Nelson v. Heer, 121 Nev. 832, 834,
4 122 P.3d 1252, 1253 (2005), as modified (Jan. 25, 2006). For these reasons, Plaintiff requests
5 that the Court require the Monas to post a bond for the full amount of the judgment,
6 \$24,172,076.16.

7 Dated this 1st day of September, 2015.

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

10 
11 F. THOMAS EDWARDS, ESQ.
12 Nevada Bar No. 9549
13 ANDREA M. GANDARA, ESQ.
14 Nevada Bar No. 12580
15 400 South Fourth Street, Third Floor
16 Las Vegas, Nevada 89101

17 *Attorneys for Plaintiff Far West Industries*

18 **DECLARATION OF F. THOMAS EDWARDS, ESQ.**

19 I, F. Thomas Edwards, being first duly sworn under all penalties of perjury, do hereby
20 depose and state:

21 1. I make this Declaration in support of the MOTION ON AN ORDER
22 SHORTENING TIME FOR BOND PENDING APPEAL.

23 2. I am a shareholder with the law firm of Holley Driggs Walch Fine Wray Puzey &
24 Thompson, counsel for Plaintiff/Judgment Creditor Far West Industries.

25 3. On August 31, 2015, the Nevada Supreme Court entered an order staying this
26 case, but deferring to this Court to determine the appropriate amount of a bond.

27 4. Without a bond in place, Plaintiff is at significant risk of prejudice in that the
28 more time that passes, the less likely Plaintiff will be able to satisfy its judgment.

5. Therefore, Plaintiff requests that this Court set this motion for hearing on shortened time to minimize the prejudice to Plaintiff.

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

Dated this 1st day of September, 2015.

F. THOMAS EDWARDS, ESQ.

ORDER SHORTENING TIME

Upon good cause shown, please take notice that the hearing before the above-entitled Court on MOTION ON AN ORDER SHORTENING TIME FOR BOND PENDING APPEAL will be heard on shortened time on September 17, 2015 at 9:00 a.m. n

Dated this 8th day of September, 2015.

Dated this 8th day of September, 2015. A copy of this Motion and OST must be hand-delivered to Defendants' counsel on or before September 10, 2015.

Col Hardy
DISTRICT COURT JUDGE

DISTRICT COURT JUDGE

MEMORANDUM OF POINTS AND AUTHORITIES

BACKGROUND

In April 2012, Plaintiff obtained a Judgment of more than \$18,000,000.00 against Defendant Michael J. Mona, Jr. (“Mr. Mona”), and the Mona Family Trust Dated February 21, 2002 (“Mona Family Trust”), for fraud, among other claims. See Judgment and Findings of Fact and Conclusions of Law (“Judgment”), attached hereto as **Exhibit 2**. Mr. Mona did not limit his fraud and deceit to the underlying action, but has persisted with this conduct during Far West’s attempts to execute upon the Judgment, and Mr. Mona’s wife, Rhonda Helene Mona (“Mrs. Mona”) has become involved in Mr. Mona’s fraudulent and deceitful conduct. The Monas waged a campaign spanning two years in an effort to avoid satisfying the Judgment. The Monas’ efforts to avoid the Judgment include transfers between spouses, transfers to their children, transfers to related entities, and now a sham divorce.

1 On July 15, 2015, based upon this information, the Court properly sanctioned the Monas,
2 finding that they violated court orders, lied under oath and made gross omissions in their
3 briefing. See Order Regarding Order to Show Cause Why Accounts of Rhonda Mona Should
4 Not Be Subject to Execution and Why the Court Should Not Find Monas in Contempt (“Sanction
5 Order”), entered July 15, 2015. The Monas have appealed the Sanction Order and requested an
6 emergency stay of this *entire* proceeding, as opposed to just a stay of the Sanction Order. The
7 Nevada Supreme Court granted the Monas requested stay, but deferred to this Court to address
8 the amount of the bond. See Ex. 1.

9 It is important to note that the Mona family’s attempt to fraudulently shield their assets
10 from Plaintiff continues to this day. For example, at the June 26, 2015 judgment debtor
11 examination of Mrs. Mona, she testified that from the money she received as part of Post-Marital
12 Property Settlement Agreement (that this Court properly found was a fraudulent transfer), she
13 purportedly lent approximately \$900,000.00 to her son to purchase a condo in San Diego. See
14 Judgment Debtor Examination Transcript of Rhonda Mona, dated June 26, 2015, 26:16-23.
15 However, Mrs. Mona has not received any payments on the loan and the supposed repayment
16 terms have never apparently been negotiated because she “didn’t get into it.” Id. at 27:9-24.
17 Thus, the \$900,000.00 “loan” to her son has all the earmarks of yet another fraudulent transfer.

18 At the time of the judgment debtor examination, there were no encumbrances recorded
19 against the San Diego condo. However, just days after the judgment debtor examination on July
20 17, 2015, a Deed of Trust from Michael Sifen (a family friend) in the amount of \$1,000,000.00
21 was recorded against the San Diego condo. See \$1,000,000.00 Deed of Trust, attached hereto as
22 **Exhibit 3**.¹ Then, on August 4, 2015, a Deed of Trust from Mrs. Mona in the amount of
23 \$787,760.88 was recoded against the San Diego condo. See \$787,760.88 Deed of Trust, attached
24 hereto as **Exhibit 4**. Thus, although the San Diego condo was owned free and clear during the
25 judgment debtor examination, approximately a month later it had encumbrances recorded against
26 it totaling over \$1.7MM.

27 _____
28 ¹ After purchasing the San Diego condo, the Monas’ son transferred it into the name of Lundene
Enterprises, LLC, of which the son is the sole member and manager.

1 Notably, Plaintiff only knows about this transaction because it involves publicly recorded
2 documents. This transaction is merely emblematic of the lengths the Monas will go to
3 fraudulently shield their assets from Plaintiff and why a bond is required to protect Plaintiff
4 pending the appeal. There is no way to know what other steps the Monas have taken, or will
5 take, to fraudulently hide and dispose of other assets while the appeal remains pending. Despite
6 being found liable for fraud by the California court, and despite being found to have lied and
7 engaged in fraudulent transfers by this Court, the Monas will not stop their fraudulent conduct.
8 Therefore, the Monas must be required to post a bond that will fully satisfy Plaintiff's judgment.

9 **I.**

10 **THE MONAS MUST POST A BOND IN THE FULL AMOUNT OF THE JUDGMENT**

11 The Nevada Supreme Court granted Monas' emergency request to stay this *entire*
12 proceeding, as opposed to just a stay of the Sanction Order, and deferred to this Court to address
13 the amount of the bond. See Ex. 1. In fact, the Nevada Supreme Court has stated "that a bond
14 would be an appropriate method to protect [Plaintiff's] ability to eventually execute on their
15 judgment and, as explained above, the district court is the proper forum to seek a bond." Id.
16 Accordingly, the only remaining question is the amount of the bond. In Nevada, the bond
17 "should usually be set in an amount that will permit full satisfaction of the judgment." Nelson v.
18 Heer, 121 Nev. 832, 834, 122 P.3d 1252, 1253 (2005), as modified (Jan. 25, 2006) (quoting
19 McCulloch v. Jeakins, 99 Nev. 122, 123, 659 P.2d 302, 303 (1983)).

20 On April 27, 2012, the California court entered a judgment against Mr. Mona and the
21 Mona Family Trust in the amount of \$18,130,673.58 (judgment of \$17,777.562.18, plus costs of
22 \$25,562.56 and fees of \$327,548.84). See Ex. 2. Interest on the judgment accrues at 10% per
23 annum from the entry of the judgment, which equals \$4,967.31 in daily interest. See Cal. Code
24 of Civ. Proc. 685.010; 685.020. Through September 1, 2015, 1,222 days have passed since entry
25 of the judgment, such that interest of \$6,070,050.17 has accrued on the Judgment. The Judgment
26 has been partially satisfied through wage garnishments totaling \$28,647.59. Therefore, the
27 balance of the Judgment is currently \$24,172,076.16 (judgment of \$18,130,673.58, plus interest
28 of \$6,070,050.17, less \$28,647.59 collected) and interest continues to accrue at \$4,967.31 per

1 day. Therefore, Plaintiff respectfully requests that the Monas be required to post a bond of no
2 less than \$24,172,076.16, which is the “amount that will permit full satisfaction of the
3 judgment.” Nelson, 121 Nev. at 834, 122 P.3d at 1253.²

4 II.

5 **THE MONAS ARE NOT ENTITLED TO AN ALTERNATIVE BOND**

6 In Nelson, the Nevada Supreme Court identified the following five factors to consider in
7 determining when an alternative bond is appropriate:

8 (1) the complexity of the collection process; (2) the amount of time
9 required to obtain a judgment after it is affirmed on appeal; (3) the
10 degree of confidence that the district court has in the availability of
11 funds to pay the judgment; (4) whether the defendant's ability to
12 pay the judgment is so plain that the cost of a bond would be a
waste of money; and (5) whether the defendant is in such a
precarious financial situation that the requirement to post a bond
would place other creditors of the defendant in an insecure
position.

13 Nelson, 121 Nev. at 836, 122 P.3d at 1254 (citing Dillon v. City of Chicago, 866 F.2d 902 (7th
14 Cir. 1988)). The purpose of these factors is to analyze whether an alternative amount or form of
15 security is adequate to protect the judgment creditor's ability to collect upon the judgment. Id. at
16 835-36. To the extent they are applicable, these factors do not weigh in favor allowing a reduced
17 or alternative bond.

18 (1) **The collection process is very complex.**

19 This Court has had a front row seat to see how complex the Monas have made the
20 collection efforts. The Monas' efforts to avoid the Judgment include transfers between spouses,
21 transfers to their children, transfers to related entities, and now a sham divorce. The Monas have
22 even concealed bank records and lied under oath to further complicate the collection process.
23 Despite substantial efforts to collect upon the Judgment dating back to October of 2012, Plaintiff
24 has only been able to collect \$28,647.59, about one tenth (1/10) of a percent of the total
25 Judgment. The Monas have done, and continue to do, everything in their power to complicate
26 the collection process in this matter. Therefore, this factor weighs strongly against an alternative

27 ² A larger bond amount is justified to include the daily interest that will accrue (\$4,967.31 per
28 day) while the appeal is pending.

1 bond.

2 (2) **As the Judgment has already been entered, the amount of time required to**
3 **obtain a judgment after it is affirmed on appeal is not applicable.**

4 As the Judgment has been pending since April of 2012, there is no time required to obtain
5 a judgment after the appeal. Therefore, this factor is not applicable.

6 (3) **The Court should have no confidence in the availability of funds to pay the**
7 **Judgment.**

8 The mere fact that Plaintiff has only been able to collect \$28,647.59, about one tenth
9 (1/10) of a percent of the total Judgment, evidences that the Court should have no confidence in
10 the availability of funds to pay the judgment. In fact, the judgment debtor examinations have
11 revealed that to the extent the Monas come into possession of any significant funds (e.g., the
12 \$6.8MM for the sale of Medical Marijuana, Inc. divided in the Post-Martial Property Settlement
13 Agreement), the Monas act quickly to transfer the funds away. Therefore, this factor weighs
14 strongly against an alternative bond.

15 (4) **The Monas' ability to pay the judgment is highly questionable, such that a**
16 **bond is required to protect Plaintiff.**

17 Much like the preceding factor, the mere fact that Plaintiff has only been able to collect
18 \$28,647.59, about one tenth (1/10) of a percent of the total Judgment, evidences that the Monas'
19 ability to pay the Judgment is highly questionable. It is exactly these types of situations in which
20 a bond is required to protect a plaintiff's ability to collect upon the judgment. Therefore, this
21 factor weighs strongly against an alternative bond.

22 (5) **While the Monas are in a precarious financial situation, due in large part to**
23 **the Judgment, they put themselves in this position and should not be relieved of their**
24 **obligation to post a full bond based upon their own misconduct.**

25 The Monas are very likely in a precarious financial situation. However, they are in that
26 precarious financial situation because Mr. Mona's fraud and the resulting Judgment. Likewise,
27 Mrs. Mona is likely in a precarious financial situation because of her concealment of bank
28 records in violation of this Court's Order. The Monas' misconduct should not be a basis to

1 relieve the Monas of their obligation to post a full bond.

2 The Nevada Supreme Court borrowed these factors from the Seventh Circuit decision of
3 Dillon v. City of Chicago, 866 F.2d 902 (7th Cir. 1988). In articulating this final factor, the
4 Dillion court cited to Olympia Equip. Leasing Co. v. W. Union Tel. Co., 786 F.2d 794 (7th Cir.
5 1986). In Olympia, the district judge considered the appropriate bond to support the stay
6 pending appeal of a \$36MM judgment against Western Union. The district judge allowed an
7 alternative bond to be posted, consisting of a pledge of \$10MM in cash, \$10MM in accounts
8 receivables, and a security interest in physical assets, which Western Union represented to be
9 worth about \$70MM. Id. at 795-96. Thus, the alternative bond actually secured the judgment
10 creditor for significantly more than the judgment amount. On appeal, and considering these
11 factors, the Seventh Circuit approved the alternative bond with the *additional* requirement that
12 prevented any cash transfers to Western Union's parent company. Id. at 799. The Olympia case
13 illustrates that even if an alternative bond is justified, the security should still be sufficient to
14 protect plaintiff's ability to collect upon the judgment.

15 Plaintiff is unaware of any alternative bond that can adequately protect its ability to
16 collect upon the judgment. Even if this single factor favors an alternative bond, it is substantially
17 outweighed by the preceding factors. Therefore, no alternative bond is appropriate in this case.

18 **CONCLUSION**

19 For these reasons, Plaintiff respectfully requests that the Monas be required to post a
20 bond within three (3) days of no less than \$24,172,076.16, which is the "amount that will permit
21 full satisfaction of the judgment." Nelson, 121 Nev. at 834, 122 P.3d at 1253.

22 Dated this 1st day of September, 2015.

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

25 F. THOMAS EDWARDS, ESQ.
26 Nevada Bar No. 9549
27 ANDREA M. GANDARA, ESQ.
28 Nevada Bar No. 12580
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Attorneys for Plaintiff Far West Industries

1 **CERTIFICATE OF ELECTRONIC FILING/SERVICE**

2 I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson. On the
3 9th day of September, 2015, I filed with this Court and electronically served in accordance with
4 Administrative Order 14.2, to all interested parties, through this Court's Wiznet/Odyssey E-File
5 & Serve, a true copy of the foregoing MOTION ON AN ORDER SHORTENING TIME FOR
6 BOND PENDING APPEAL, in the above matter, addressed as follows:

7 Terry Coffing, Esq.
8 Tye Hanseen, Esq.
9 MARQUIS AURBACH COFFING
10 1001 Park Run Drive
11 Las Vegas, NV 89145
12 E-mail: thanseen@maclaw.com
13 tcoffing@maclaw.com

14 mechols@maclaw.com
15 chatfield@maclaw.com
16 ldell@maclaw.com
17 smong@maclaw.com
18 rwesp@maclaw.com

F. Thomas Edwards, Esq.
Andrea M. Gandara, Esq.
HOLLEY, DRIGGS, WALCH, PUZEY &
THOMPSON
400 South Fourth Street, Third Floor
Las Vegas, NV 89101
E-mail: tedwards@nevadafirm.com
agandara@nevadafirm.com

nmoseley@nevadafirm.com
tnealon@nevadafirm.com

19 In addition, copies of the MOTION ON AN ORDER SHORTENING TIME FOR BOND
20 PENDING APPEAL were served by RECEIPT OF COPY (executed receipts attached hereto) on
21 the following:

22 Terry Coffing, Esq.
23 Tye Hanseen, Esq.
24 MARQUIS AURBACH COFFING
25 1001 Park Run Drive
26 Las Vegas, NV 89145

Robert L. Eisenberg, Esq.
Lemons Grundy & Eisenberg
6005 Plumas Street, #300
Reno, NV 89519

27 

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

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F. THOMAS EDWARDS, ESQ.
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400 South Fourth Street, Third Floor
6 Las Vegas, Nevada 89101
Telephone: 702/791-0308
7 Facsimile: 702/791-1912

8 *Attorneys for Plaintiff Far West Industries*

9 **DISTRICT COURT**

10 **CLARK COUNTY, NEVADA**

11 FAR WEST INDUSTRIES, a California
corporation,

12 Plaintiff,

13 v.

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

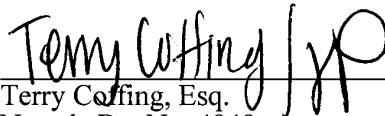
17 Defendants.
18

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

RECEIPT OF COPY

19 RECEIPT OF COPY of the attached: MOTION ON AN ORDER SHORTENING TIME
20 FOR BOND PENDING APPEAL is hereby acknowledged this 9th day of September, 2015.

21 MARQUIS AURBACH COFFING

22 
23 Terry Coffing, Esq.
24 Nevada Bar No. 4949
25 1001 Park Run Drive
Las Vegas, Nevada 89145

26 *On Behalf of Michael J. Mona*
27 *and Rhonda Mona*
28

1 **ROC**
2 F. THOMAS EDWARDS, ESQ.
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14 *Attorneys for Plaintiff Far West Industries*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California
18 corporation,

19 Plaintiff,

20 v.

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

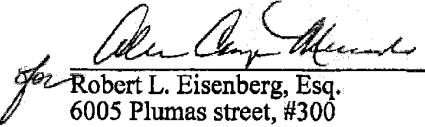
26 Defendants.

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

RECEIPT OF COPY

27 RECEIPT OF COPY of the attached: MOTION ON AN ORDER SHORTENING TIME
28 FOR BOND PENDING APPEAL is hereby acknowledged this 9th day of September, 2015.

LEMONS, GRUNDY & EISENBERG

for 
Robert L. Eisenberg, Esq.
6005 Plumas street, #300
Reno, Nevada 89519

On Behalf of Rhonda Mona

EXHIBIT 1

EXHIBIT 1

IN THE SUPREME COURT OF THE STATE OF NEVADA

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

vs.

THE EIGHTH JUDICIAL DISTRICT
COURT OF THE STATE OF NEVADA,
IN AND FOR THE COUNTY OF
CLARK; AND THE HONORABLE
JOSEPH HARDY, JR., DISTRICT
JUDGE,

Respondents,

and

FAR WEST INDUSTRIES,
Real Party in Interest.

No. 68434

FILED

AUG 31 2015

TRACIE K. LINDEMAN
CLERK OF SUPREME COURT
BY S. Young
DEPUTY CLERK

ORDER

This original petition for a writ of mandamus or prohibition challenges a district court order that, in part, directs funds in certain bank accounts to be applied to a domesticated foreign judgment. We previously entered a temporary stay, pending receipt and consideration of additional documents regarding the stay. Having reviewed the motion for stay, the opposition thereto, and the reply,¹ we conclude that a stay is warranted, pending our further consideration of this writ proceeding. NRAP 8(c); *Fritz Hansen A/ S v. Eighth Judicial Dist. Court*, 116 Nev. 650, 6 P.3d 982 (2000). Accordingly, we stay all proceedings in Eighth Judicial District Court Case No. A-12-670352-F, pending further order of this court.

¹We grant petitioners' motion to exceed the page limit for the reply in support of the stay motion and direct the clerk to file the reply received on August 24, 2015.

In its opposition to petitioners' stay motion, real party in interest requests that petitioners be required to post a "significant" bond as a condition of any stay. It does not appear that the district court has yet considered the proper amount of any supersedeas bond, NRAP 8(a)(1)(B), and we have routinely recognized that the district court is better suited for making supersedeas bond determinations. *See Nelson v. Heer*, 121 Nev. 832, 836, 122 P.2d 1252, 1254 (2005). Accordingly, we deny without prejudice real party in interest's request to require a bond and determine the amount of such a bond.

Additionally, real party in interest has filed a motion to prevent petitioners from "transferring, disposing of or encumbering any non-exempt property while this [matter] remains pending."² Having considered the motion and petitioners' opposition,³ we deny the motion. We note that a bond would be an appropriate method to protect real party in interest's ability to eventually execute on their judgment and, as explained above, the district court is the proper forum to seek a bond.

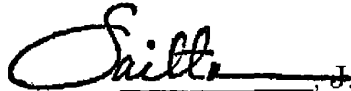
Finally, having considered the petition and reviewed the documents submitted with it, it appears that an answer to the petition will assist this court in resolving the matter. Therefore, real party in

²Real party in interest titled its motion as an "emergency" and requested relief within four days of its filing. However, real party in interest failed to identify a specific event or action that required relief in less than 14 days, other than its apparent desire to have the motion resolved as soon as possible. This does not constitute an emergency under our rules.


³We grant petitioners' motion to exceed the page limit for an opposition to a motion and direct the clerk to file the opposition received on August 25, 2015.

interest, on behalf of respondents, shall have 30 days from the date of this order within which to file an answer, including authorities, against issuance of the requested writ. Petitioner shall have 15 days from service of the answer to file and serve any reply.

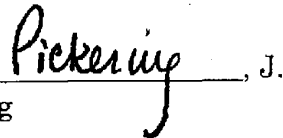
It is so ORDERED.

 J.

Saitta

 J.

Gibbons

 J.

Pickering

cc: Hon. Joseph Hardy, Jr., District Judge
Marquis Aurbach Coffing
Lemons, Grundy & Eisenberg
Holley, Driggs, Walch, Fine Wray Puzey & Thompson/Las Vegas
Eighth District Court Clerk

EXHIBIT 2

EXHIBIT 2

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE
APR 27 2012

MSJ
APR 30 2012
PM

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE, RIVERSIDE COURT

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

vs.

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

Defendants.

) Case No. RIC495966

) JUDGE: Hon. Jacqueline Jackson

) ~~[PROPOSED] JUDGMENT NUNC PRO TUNC~~

) Action Filed: March 24, 2008
) Trial Date: September 23, 2011

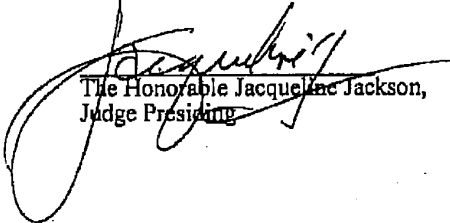
On February 23, 2012, the Honorable Jacqueline Jackson entered Finding of Fact and Conclusion of Law in the above-referenced matter. Based upon those Findings and Conclusion, Judgment is hereby entered in favor of Plaintiff Far West Industries, a California corporation and against the following Defendants, jointly and severally: (1) Michael J. Mona, Jr.; (2) Michael J. Mona, Jr., as Trustee of the Mona Family Trust dated February 21, 2002; (3) Rio Vista Nevada, LLC, a Nevada limited liability company; and (4) World Development, Inc., a California corporation in the amount of \$17,777,562.18. Recoverable court costs of \$25,562.56 and attorney's fees of \$327,548.84 are also awarded to Far West Industries, jointly and severally against all Defendants. The Clerk is hereby directed to enter those amounts on this Judgment following Far West Industries' post-Judgment petition for them. Finally, the Clerk is hereby

~~[PROPOSED] JUDGMENT NUNC PRO TUNC~~

GREEN & HALL
ATTORNEYS AT LAW
1000 CALIFORNIA AVENUE, SUITE 100
RIVERSIDE, CALIFORNIA 92507
(951) 514-1100

1 directed to release the \$32,846 that was interplead by Defendant Fidelity National Title Company
2 to Far West Industries upon entry of this Judgment.

3 Dated: 4/27/12


The Honorable Jacqueline Jackson,
Judge Presiding

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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

MAR 06 2012

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MAR 07 2012

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE

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9 FAR WEST INDUSTRIES, A CALIFORNIA) Case No. RJC495966
10 CORPORATION, PLAINTIFF V RIO VISTA NEVEDA,)
11 LLC., A NEVADA LIMITED LIABILITY; WORLD) JUDGE: Hon. Jacqueline Jackson
12 DEVELOPMENT, INC., A CALIFORNIA CORPORATION;) DEPT: J1
13 BRUCE MAIZE, AN INDIVIDUAL; MICHAEL J. MONA,) FINDINGS OF FACT AND
14 JR., AN INDIVIDUAL, AND DOES 1 THROUGH 100,) CONCLUSIONS OF LAW
15 INCLUSIVE, DEFENDANTS)
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Action Filed: March 24, 2008
Trial Date: September 23, 2011

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

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

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

4 **A. Mona Acquires the Project**

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

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B. Mona Distributes Construction Loan Proceeds for Purposes Other than Construction

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

C. RVVA is Also Created at the Same Time

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

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

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

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

10 **D. Mona Solicits World Development's Participation**

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

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

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

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

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

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

19 **E. The Project**

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

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

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

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

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

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

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

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

10 **H. January of 2006**

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

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

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

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

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

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

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

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

I. Far West Expresses Interest in the Project

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

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

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

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

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

7 57. If the infrastructure surrounding that island was not completed, Far West would have
no streets, water, electrical, cable, telephone, and the like to which it would connect.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 K. May of 2006

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

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

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

8 81. Also at this time, the Vestin loan was again coming due and Mona negotiated another
9 short (three month) extension.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 105. "Each of the representations and warranties set forth in this Section 3 and in Section
5 6.2 is material to and is being relied upon by Buyer and the continuing truth thereof shall
6 constitute a condition precedent to Buyer's obligations hereunder".

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

9 107. Maize and Mona knew that RVN was in default under RVVA Operations
10 Agreement, and that the Project was facing imminent failure.

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

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

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

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

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

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

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

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

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

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

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

9 119. This was two months before Far West closed the second escrow (August 31).

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

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

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

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

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

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

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

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

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

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

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

3 130. Those improvements were never constructed.

4 **N. Far West Suffers Damage**

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

7 132. Because the infrastructure was incomplete, no developers could move forward with
8 the Project's remaining lots.

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

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

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

14 136. With 10% pre-judgment interest through the first day of trial, the grand total is
15 \$16,886,132.16.

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

18 **O. Alter Ego**

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

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

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

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

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

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

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

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

7 **II. Conclusions of Law**

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

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

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

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

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

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

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

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

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

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

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

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

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

22 16. Mona and Shustek agreed and conspired to defraud any potential purchasers of the
23 Project (which ultimately included Far West) by structuring this entire transaction to
24 appear to be a legitimate loan being made to a legitimate company (RVN) and
25 guaranteed by another legitimate company (Emerald Suites).

17 17. The conspiratorial agreement between Mona and Shustek was for them to take
18 millions of dollars for Vestin in the form of fees, to pay certain individuals and entities
19 unrelated to the Project a total of \$702,000, and for Mona and the Mona Family Trust
20 to personally reap an initial \$1 million profit.

21 18. Mona and Shustek also agreed that Mona would use what was left of the Construction
22 Loan to move the Project along far enough to find some unsuspecting developer to
23 purchase all or part of it from RVN.

24 19. At some point after the formation of that conspiracy, but no later than the Fall of 2005,
25 Maize joined them as a co-conspirator.

1 20. In exchange for agreeing: (1) to continue moving the Project along and seeking
2 unsuspecting developers to purchase it; and (2) to stay silent about the monies already
3 paid from the Construction Loan to Mona and Vestin, World Development was paid
\$858,598.60, which money was separate from any project management costs to which
it was to be paid.

4 21. The many wrongful acts done furtherance of that conspiracy are more fully set forth in
5 the Findings of Fact.

6 22. The Liability of Mona, RVN, and World Development is therefore joint and several as
7 a result of their conspiratorial agreement.

8 **F. Maize Acted as Mona's Agent**

9 23. Maize was Mona's actual and ostensible agent when Mona directed him to submit to
10 Far West the fraudulent Guaranty.

11 **II. MONA IS THE ALTER EGO OF RVN, AND TO THE EXTENT NECESSARY,**
12 **OF THE MONA FAMILY TRUST**

13 27. California law governs any alter ego analysis.

14 28. The alter ego doctrine applies to Limited Liability Companies.

15 29. Under California law, the alter ego doctrine is a viable theory of recovery against a
Trustee for actions taken in his or her representative capacity to benefit the Trust.

16 30. Accordingly, this finding of alter ego liability applies to Mona both in his individual
17 capacity and in his capacity as the Trustee of the Mona Family Trust.

18 31. There is such a unity of interest and ownership that the separate personalities of
RVN, the Mona Family Trust, and Mona no longer individually exist.

19 32. The acts of RVN are treated as those of the entity alone, an inequitable result will
20 follow.

21 33. Mona, individually and in his capacity as Trustee of the Mona Family Trust, are the
22 alter egos of RVN and therefore liable for any and all damages awarded against RVN.

23 34. To the extent necessary, Mona is the alter ego of the Mona Family Trust, and as a
24 result, both he and the Mona Family Trust are both liable for any and all damages
25 awarded herein against RVN.

1 **III. FAR WEST IS ENTITLED TO THE INTERPLEAD FUNDS**

2 35. Defendant Fidelity National Title Company filed a Cross-Complaint in Interpleader,
3 thereby depositing \$32,846 with the Court pursuant to Section 386.1 of the California
4 Code of Civil Procedure.

5 36. Far West is entitled to those funds, and the Clerk is hereby directed to pay those funds
6 to Far West forthwith.

6 **IV. JUDGMENT TO BE ISSUED**

7 Judgment shall issue forthwith against Mona in his individual capacity and as Trustee of
8 the Mona Family Trust, RVN, and World Development in the amount of \$16,886,132.16 plus
9 daily additional damages of \$5,259.75 from September 23, 2011 until entry of Judgment, jointly
10 and severally; this amount totals \$17,841,651.92 as of March 5, 2012. Furthermore, that
11 judgment shall leave a blank for any award of any court costs and attorney's fees that will be the
12 subject of Far West's post-Judgment motions. Finally, the Clerk is directed to release the
13 \$32,846 interplead funds to Far West immediately.

14
15
16 Dated: March 5, 2012


17 Hon. Jacqueline C. Jackson,
18 Judge Presiding
19
20
21
22
23
24
25

EXHIBIT 3

EXHIBIT 3

PLEASE COMPLETE THIS INFORMATION.

RECORDING REQUESTED BY:
Michael D. Sifen

AND WHEN RECORDED MAIL TO:
Michael D. Sifen

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VA BEACH
VA 23454
UNITED STATES

JP
12-1P

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Deed of Trust

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(Additional recording fee applies)

Filed for Record at Request of:

Michael D. Sifen
c/o R. Edward Bourdon Jr., Attorney
281 Independence Blvd.
Pembroke One, Fifth Floor
Virginia Beach, Virginia 23462

DEED OF TRUST

THIS DEED OF TRUST, made this 17 day of July, 2015, between LUNDENE ENTERPRISES LLC, a Nevada limited liability company, GRANTOR, and First American Title Company, a corporation, TRUSTEE, whose address is 7676 Hazard Center Dr. Suite 1100, San Diego, CA 92108, and MICHAEL D. SIFEN, BENEFICIARY.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property situated in the County of San Diego, State of California, legally described as follows (hereafter the "Real Property"):

See Legal Description Attached as Exhibit "A" hereto and incorporated herein as if fully set forth.

APN: 535-114-04-11

TOGETHER with all right, title and interest of Grantor in all buildings and improvements now located or hereafter to be constructed thereon (collectively "Improvements");

TOGETHER with all right, title and interest of Grantor in the appurtenances, hereditaments, privileges, reversions, remainders, profits, easements, franchises and tenements thereof, including all timber, natural resources, minerals, oil, gas and other hydrocarbon substances thereon or therein, air rights, and any land lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Real Property and Improvements;

TOGETHER with all of Grantor's right, title and interest to all proceeds (including claims or demands thereto) from the conversion, voluntary or involuntary, of any of the Real Property and Improvements into cash or liquidated claims, including, without limitation proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments in lieu thereof made by any public body or decree by any court of competent jurisdiction for taking or for degradation of the value in any condemnation or eminent domain proceeding, and all causes of action and the proceeds thereof of all types for any damage or injury to the Real Property and Improvements or any part thereof, including, without limitation, causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact, and all proceeds from the sale of the Real Property and/or Improvements.

TOGETHER with all right, title and interest of Grantor in and to (i) all leases, rental agreements and other contracts and agreements relating to use and possession (collectively "Leases") of any of the Real Property or Improvements, and (ii) the rents, issues, profits and proceeds therefrom together with all guarantees thereof and all deposits (to the full extent permitted by law) and other security therefore (collectively "Rents"). The Real Property, Improvements, Leases, Rents and all other right, title and interest of Grantor described above are hereafter collectively referred to as the "Property".

1. **Obligations Secured.** Grantor makes this Deed of Trust for the purpose of securing:

a. Payment of all indebtedness and other obligations evidenced by a promissory note in the principal amount of \$1,000,000 dated February 28, 2014, made by Michael J. Mona III, manager and sole member of Grantor, as principal and/or guarantor and Beneficiary as party thereto.

b. Payment and performance of all obligations of Grantor under this Deed of Trust, including payment of all sums expended or advanced by Beneficiary (or any one of them) hereunder and under the above-mentioned promissory note, together with interest thereon, in the preservation, enforcement and realization of the rights of Beneficiary hereunder or under any of the other obligations secured hereby including, but not limited to, attorney's fees, court costs, other litigation expenses, and foreclosure expenses.

c. Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such obligation is evidenced by a writing which states that it is secured by this Deed of Trust.

d. All modifications, extensions and renewals (if any) of one or more of the obligations secured hereby, including without limitation (i) modifications of the required principal payment dates or interest payment dates, deferring or accelerating payment dates wholly or partly, and (ii) modifications, extensions or renewals at a different rate of interest, whether or not, in the case of a note or other contract, the modification, extension or renewal is evidenced by a new or additional promissory note or other contract.

The obligations secured by this Deed of Trust are herein collectively called the "Secured Obligations". All persons who may have or acquire an interest in the Property shall be deemed to have notice of, and shall be bound by, the terms of the Agreement, this Deed of Trust, and any other instruments or documents made or entered into in connection herewith (collectively "Documents") and each of the Secured Obligations.

2. Leases and Rents.

a. Neither the assignment of the Leases and Rents set forth in this Deed of Trust nor any provision of the Agreement shall impose upon Beneficiary any duty to produce Rents from the Property or cause Beneficiary to be (a) a "mortgagee in possession" for any purpose, (b) responsible for performing any of the obligations of the lessor under any Lease or (c) responsible or liable for any waste by any lessees or any other parties, for any dangerous or defective condition of the Property, for any negligence in the management, upkeep, repair or control of the Property or for any other act or omission by any other person.

b. Grantor covenants and agrees that Grantor shall not (i) amend, modify or change any term, covenant or condition of any Lease in existence on the date of this Deed of Trust without the prior written consent of Beneficiary or (ii) enter into any Lease of the Property, or any interest therein, or any portion thereof, from and after the date of this Deed of Trust without the prior written consent of Beneficiary. Grantor agrees that commencing with an Event of Default, as hereinafter defined, each tenant of the Property, or any portion thereof, shall make such Rents payable to and pay such Rents to Beneficiary, or Beneficiary's agent, upon Beneficiary's written demand to each tenant therefor, without any liability on the part of such tenant to inquire further as to the existence of a Default by Grantor, provided, however, in the event of Grantor's cure of any such Default as herein provided, Grantor shall again be entitled to recover and collect such Rents as provided above prior to the event of Default.

c. Grantor shall (i) fulfill or perform each and every condition and covenant of each Lease to be fulfilled or performed by the lessor thereunder, (ii) give prompt notice to Beneficiary of any notice of default by the lessor or the lessee thereunder received by Grantor together with a complete copy of any such notice, and (iii) enforce, short of termination thereof, the performance or observance of each and every covenant and condition thereof by the lessee thereunder to be performed or observed.

d. Grantor shall furnish to Beneficiary, within thirty (30) days after a request by Beneficiary, a written statement containing the names of all lessees of the Property, the terms of their respective Leases, the spaces occupied and the rentals payable and received thereunder and a copy of each Lease.

3. Further Covenants of Grantor. To protect the security of this Deed of Trust, Grantor further covenants and agrees:

a. To keep the property in good condition and repair; to permit no waste thereof, to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

b. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust except as otherwise expressly authorized in writing by the Beneficiary.

c.. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first the Beneficiary and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

d. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by the Beneficiary to foreclose the Deed of Trust.

e. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

f. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

4. Additional Agreements of Parties. It is mutually agreed that:

a. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligations secured hereby, shall be paid to Beneficiary to be applied to said obligation.

b. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive their rights to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

c. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligations secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

d. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of the Beneficiary, Trustee shall sell the trust property, in accordance with the laws of the State of California, at public auction to the highest bidder. Any person except the Trustee may bid at the Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (a) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (b) to the obligations secured by this Deed of Trust; (c) the surplus, if any, shall be distributed to the persons entitled thereto.

e. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor has or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrances for value.

f. The power of sale conferred by this Deed of Trust and by the law of the State of California is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

g. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

h. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holders and owners of the note secured hereby, whether or not named as a Beneficiary herein.

"GRANTOR"

By:

Michael J. Mona

Michael J. Mona III, Manager and Sole Member
Lundenc Enterprises, LLC

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

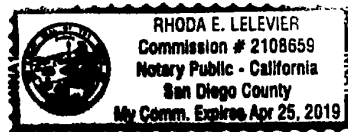
On this 17th day of July, 2015, before me, the undersigned, a Notary Public in and for the State of California, duly commissioned and sworn, personally appeared Michael J. Mona III, to me known to be the Manager and duly authorized agent of Grantor and who acknowledged that he executed the foregoing instrument on behalf of Grantor for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.

Rhoda E. Lelevier

Notary Public in and for the State of California

Page 4 of 4



Initials: MM

Please see attached California Acknowledgment

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of San Diego, County of San Diego, State of California, described as follows:

A CONDOMINIUM ("CONDOMINIUM") LOCATED ON THE REAL PROPERTY DESCRIBED AS LOT 1 OF SUBDIVISION MAP NO. 14325, FILED IN THE OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA ON DECEMBER 28, 2001 ("PROPERTY"), COMPRISED OF:

PARCEL 1:

A SEPARATE INTEREST IN UNIT NO. 701, AS DESIGNATED ON THE CONDOMINIUM PLAN FOR PARKLOFT CONDOMINIUMS RECORDED ON MARCH 8, 2002 AS INSTRUMENT NO. 02-198684 AND AS AMENDED AUGUST 21, 2002 AS INSTRUMENT NO. 02-708932 BOTH IN THE OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA ("CONDOMINIUM PLAN").

PARCEL 2:

AN UNDIVIDED 1/120TH INTEREST IN THE UNDIVIDED INTEREST COMMON AREA AS DESCRIBED IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARKLOFT CONDOMINIUM OWNERS ASSOCIATION RECORDED ON MARCH 8, 2002 AS INSTRUMENT NO. 02-198685, IN THE OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA ("DECLARATION") AND ON THE CONDOMINIUM PLAN, WHICH WILL NOT BE OWNED BY THE PARKLOFT CONDOMINIUM OWNERS ASSOCIATION ("ASSOCIATION").

PARCEL 3:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS, USE, ENJOYMENT AND SUPPORT OVER THE COMMON AREA, AS DESCRIBED IN THE DECLARATION AND ON THE CONDOMINIUM PLAN, WHICH WILL BE OWNED BY THE ASSOCIATION.

EXCEPTING THEREFROM

A. ALL NUMBERED CONDOMINIUM UNITS DESCRIBED IN THE DECLARATION AND ON THE CONDOMINIUM PLAN OTHER THAN THE UNIT CONVEYED AS PARCEL 1 ABOVE.

B. THOSE PORTIONS OF THE EXCLUSIVE USE COMMON AREA, AS DESCRIBED IN THE DECLARATION AND ON THE CONDOMINIUM PLAN, WHICH ARE SET ASIDE AND ALLOCATED FOR THE EXCLUSIVE USE OF OWNERS OF CONDOMINIUMS (AS DEFINED IN THE DECLARATION) OTHER THAN THE CONDOMINIUM CONVEYED HEREIN.

PARCEL 4:

THE EXCLUSIVE RIGHT TO USE THE FOLLOWING ELEMENTS OF THE COMMON AREA (DESIGNATED AS EXCLUSIVE USE COMMON AREA), AS SHOWN ON THE CONDOMINIUM PLAN, WHICH WILL BE OWNED THE ASSOCIATION.

APN: 535-114-04-11

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Diego)

On July 17, 2015 before me, M. Ruffier, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Michael J. Mona III
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Deed of Trust: AM 535-114-0411 Document Date: July 17, 2015

Number of Pages: 6 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

EXHIBIT 4

EXHIBIT 4

22
22
1011

DOC# 2015-0410793



RECORDING REQUESTED BY

Terry A. Coffing, Esq.
Marquis Aurbach Coffing, P.C.
10001 Park Run Drive
Las Vegas, NV 89145

Aug 04, 2015 08:29 AM

OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: \$51.00
PCOR: N/A
PAGES: 7

AND WHEN RECORDED MAIL DOCUMENT TO:

Terry A. Coffing, Esq.
Marquis Aurbach Coffing, P.C.
10001 Park Run Drive
Las Vegas, NV 89145

Space Above This Line for Recorder's Use Only

A.P.N.: 535-114-0411

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
(LONG FORM)**

THIS DEED OF TRUST, made this July 28, 2015, between

TRUSTOR: **Lundene Enterprises LLC, a Nevada limited liability company**

whose address is **877 Island Avenue, Unit 701, San Diego, CA 92101**

TRUSTEE: **First American Title Insurance Company**

and BENEFICIARY: **Rhonda Mona**

whose address is **59 Promontory Ridge Drive, Las Vegas, NV 89135**

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of San Diego, County of San Diego, State of California, described as:

A CONDOMINIUM ("CONDOMINIUM") LOCATED ON THE REAL PROPERTY DESCRIBED AS LOT 1 OF SUBDIVISION MAP NO. 14325, FILED IN THE OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA ON DECEMBER 28, 2001 ("PROPERTY"), COMPRISED OF:

PARCEL 1:

A SEPARATE INTEREST IN UNIT NO. 701, AS DESIGNATED ON THE CONDOMINIUM PLAN FOR PARKLOFT CONDOMINIUMS RECORDED ON MARCH 8, 2002 AS INSTRUMENT NO. 02-198684 AND AS AMENDED AUGUST 21, 2002 AS INSTRUMENT NO. 02-708932 BOTH IN THE OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA ("CONDOMINIUM PLAN").

PARCEL 2:

AN UNDIVIDED 1/120TH INTEREST IN THE UNDIVIDED INTEREST COMMON AREA AS DESCRIBED IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARKLOFT CONDOMINIUM OWNERS ASSOCIATION RECORDED ON MARCH 8, 2002 AS INSTRUMENT NO. 02-198685, IN THE OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA ("DECLARATION") AND ON THE CONDOMINIUM PLAN, WHICH WILL NOT BE OWNED BY THE PARKLOFT CONDOMINIUM OWNERS ASSOCIATION ("ASSOCIATION").

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(Continued on Page 2)

PARCEL 3:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS, USE, ENJOYMENT AND SUPPORT OVER THE COMMON AREA, AS DESCRIBED IN THE DECLARATION AND ON THE CONDOMINIUM PLAN, WHICH WILL BE OWNED BY THE ASSOCIATION.

EXCEPTING THEREFROM

ALL NUMBERED CONDOMINIUM UNITS DESCRIBED IN THE DECLARATION AND ON THE CONDOMINIUM PLAN OTHER THAN THE UNIT CONVEYED AS PARCEL 1 ABOVE.

THOSE PORTIONS OF THE EXCLUSIVE USE COMMON AREA, AS DESCRIBED IN THE DECLARATION AND ON THE CONDOMINIUM PLAN, WHICH ARE SET ASIDE AND ALLOCATED FOR THE EXCLUSIVE USE OF OWNERS OF CONDOMINIUMS (AS DEFINED IN THE DECLARATION) OTHER THAN THE CONDOMINIUM CONVEYED HEREIN.

PARCEL 4:

THE EXCLUSIVE RIGHT TO USE THE FOLLOWING ELEMENTS OF THE COMMON AREA (DESIGNATED AS EXCLUSIVE USE COMMON AREA), AS SHOWN ON THE CONDOMINIUM PLAN, WHICH WILL BE OWNED THE ASSOCIATION.

together with rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of **\$787,760.88 U.S.**, with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

A. To protect the security of this Deed of Trust, Trustor agrees:

(Continued on Page 3)

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- 1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
- 2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.
- 4) To pay, at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all cost, fees and expenses of this Trust

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may; make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- 5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

- 1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.
- 3) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without

(Continued on Page 4)

affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easements thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

- 4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".
- 5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right; prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of said having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply to proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

- 7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named

(Continued on Page 5)

herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

- 8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.
- 9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.
- 10) Trustor requests that copies of the notice of default and notice of sale be sent to Trustor's address as shown above.

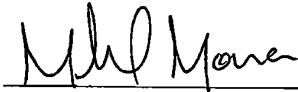
Beneficiary requests that copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Beneficiary's address, as set forth on page one of this Deed of Trust, as provided by Section 2924(b) of the California Civil Code.

Dated:

SIGNED:

Lundene Enterprises LLC,
a Nevada limited liability company

MICHAEL MONA III, Manager



(Continued on Page 6)

Page 5 of 8

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(Continued on Page 7)

Page 6 of 8

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California) ss
COUNTY OF San Diego)

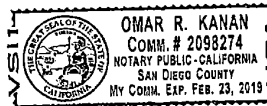
On 7/28/15, before me, Omar R. Kanan, Notary
Public, personally appeared Michael J. Mena III

, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

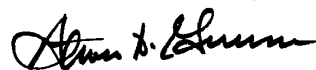


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(Continued on Page 8)

Page 7 of 8

MJM



CLERK OF THE COURT

Marquis Aurbach Coffing

Terry A. Coffing, Esq.

Nevada Bar No. 4949

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Attorneys for Defendant Michael J. Mona, Jr.

DISTRICT COURT

CLARK COUNTY, NEVADA

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

vs.

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

Defendants.

Case No.: A-12-670352-F

Dept. No.: XV

**OPPOSITION TO MOTION ON AN
ORDER SHORTENING TIME
FOR BOND PENDING APPEAL**

Hearing Date: September 17, 2015

Hearing Time: 9:00 a.m.

MARQUIS AURBACH COFFING

10001 Park Run Drive
Las Vegas, Nevada 89145
(702) 382-0711 FAX: (702) 382-5816

1 Defendant Michael J. Mona, Jr. ("Mike"), by and through the law firm of Marquis
2 Aurbach Coffing, hereby submits his opposition to Far West's motion on an order shortening
3 time for bond pending appeal. This opposition is made and based on the attached memorandum
4 of points and authorities, the pleadings and papers on file herein, and any oral argument allowed
5 by the Court at the hearing on this matter

6 Dated this 16th day of September, 2015.

7
8 MARQUIS AURBACH COFFING

9
10 By /s/ Micah S. Echols
11 Terry A. Coffing, Esq.
12 Nevada Bar No. 4949
13 Micah S. Echols, Esq.
14 Nevada Bar No. 8437
15 Tye S. Hanseen, Esq.
16 Nevada Bar No. 10365
17 10001 Park Run Drive
18 Las Vegas, Nevada 89145
19 *Attorneys for Defendant*
20 *Michael J. Mona, Jr.*

21 MEMORANDUM OF POINTS AND AUTHORITIES

22 I. INTRODUCTION

23 After this Court sanctioned Mike and his now ex-wife, Rhonda Mona ("Rhonda"), in July
24 2015, the Monas petitioned the Supreme Court for extraordinary relief from the sanctions order.
25 After reviewing the Monas' writ petition and the extensive stay briefing, the Supreme Court has
26 now exercised its discretion to order briefing on the Monas' writ petition.¹ Additionally, the
27 Supreme Court weighed the four NRAP 8(c) factors and ordered a stay of "all proceedings in
28 Eighth Judicial District Court Case No. A-12-670352-F, pending further order of this court."²
The stay of all District Court proceedings demonstrates that: (1) the object of the Monas' writ
petition would be defeated absent the Supreme Court's stay of all District Court proceedings;

¹ The Supreme Court's August 31, 2015 order is attached as **Exhibit A**.

² *Id.* at pg. 1.

1 (2) the Monas would suffer irreparable and serious injury absent the Supreme Court's stay of all
2 District Court proceedings; (3) Far West will not suffer irreparable or serious injury with the
3 Supreme Court's stay of all District Court proceedings; and (4) the Monas are likely to prevail on
4 the merits of their writ petition. *See* NRAP 8(c).

5 During the course of the Supreme Court stay briefing, Far West asked the Supreme Court
6 to require the Monas to post a 'significant' supersedeas bond.³ Far West also asked the Supreme
7 Court to prevent the Monas from 'transferring, disposing of or encumbering any non-exempt
8 property while this [matter] remains pending.'⁴ The Supreme Court denied both of Far West's
9 requests because the Supreme Court wanted this Court to first consider these requests subject to
10 review by the Supreme Court.⁵ This Court now has limited jurisdiction to determine "the proper
11 amount of *any* supersedeas bond"⁶

12 In its shortened time motion, Far West now asks this Court to order a supersedeas bond
13 of \$24,172,076.16 to be posted within only three days. Notably, Far West has abandoned its
14 request to prevent the Monas from 'transferring, disposing of or encumbering any non-exempt
15 property while this [matter] remains pending.'⁷ Specifically, Far West does not make any claim
16 to Rhonda's separate bank accounts. This Court previously considered this request and, like the
17 Supreme Court, denied the request because "[t]he Court understands, however, that people need
18 money to live."⁸ So, the threshold issue before the Court is whether a bond should be posted for
19 all District Court proceedings to remain stayed. But, Rhonda's separate bank accounts and
20 property remain stayed pending further order of the Supreme Court.

21
22
23 ³ *See* **Exhibit A**, pg. 2.

24 ⁴ *Id.*

25 ⁵ *Id.*

26 ⁶ *Id.* (emphasis added).

27 ⁷ *Id.*

28 ⁸ Excerpts from the July 9, 2015 hearing transcript are attached as **Exhibit B**. *See* **Exhibit B**, pg. 45.

1 The Court should not require a supersedeas bond to stay this case because Far West has
2 initiated at least three *other* cases in the Eighth Judicial District Court to pursue the Monas'
3 assets. Far West's other cases provide an avenue to avoid the Supreme Court's stay of all
4 execution proceedings. In light of these other proceedings, Far West's request for a bond in this
5 case for the full amount of the judgment is disingenuous because Far West still intends to
6 execute in these other matters. Thus, the Court should refuse to provide Far West with what
7 amounts to double security.

8 Far West's motion argues that the Monas are supposedly not entitled to alternate security.
9 However, Far West avoids the Supreme Court authority that allows the requirement of a
10 supersedeas bond to be waived altogether. *See Nelson v. Heer*, 121 Nev. 832, 836, 122 P.3d
11 1252, 1254 (2005). As an alternative, the Court should weigh the *Nelson* factors and conclude
12 that no supersedeas bond is required.

13 Finally, the Court should preserve the status quo pending the resolution of the Supreme
14 Court original proceeding. *See Nelson*, 121 Nev. at 835, 122 P.3d at 1254. At a minimum, the
15 Court should honor the Supreme Court's stay as it relates to Rhonda. Although Far West
16 previously asked for Rhonda's accounts to be turned, this Court denied that request, and the
17 Supreme Court also denied the same request. Therefore, this issue of Rhonda's separate property
18 is now the law of the case for stay purposes and should not be disturbed.

19 **II. LEGAL ARGUMENT**

20 **A. SINCE FAR WEST WILL NOT STAY EXECUTION IN ALL ITS**
21 **LAWSUITS, NO SUPERSEDEAS BOND SHOULD BE REQUIRED.**

22 Far West's motion requesting a bond from this Court is disingenuous because it fails to
23 disclose that Far West is pursuing the Monas in at least three *other* cases in the Eighth Judicial
24 District Court. The purpose of a supersedeas bond is to stay execution during the pendency of an
25 appellate proceeding. *See* NRCP 62. However, Far West proposes the requirement of a full
26 supersedeas bond in this case while continuing to pursue the Monas in the three other cases
27 based upon the *same foreign judgment*.
28

1 (1) In *Far West Industries v. Cannavest Corp.*, Case No. A695786, Department 21
2 (filed on February 7, 2014), Mike is a named defendant.⁹ The requested relief against Mike is
3 for “the establishment of a constructive trust in favor of Far West in an amount sufficient to
4 satisfy its judgment against MONA.”¹⁰

5 (2) In *Far West Industries v. Mona*, Case No. A724490, Department 32 (filed on
6 September 11, 2015), both Mike and Rhonda are named defendants.¹¹ Far West seeks relief
7 against the Monas for “a declaration by the Court that the aforementioned transactions are
8 fraudulent transfers and that Plaintiff [Far West] may execute upon and apply those assets, based
9 upon the fraudulent transfers and/or the community property nature of the assets, towards the
10 satisfaction of the Judgment.”¹²

11 (3) In *Mona v. Mona*, Case No. D517425, Department B, the Monas completed their
12 divorce in July 2015. On September 4, 2015, Far West has now sought to intervene into the
13 closed divorce case to have the District Court adjudicate Far West’s intervenor complaint.¹³ The
14 entire purpose of the intervenor complaint is to enforce Far West’s *same foreign judgment*
15 against the Monas.

16 Since Far West does not intend to halt *all* of its litigation against the Monas, based upon
17 the same foreign judgment, Far West is not entitled to any supersedeas bond. “[T]he effect of a
18 supersedeas [bond] . . . is to suspend proceedings and preserve the status quo pending the
19 determination of the appeal.” *Jinkens v. Hampshire Gardens Dev. Corp.*, 8 F.R.D. 330, 332
20 (D.D.C. 1935). Since a supersedeas bond in the instant case would not serve to entirely halt the
21 execution proceedings of Far West’s judgment, the Court should order that no supersedeas bond

22
23 ⁹ A copy of Far West’s third amended complaint in Case No. A695786, filed on July 15, 2014, is attached
as **Exhibit C**.

24 ¹⁰ *Id.* at pg. 9.

25 ¹¹ A copy of Far West’s complaint in Case No. A724490, filed on September 11, 2015, is attached as
26 **Exhibit D**.

27 ¹² *Id.* at pg. 12.

28 ¹³ Far West’s motion to intervene and accompanying intervenor complaint is attached as **Exhibit E**.

1 is required. Tellingly, Far West filed its second and third lawsuits against the Monas in an
2 attempt to subvert the Supreme Court's August 31, 2015 stay order. This arrangement would
3 allow the Supreme Court to consider the Monas' pending writ petition without changing the
4 status quo, while allowing Far West to undertake its execution efforts in the other three cases.
5 Conceptually, no supersedeas bond should be ordered since Far West is continuing its execution
6 efforts on these other fronts, and a bond would result in double security. Therefore, without
7 interfering with the Supreme Court's stay of all District Court proceedings in the instant case, the
8 Court should order that no supersedeas bond is required.

9 **B. THE COURT SHOULD, ALTERNATIVELY, WEIGH THE *NELSON V.***
10 ***HEER* FACTORS AND CONCLUDE THAT NO SUPERSEDEAS BOND IS**
REQUIRED.

11 Far West recites the five *Nelson* factors in its motion but only offers them for the notion
12 that alternate security should not be permitted. However, the Supreme Court outlined the same
13 factors for the purpose of "determining when a full supersedeas bond may be waived"
14 *Nelson*, 121 Nev. at 836, 122 P.3d at 1254. Two relevant examples are mentioned in *Nelson*
15 when a full supersedeas bond is not required: First, when "the judgment debtor's financial
16 condition is such that the posting of a full bond would impose an undue financial burden."
17 *Poplar Grove, Etc. v. Bache Halsey Stuart, Inc.*, 600 F.2d 1189, 1191 (5th Cir. 1979). Second,
18 when "a full bond would impose an undue financial burden and the debtor's financial dealings
19 can be restrained to provide alternate security." *Id.* As the Court is aware, the Monas simply do
20 not have the requested \$24,172,076.16 to post a supersedeas bond, much less within three days.
21 Far West's request for such a supersedeas bond asks for an impossibility that simply cannot be
22 met. Therefore, the Court should consider the noted exceptions for the posting of a supersedeas
23 bond, as outlined in *Nelson*, and waive the supersedeas bond requirement.

24 **C. AT A MINIMUM, THIS COURT SHOULD LEAVE RHONDA'S**
25 **SEPARATE BANK ACCOUNT INTACT.**

26 Far West previously asked this Court to turn over Rhonda's separate bank accounts. This
27 Court refused the request because the Court understood that "people need money to live."¹⁴

28 ¹⁴ See Exhibit B.

1 When presented with Far West's identical argument, the Supreme Court similarly denied Far
2 West's request.¹⁵ Far West has now abandoned this argument by failing to raise it in the motion.
3 Thus, for purposes of a stay, the Supreme Court's order is now the law of the case, and the Court
4 should not disturb the stay on Rhonda's separate bank account. *See Bd. of Gallery of History,*
5 *Inc v. Datecs Corp.*, 116 Nev. 286, 289, 994, P.2d 1149, 1150 (2000).

6 **III. CONCLUSION**

7 The Court should deny Far West's motion for a bond pending appeal because the entire
8 purpose of a supersedeas bond is to maintain the status quo. Yet, Far West has intentionally
9 subverted the Supreme Court's stay order by continuing execution proceedings against the
10 Monas in three other lawsuits (two filed after the Supreme Court's stay order). The posting of a
11 supersedeas bond in this case would not have the effect of staying execution proceedings.
12 Therefore, the Court should simply deny Far West's request, while honoring the Supreme
13 Court's stay order, and allow Far West to pursue its other litigation.

14 Alternatively, the Court should formally waive the supersedeas bond requirements by
15 considering the factors outlined in *Nelson*. At a minimum, the Court should leave Rhonda's
16 separate bank accounts intact according to the Supreme Court's stay order.

17 Dated this 16th day of September, 2015.

18 MARQUIS AURBACH COFFING

19
20 By /s/ Micah S. Echols
21 Terry A. Coffing, Esq.
22 Nevada Bar No. 4949
23 Micah S. Echols, Esq.
24 Nevada Bar No. 8437
25 Tye S. Hanseen, Esq.
26 Nevada Bar No. 10365
27 10001 Park Run Drive
28 Las Vegas, Nevada 89145
Attorneys for Defendant
Michael J. Mona, Jr.

27 ¹⁵ See Exhibit A, pg. 2.

CERTIFICATE OF SERVICE

I hereby certify that the **OPPOSITION TO MOTION ON AN ORDER SHORTENING TIME FOR BOND PENDING APPEAL** was submitted electronically for filing and/or service with the Eighth Judicial District Court on the 16th day of September, 2015. Electronic service of the foregoing document shall be made in accordance with the E-Service List as follows:¹⁶

Holley Driggs Walch Fine Wray Puzey & Thompson

Contact	Email
Andrea M. Gandara	agandara@nevadafirm.com
Norma	nmoseley@nevadafirm.com
Tilla Nealon	tnealon@nevadafirm.com
Tom Edwards	tedwards@nevadafirm.com

Lee, Hernandez, Landrum & Garofalo

Contact	Email
Aurora M. Maskall, Esq.	amaskall@lee-lawfirm.com
Dara or Colleen	lee-lawfirm@live.com
David S. Lee	dlee@lee-lawfirm.com

/s/ Cally Hatfield
Cally Hatfield, an employee of
Marquis Aurbach Coffing

¹⁶ Pursuant to EDCR 8.05(a), each party who submits an E-Filed document through the E-Filing System consents to electronic service in accordance with NRCP 5(b)(2)(D).

EXHIBITS ATTACHED TO
DEFENDANT'S OPPOSITION TO MOTION ON AN ORDER SHORTENING TIME
FOR BOND PENDING APPEAL

Exhibit	Description
A.	Supreme Court's August 31, 2015 Order
B.	Excerpts From the July, 9, 2015 Hearing Transcript
C.	Far West's Third Amended Complaint in Case No. A695786
D.	Far West's Complaint in Case No. A724490
E.	Far West's Motion to Intervene and Intervenor Complaint

Exhibit A

IN THE SUPREME COURT OF THE STATE OF NEVADA

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

vs.

THE EIGHTH JUDICIAL DISTRICT
COURT OF THE STATE OF NEVADA,
IN AND FOR THE COUNTY OF
CLARK; AND THE HONORABLE
JOSEPH HARDY, JR., DISTRICT
JUDGE,

Respondents,

and

FAR WEST INDUSTRIES,
Real Party in Interest.

No. 68434

FILED

AUG 31 2015

TRACIE K. LINDEMAN
CLERK OF SUPREME COURT
BY S. Young
DEPUTY CLERK

ORDER

This original petition for a writ of mandamus or prohibition challenges a district court order that, in part, directs funds in certain bank accounts to be applied to a domesticated foreign judgment. We previously entered a temporary stay, pending receipt and consideration of additional documents regarding the stay. Having reviewed the motion for stay, the opposition thereto, and the reply,¹ we conclude that a stay is warranted, pending our further consideration of this writ proceeding. NRAP 8(c); *Fritz Hansen A/ S v. Eighth Judicial Dist. Court*, 116 Nev. 650, 6 P.3d 982 (2000). Accordingly, we stay all proceedings in Eighth Judicial District Court Case No. A-12-670352-F, pending further order of this court.

¹We grant petitioners' motion to exceed the page limit for the reply in support of the stay motion and direct the clerk to file the reply received on August 24, 2015.

In its opposition to petitioners' stay motion, real party in interest requests that petitioners be required to post a "significant" bond as a condition of any stay. It does not appear that the district court has yet considered the proper amount of any supersedeas bond, NRAP 8(a)(1)(B), and we have routinely recognized that the district court is better suited for making supersedeas bond determinations. *See Nelson v. Heer*, 121 Nev. 832, 836, 122 P.2d 1252, 1254 (2005). Accordingly, we deny without prejudice real party in interest's request to require a bond and determine the amount of such a bond.

Additionally, real party in interest has filed a motion to prevent petitioners from "transferring, disposing of or encumbering any non-exempt property while this [matter] remains pending."² Having considered the motion and petitioners' opposition,³ we deny the motion. We note that a bond would be an appropriate method to protect real party in interest's ability to eventually execute on their judgment and, as explained above, the district court is the proper forum to seek a bond.

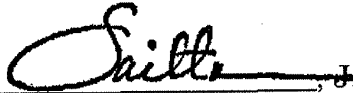
Finally, having considered the petition and reviewed the documents submitted with it, it appears that an answer to the petition will assist this court in resolving the matter. Therefore, real party in

²Real party in interest titled its motion as an "emergency" and requested relief within four days of its filing. However, real party in interest failed to identify a specific event or action that required relief in less than 14 days, other than its apparent desire to have the motion resolved as soon as possible. This does not constitute an emergency under our rules.


³We grant petitioners' motion to exceed the page limit for an opposition to a motion and direct the clerk to file the opposition received on August 25, 2015.

interest, on behalf of respondents, shall have 30 days from the date of this order within which to file an answer, including authorities, against issuance of the requested writ. Petitioner shall have 15 days from service of the answer to file and serve any reply.

It is so ORDERED.

 J.

Saitta

 J.

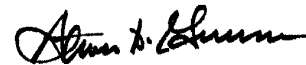
Gibbons

 J.

Pickering

cc: Hon. Joseph Hardy, Jr., District Judge
Marquis Aurbach Coffing
Lemons, Grundy & Eisenberg
Holley, Driggs, Walch, Fine Wray Puzey & Thompson/Las Vegas
Eighth District Court Clerk

Exhibit B



CLERK OF THE COURT

TRAN

DISTRICT COURT
CLARK COUNTY, NEVADA
* * * * *

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

BEFORE THE HONORABLE JOE HARDY, DISTRICT COURT JUDGE

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

THURSDAY, JULY 9, 2015

APPEARANCES:

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

FOR THE DEFENDANTS: TERRY A. COFFING, ESQ.

ALSO PRESENT:

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

COURT RECORDER: TRANSCRIPTION BY:

MATTHEW YARBROUGH	VERBATIM DIGITAL REPORTING, LLC
District Court	Englewood, CO 80110
	(303) 798-0890

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

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

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

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

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

18 THE COURT: No.

19 MR. EDWARDS: Okay. Thank you.

20 THE COURT: Thank you.

21 MR. COFFING: Thank you, Your Honor.

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

23 * * * * *

24

25

CERTIFICATION

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

AFFIRMATION

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

Verbatim Digital Reporting, LLC
Englewood, CO 80110
(303) 798-0890

Julie Lord 7-10-15
JULIE LORD TRANSCRIBER DATE

Exhibit C


CLERK OF THE COURT

1 ACOM
2 DAVID S. LEE, ESQ.
3 Nevada Bar No. 6033
4 JOHN R. HAWLEY, ESQ.
5 Nevada Bar No. 1545
6 LEE, HERNANDEZ, LANDRUM
7 & GAROFALO
8 7575 Vegas Drive, Suite 150
9 Las Vegas, Nevada 89128
10 (702) 880-9750
11 Fax; (702) 314-1210
12 dlee@lee-lawfirm.com
13 jhawley@leelawfirm.com

14 Attorneys for Plaintiff

15 DISTRICT COURT
16 CLARK COUNTY, NEVADA

17 FAR WEST INDUSTRIES, a California
18 corporation.

19 Plaintiff,

20 vs.

21 CANNAVEST CORP., a foreign corporation;
22 ROEN VENTURES, LLC a Nevada limited
23 liability company; MAI DUN, LLC, a
24 Nevada limited liability company; MERCIA
25 HOLDINGS, LLC, a Nevada limited liability
26 company; MICHAEL J. MONA, JR.,
27 individually, and as an officer and a director
28 of CANNAVEST CORP., a foreign
corporation, and a manager of ROEN
VENTURES, LLC a Nevada limited liability
company; BART MACKAY, individually,
and as a director of CANNAVEST CORP., a
foreign corporation, and as a manager and
member of ROEN VENTURES, LLC a
Nevada limited liability company; MAI
DUN, LLC, a Nevada limited liability
company; and MERCIA HOLDINGS, LLC, a
Nevada limited liability company; DOES I
through 25 inclusive, and ROE corporation 3
through 25, inclusive,

Defendants.

CASE NO.: A-14-695786-C
DEPT: XXI

THIRD AMENDED COMPLAINT

ARBITRATION EXPEMPTION:
DISPUTE IN EXCESS OF \$50,000.00

LEE, HERNANDEZ, LANDRUM & GAROFALO
7575 VEGAS DRIVE, SUITE 150
LAS VEGAS, NV 89128
(702) 880-9750

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THIRD AMENDED COMPLAINT

Plaintiff, FAR WEST INDUSTRIES (FAR WEST), by and through its attorneys, LEE, HERNANDEZ, LANDRUM & GAROFALO, alleges and complains against Defendants, CANNAVEST CORP., ROEN VENTURES, LLC, MICHAEL J. MONA JR., and BART MACKAY and certain DOES Defendants as follows:

PARTIES

1. Plaintiff Far West Industries (FAR WEST) is and at all times relevant hereto was a California corporation doing business in California.

2. Defendant Michael J. Mona Jr. (MONA) is and at all times relevant hereto was a resident of Clark County, Nevada, and is an officer and a director of CANNAVEST, and a manager of ROEN.

3. Defendant Bart Mackay (MACKAY) is and at all times relevant hereto was a resident of Clark County, Nevada, and is a shareholder and director of CANNAVEST, and a manager and member of ROEN.

4. Defendant CannaVest Corp. (CANNAVEST) is and at all times relevant hereto was a foreign corporation that is authorized to do business in Nevada and which does business in Clark County, Nevada.

5. Defendant Roen Ventures, LLC, (ROEN) is and at all times relevant hereto was a Nevada limited liability company doing business in Clark County, Nevada. ROEN was formed by MONA and a third party, Michael Llamas.

6. Defendant Mai Dun, LLC (MAI DUN) is and at all times relevant hereto was a Nevada limited liability company doing business in Clark County, Nevada.

7. Defendant Mercia Holdings, LLC (MERCIA) is and at all times relevant hereto was a Nevada limited liability company doing business in Clark County, Nevada

8. Upon information and belief, both MAI DUN and MERCIA are wholly owned by MACKAY, and is used as investment vehicles by MACKAY.

9. MAI DUN and MERCIA are hereby substituted in as a party defendant in the place
and stead of ROE corporations 1 & 2, respectively.

12 GENERAL ALLEGATIONS

15 12. On March 24, 2008, FAR WEST sued MONA and others for damages resulting from
16 fraud arising out of a land transaction in California. That case was styled "FAR WEST
17 INDUSTRIES, a California corporation, vs. RIO VISTA NEVADA, LLC, a Nevada limited
18 liability company; WORLD DEVELOPMENT, INC., a California corporation; BRUCE MAIZE,
19 an individual; MICHAEL J. MONA, JR., an individual"; and was filed in the Superior Court of
20 the State of California, county of Riverside, case number RIC495966 (the California Action).

14. On October 18, 2012, the judgment in the California Action was domesticated properly in Nevada, and enforcement proceedings commenced including, but not limited to an examination of MONA as judgment debtor, and garnishments of various accounts belonging to MONA.

15. In the judgment debtor exam, MONA testified, among other things, that in 2013, he received \$6 million from a brokerage account. MONA loaned an unspecified amount exceeding

1 \$2 million of that money to ROEN, which was then loaned by ROEN to CANNAVEST. (the
2 loans are collectively referred to herein as "the Transaction").

3 16. On or about July 25, 2013, MONA, on behalf of CANNAVEST, executed an
4 amendment to CANNAVEST'S loan agreement which provided, *inter alia*, that advances under
5 the ROEN-CANNAVEST note could be increased to \$6 million and that the note could be
6 converted, at ROEN'S option, to stock in CANNAVEST at a discounted price from the stock's
7 fair market value (the "Conversion Price") as determined by CANNAVEST'S Board of Directors.

8 17. Upon information and belief, at the time of the July 25, 2013, amendment to the loan
9 agreement, CANNAVEST stock was trading at between Twelve Dollars (\$12.00) and Thirteen
10 Dollars (\$13.00) per share.

11 18. On or about October 29, 2013, the Conversion Price of the CANNAVEST shares was
12 set at sixty cents (\$0.60) per share.

13 19. Upon information and belief, on the date that the Conversion Price was set (October
14 29, 2013), CANNAVEST stock was trading at between Twelve Dollars (\$12.00) and Thirteen
15 Dollars (\$13.00) per share.

16 20. Upon information and belief, the Conversion Price represented a discount of over
17 95% from the fair market value of CANNAVEST stock, as determined by its trading price on that
18 date.

19 21. Upon information and belief, on the date that the Conversion Price was set (October
20 29, 2013), CANNAVEST stock was trading at approximately \$12 per share, and 10 million shares
21 of that stock would have been worth approximately \$120 million (hereinafter the "Conversion
22 Value").

23 22. MONA has also testified that following the Transaction, MACKAY offered MONA
24 \$500,000 to purchase the note or notes that MONA made to ROEN, and to buy out MONA'S
25 interest in ROEN including MONA'S interest in the notes from ROEN to CANNAVEST, as
26 described above.

1 23. MONA testified that he agreed, and on or about November 25, 2013, (the Sale Date)
2 for the sum of \$500,000 MONA sold ROEN'S debt to him, along with MONA'S interest in
3 ROEN to MACKAY, making MACKAY and Michael Llamas the owners of ROEN.

4 24. Upon information and belief, the reasonable value of CANNAVEST stock on the Sale
5 Date was between Twelve Dollars (\$12.00) and Thirteen Dollars (\$13.00) per share.

6 25. On the Sale Date, both MONA, and MACKAY, individually and as the sole owner
7 of MAI DUN and MERCIA knew or should have known that the Conversion Value of the
8 CANNAVEST stock securing the note, based on its trading price, exceeded \$100 million.

9 26. Upon information and belief, by virtue of MONA'S position as a manager of ROEN
10 and an officer and director of CANNAVEST, MONA did retain, and continues to retain, at least
11 *de facto* control of all the monies that were loaned to ROEN and CANNAVEST pursuant to the
12 Transaction and/or the stock obtained by ROEN after the loan was converted.

13 27. The monies that were the subject of the Transaction constituted an asset as defined in
14 NRS 112.150(2).

15 28. At the time of the Transaction described above, ROEN and CANNAVEST, were
16 insiders of MONA, as that term is defined in NRS 112.150(7)(a)(4).

17 29. Upon information and belief, MONA remains a manager of ROEN, despite his
18 alleged lack of an ownership interest in ROEN.

19 30. MONA also testified that there is another \$22 million judgment pending against him
20 that arose out of a deficiency proceeding that followed a trustee's sale of certain real property.

21 31. Upon information and belief, MACKAY has represented to MONA, and others, that
22 he personally is a member of ROEN.

23 32. MONA testified that it was MACKAY who paid him the \$500,000 for his interest in
24 ROEN.

25 33. On or about January 22, 2014 (the "Conversion Date"), ROEN through its manager,
26 MACKAY, opted to convert CANNAVEST'S \$6 million debt to stock in CANNAVEST at the
27 Conversion Price. Thus MACKAY, through ROEN, MAI DUN and MERCIA received 10
28 million shares of CANNAVEST stock. (hereinafter "the Conversion").

1 34. On information and belief, on the Conversion Date, CANNAVEST stock was trading
2 between Sixty-Two Dollars (\$62.00) per share and Seventy Dollars (\$70.00) per share.

3 35. Upon information and belief, MACKAY, through ROEN, MAI DUN and MERCIA
4 received stock valued at approximately \$620 million on the Conversion Date, to settle
5 CANNAVEST'S \$6 million debt.

6 36. Upon information and belief, MACKAY, owns well in excess of 50% of the stock in
7 CANNAVEST, by virtue of his interest in ROEN, and his sole ownership of MAI DUN and
8 MERCIA.

9 **FIRST CAUSE OF ACTION**

10 37. FAR WEST repeats and realleges the allegations contained in Paragraphs 1 through
11 36, inclusive, as though fully set forth herein.

12 38. Upon information and belief, MONA, MACKAY, ROEN, MAI DUN, MERCIA, and
13 CANNAVEST have a history of engaging in financial transactions with each other.

14 39. In their dealings with MONA, as an officer and as a manager and director,
15 CANNAVEST and ROEN knew or should have known that MONA was insolvent, or in danger
16 of becoming insolvent.

17 40. Upon information and belief, MACKAY knew or should have known that MONA, an
18 officer and/or co-director in CANNAVEST and ROEN was insolvent or in danger of becoming
19 insolvent.

20 41. The Transactions described above was between and among insiders.

21 42. On the Sale Date, both MONA, and MACKAY, individually and as the sole owner of
22 MAI DUN and MERCIA, knew or should have known that the Conversion Value of the
23 CANNAVEST stock securing the note exceeded \$100 million.

24 43. MONA did not receive equivalent value for the monies that he allegedly loaned to
25 ROEN, and which was allegedly then loaned to CANNAVEST.

26 44. The \$500,000 that MONA received for his interest in ROEN shocks the conscience
27 when viewed in light of the Conversion Value of the Note on the Sale Date.

28 45. The series of transactions described above were intended to prejudice FAR WEST by

1 concealing and wasting assets that would have otherwise been available to satisfy the judgment
2 that FAR WEST has against MONA.

3 46. The sale of MONA'S interest in ROEN and the notes as described above is a
4 fraudulent transfer within the meaning of NRS112.140 *et seq.*

5 47. The loan conversion described above between MONA, ROEN, and CANNAVEST
6 must be set aside, and the funds therefrom must be held in a constructive trust for the benefit of
7 FAR WEST.

8 48. It has been necessary for FAR WEST to hire an attorney to prosecute this action, and
9 FAR WEST is therefore entitled to an award of attorney's fees.

10 SECOND CAUSE OF ACTION

11 49. FAR WEST repeats and realleges the allegations contained in Paragraphs 1 through
12 48, inclusive, as though fully set forth herein.

13 50. Upon information and belief, both MAI DUN and MERCIA are wholly owned
14 influenced, and governed by MACKAY, who is the only person authorized to act on behalf of
15 either of them in any capacity.

16 51. Upon information and belief, both MAI DUN and MERCIA are members of ROEN.

17 52. There exists a unity of interest between MACKAY and MAI DUN and MERCIA that
18 both entities are indistinguishable from MACKAY.

19 53. Upon information and belief, MACKAY has used MAI DUN and MERCIA to
20 conceal his interest in CANNAVEST, a company in which he controls over half of the stock
21 through MAI DUN and MERCIA.

22 54. Upon information and belief, MACKAY'S total interest in CANNAVEST is
23 valued at over \$ 1 billion.

24 55. Upon information and belief, a substantial portion of MACKAY'S interest in
25 CANNAVEST was obtained through the Transaction, described above.

26 56. Upon information and belief, and based on the series of transactions described above
27 MONA uses his position as a manager of ROEN and an officer and director of CANNAVEST to
28 disguise the fact that he uses the assets of ROEN and CANNAVEST as his own.

1 57. Upon information and belief, and based on the transaction described above
2 MACKAY uses his positions as: (a) the sole owner of ROEN members and CANNAVEST
3 shareholders MAI DUN and MERCIA; (b) manager of ROEN; and (c) director of
4 CANNAVEST to disguise the fact that he uses the assets of ROEN and CANNAVEST as his
5 own.

6 58. CANNAVEST and ROEN are influenced and governed by MACKAY to an undue
7 Extent, as evidenced by the structuring of the series of transactions described above, which
8 resulted in MCKAY, individually, and through his sole ownership of MAI DUN and MERCIA,
9 obtaining approximately \$620 million worth of CANNAVEST stock to satisfy a \$6 million loan.

10 59. Upon information and belief, there is such a unity of interest and ownership of
11 CANNAVEST and ROEN that they are inseparable from the interest and/or ownership of MONA
12 in those entities.

13 60. Upon information and belief, there is such a unity of interest and ownership of
14 CANNAVEST, ROEN, MAI DUN and are inseparable from the interest and/or ownership of
15 MACKAY in those entities.

16 61. Adherence to the corporate fictions of CANNAVEST, ROEN, MAI DUN, and
17 MERCIA being separate entities will sanction a massive fraud as described above, by shielding
18 assets from FAR WEST that would otherwise be subject to legitimate collection efforts.

19 62. FAR WEST is entitled to a finding that CANNAVEST, ROEN MAI DUN and
20 MERCIA are the alter egos of MONA and/or MACKAY.

21 63. It has been necessary for FAR WEST to hire an attorney to prosecute this action, and
22 FAR WEST is therefore entitled to an award of attorney's fees.

23 THIRD CAUSE OF ACTION

24 64. FAR WEST repeats and realleges the allegations contained in Paragraphs 1 through
25 63 inclusive, as though fully set forth herein.

26 65. The transactions set forth above were the result of a conspiracy between MONA and
27 MACKAY to use entities that they control to conceal assets that are otherwise subject to lawful
28 execution efforts.

66. The disparity in value between the Conversion Value of the CANNAVEST stock on the Sale Date, and the amount received by MONA shocks the conscience and is evidence of the false and fraudulent nature of that transaction, which was designed to prejudice third parties, like FAR WEST, from pursuing MONA.

67. FAR WEST is entitled to an award of punitive damages against the defendants, and each of them for the malicious, oppressive and fraudulent conduct set forth above.

68. It has been necessary for FAR WEST to hire an attorney to prosecute this action, and FAR WEST is therefore entitled to an award of attorney's fees.

69. FAR WEST repeats and realleges the allegations contained in Paragraphs 1 through 68 inclusive, as though fully set forth herein.

70. Upon information and belief, a confidential relationship existed between MONA and MACKAY at the time of the series of transactions set forth above.

71. That the disparity between the Sale Price and the Conversion Value set forth above resulted in unjust enrichment to ROEN, and to MACKAY, through his sole ownership and control of MAI DUN and MERCIA, at the expense of legitimate creditors such as FAR WEST.

72. Equity requires that a constructive trust in favor of FAR WEST must be established on the profits made by ROEN and MACKAY, through his sole ownership and control of MAI DUN and MERCIA, to the extent sufficient to satisfy the judgment that FAR WEST has against MONA.

73. It has been necessary for FAR WEST to hire an attorney to prosecute this action, and FAR WEST is therefore entitled to an award of attorney's fees.

WHEREFORE, FAR WEST INDUSTRIES prays for judgment as follows:

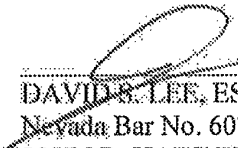
1. For compensatory damages in an amount exceeding \$10,000;
2. For disgorgement by defendants of the \$6 million that was allegedly loaned to defendants CANNAVEST AND ROEN;
3. For the establishment of a constructive trust in favor of Far West in an amount sufficient to satisfy its judgment against MONA;

LEE, HERNANDEZ, LANDRUM & GAROFALO
7575 VEGAS DRIVE, SUITE 150
LAS VEGAS, NV 89128
(702) 880-9750

4. For punitive damages in excess of \$10,000;
 5. For attorneys' fees and costs according to proof;
 6. For such other and further relief as the Court may deem appropriate.
- DATED this 18th day of July, 2014.

LEE, HERNANDEZ, LANDRUM
& GAROFALO

By:


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CERTIFICATE OF MAILING

Far West Industries vs. Cannavest Corp., Roen Ventures, LLC, Michael J. Mona, Jr. and

Bart Mackay

I HEREBY CERTIFY that on the 15th day of July, 2014, I hereby certify that I served a copy of the above and foregoing, Third Amended Complaint, via U.S. mail, in a sealed envelope, postage prepaid to the following counsel:

Terry A. Coffing, Esq.
MARQUIS & AURBACH
10001 Park Run Dr.
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Attorney for Judgment Debtor Michael J. Mona, Jr. and Michael J. Mona, Jr. as trustee of the Mona Family Trust Dated February 21, 2002

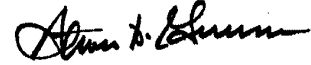
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An employee of LEE, HERNANDEZ, LANDRUM & GAROFALO

Exhibit D


CLERK OF THE COURT

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Attorneys for Plaintiff Far West Industries

DISTRICT COURT

CLARK COUNTY, NEVADA

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

v.

MICHAEL J. MONA, JR., an individual;
RHONDA HELENE MONA, an individual;
MICHAEL MONA III, an individual;
LUNDENE ENTERPRISES, LLC, a Nevada
limited liability corporation, DOES 1 through 10
and ROE CORPORATIONS 1 through 10,
inclusive,

Defendants.

Case No.: A-15-724490-C

Dept. No.: XXXII

COMPLAINT

ARBITRATION EXEMPTION CLAIMED:
Declaratory Relief Requested

FAR WEST INDUSTRIES (the "Plaintiff" or "Far West"), a California corporation, by
and through its attorneys, F. THOMAS EDWARDS, ESQ. and ANDREA M. GANDARA,
ESQ., of the law firm of HOLLEY DRIGGS WALCH FINE WRAY PUZEY & THOMPSON,
complain of Defendants as follows:

PARTIES

1. Plaintiff Far West Industries is, and at all times relevant herein was, a California
corporation.

...

1 2. Plaintiff is informed and believes and thereupon alleges that Defendant
2 MICHAEL J. MONA, JR. ("Mr. Mona"), is, and at all relevant times has been, an individual
3 residing in Clark County, Nevada, the husband of Defendant RHONDA HELENE MONA, and
4 the father of Defendant MICHAEL MONA III.

5 3. Plaintiff is informed and believes and thereupon alleges that Defendant RHONDA
6 HELENE MONA ("Mrs. Mona"), is, and at all relevant times has been, an individual residing
7 in Clark County, Nevada, the wife of Mr. Mona, and the mother of Defendant MICHAEL
8 MONA III.

9 4. Plaintiff is informed and believes and thereupon alleges that Defendant
10 MICHAEL MONA III ("Michael III"), is, and at all relevant times has been, an individual
11 residing in San Diego County, California, the son of Mr. Mona, the son of Mrs. Mona, and the
12 sole member and manager of Defendant LUNDENE ENTERPRISES, LLC.

13 5. Plaintiff is informed and believes and thereupon alleges that Defendant
14 LUNDENE ENTERPRISES, LLC ("Lundene"), is, and at all relevant times has been, a Nevada
15 limited liability company with its principal place of business in Clark County, Nevada, and
16 owned and managed by its sole member Michael III.

17 6. The true names and capacities, whether individual, corporate, associate, or
18 otherwise of Defendants herein designated as Does I through 10 and Roe Corporations 1
19 through 10, inclusive, are not known to Plaintiff at this time and are therefore named as
20 fictitious defendants. Plaintiff will seek to amend this Complaint to allege the true names and
21 capacities of Does I through 10 and Roe Corporations 1 through 10 when and as ascertained.

22 **GENERAL ALLEGATIONS APPLICABLE TO ALL CLAIMS FOR RELIEF**

23 7. Plaintiff repeats and realleges the preceding allegations and by this reference
24 incorporates the same as though fully set forth herein.

25 **FAR WEST'S JUDGMENT AGAINST MR. MONA AND THE MONA FAMILY TRUST**

26 8. On February 23, 2012, the Superior Court of the State of California, County of
27 Riverside, Riverside Court (the "California Court"), entered Findings of Fact and Conclusions
28

1 of Law in the case of Far West Industries v. Rio Vista Nevada, LLC, et. al., Case No.
2 RIC495966 (the "California Action").

3 9. Among other things, the Findings of Fact and Conclusions of Law states that Mr.
4 Mona, among others, intentionally misrepresented material facts and concealed other material
5 facts from Plaintiff on behalf of Rio Vista Nevada, LLC, with intent to defraud Plaintiff and that
6 Plaintiff justifiably relied on those misrepresentations and omissions, which caused Plaintiff
7 damages.

8 10. The Findings of Fact and Conclusions also stated that Mr. Mona was the alter ego
9 of the Mona Family Trust, dated February 21, 2002 (the "Mona Family Trust"), such that he
10 and the Mona Family Trust are both liable for any and all damages awarded against Rio Vista
11 Nevada, LLC.

12 11. On April 27, 2012, the California Court entered Judgment in the amount of
13 \$17,777,562.18, plus costs of \$25,562.56 and attorney fees of \$327,548.84, in favor of Plaintiff
14 and against the following parties, jointly and severally: Mr. Mona, Mr. Mona as Trustee of the
15 Mona Family Trust, Rio Vista Nevada, LLC, and World Development, Inc. (the "Judgment").

16 12. On October 18, 2012, Plaintiff domesticated the Judgment in Nevada by filing an
17 Application of Foreign Judgment with this Court, initiating the case entitled Far West Industries
18 v. Rio Vista Nevada, et. al., Case No. A-12-670352-F (the "Judgment Collection Action").

19 **MR. MONA FRAUDULENTLY TRANSFERS HIS INTERESTS IN ROEN VENTURES, LLC**

20 13. On November 25, 2013, Mr. Mona sat for an initial judgment debtor examination
21 in the Judgment Collection Action during which he admitted that just days prior he sold his 50%
22 interest in an entity called Roen Ventures, LLC ("Roen") and a \$2.6 million promissory note
23 owed to him by Roen Ventures, LLC (the "Roen Note") for \$500,000.

24 14. Mr. Mona's sale of his interest in Roen and the Roen Note is the subject of a
25 separate fraudulent transfer action entitled Far West Industries v. Cannavest Corp., et. al., Case
26 No. A-14-695786-F (the "Fraudulent Transfer Action").

27 ...

28 ...

1 **MR. MONA FRAUDULENTLY TRANSFERS MRS. MONA MORE THAN \$500,000**

2 15. Mr. Mona testified at a judgment debtor examination on June 30, 2015 that he
3 transferred the \$500,000 he received from selling his interest in Roen and the Roen Note to Mrs.
4 Mona.

5 16. Upon information and belief, Mr. Mona did not receive any consideration for the
6 \$500,000 transfer to Mrs. Mona.

7 **MR. MONA FRAUDULENTLY TRANSFERS MRS. MONA MORE THAN \$3.4 MILLION**

8 17. On May 13, 2015, Plaintiff obtained orders in the Judgment Collection Action
9 scheduling judgment examinations of Mr. Mona and Mrs. Mona. The orders required Mr. Mona
10 and Mrs. Mona to produce documentation prior to the examinations.

11 18. One of the documents Mr. Mona and Mrs. Mona produced was a Post-Marital
12 Property Settlement Agreement (the "Agreement"), executed on or about September 13, 2013.

13 19. In the Agreement, Mr. Mona and Mrs. Mona explain that they have sold their
14 community property shares of Medical Marijuana, Inc., for \$6,813,202.20.

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

17 21. Upon information and belief, Mr. Mona did not receive any consideration for the
18 \$3,406,601.10 transfer to Mrs. Mona.

19 22. Mr. Mona failed to produce the Agreement pursuant to prior orders scheduling his
20 judgment debtor examination and requiring production of documents.

21 23. Mr. Mona also failed to disclose the Agreement during his testimony at the prior
22 judgment debtor examination on November 25, 2013.

23 24. Mrs. Mona testified at a judgment debtor examination on June 26, 2015 that she
24 gave Michael III \$900,000 from money she received under the Agreement.

25 25. Upon information and belief, Mrs. Mona transferred the \$900,000 to Michael III
26 without any consideration.

27 ...

28 ...

1 26. Upon information and belief, on or about March 7, 2014, Michael III purchased
2 certain real property located at 877 Island Avenue #701, San Diego, California 92101,
3 APN:535-114-04-11 (the "San Diego Property") with the \$900,000 from Mrs. Mona.

4 27. Upon information and belief, on or about November 5, 2014, Michael III
5 transferred the San Diego Property to his company, Lundene, without any consideration.

6 **MR. MONA FRAUDULENTLY TRANSFERS MRS. MONA \$90,000 TO PURCHASE A JAGUAR**

7 28. Upon information and belief, on or about February 14, 2014, Mr. Mona and Mrs.
8 Mona, acting as co-trustees of the Mona Family Trust, sold stocks held in an investment
9 account with Employers Holdings, Inc. for approximately \$100,000.

10 29. Mr. Mona testified at a judgment debtor examination on June 30, 2015 that he and
11 Mrs. Mona received \$90,000 from the sale of stocks held in the Employers Holdings, Inc.
12 investment account and that he gave the money to Mrs. Mona to buy a car.

13 30. Upon information, Mr. Mona did not receive any consideration for the transfer of
14 the \$90,000 to Mrs. Mona.

15 31. Upon information and belief, Mrs. Mona used the \$90,000 to purchase herself a
16 white two-door convertible Jaguar (the "Jaguar") in 2014.

17 **MR. MONA FRAUDULENTLY TRANSFERS MICHAEL III A RANGE ROVER**

18 32. Mr. Mona testified at a judgment debtor examination on June 30, 2015 that he
19 purchased a Range Rover vehicle (the "Range Rover") either two or three years prior and that
20 he gave the Range Rover to his son (Michael III) a year prior.

21 33. Upon information and belief, Mr. Mona, either individually or through his
22 company, Mona Co. Development, LLC, purchased the Range Rover in 2012 or 2013.

23 34. Upon information and belief, Mr. Mona, either individually or through his
24 company, Mona Co. Development, LLC, transferred the Range Rover to Michael III in 2014.

25 35. Upon information, Mr. Mona did not receive any consideration for the transfer of
26 the Range Rover to Michael III.

27 ...

28 ...

1 **FIRST CAUSE OF ACTION**

2 **(Fraudulent Transfer of \$500,000 – Mr. Mona and Mrs. Mona)**

3 36. Plaintiff repeats and realleges the preceding allegations and by this reference
4 incorporates the same as though fully set forth herein.

5 37. Mr. Mona transferred \$500,000 to Mrs. Mona.

6 38. Upon information and belief, Mr. Mona made the transfer with the actual intent to
7 hinder, delay or defraud Far West.

8 39. Mrs. Mona is an insider to Mr. Mona.

9 40. Upon information, Mr. Mona retained possession or control of the property
10 transferred after the transfer.

11 41. Upon information and belief, Mr. Mona concealed the transfer.

12 42. Before the transfer was made, Mr. Mona had been sued or threatened with suit.

13 43. Upon information and belief, the transfer was of substantially all Mr. Mona's
14 assets.

15 44. Upon information and belief, Mr. Mona removed or concealed assets.

16 45. Upon information and belief, the value of the consideration received by Mr. Mona
17 was not reasonably equivalent to the value of the assets transferred.

18 46. Upon information and belief, Mr. Mona was insolvent or became insolvent
19 shortly after the transfer was made.

20 47. The transfer occurred shortly after a substantial debt was incurred.

21 48. Upon information and belief, Mr. Mona made the transfer without receiving a
22 reasonably equivalent value in exchange for the transfer or obligation.

23 49. Upon information and belief, at the time of the transfer, Mr. Mona intended to
24 incur, or believed or reasonably should have believed that he would incur, debts beyond his
25 ability to pay as they became due.

26 50. Upon information and belief, Mr. Mona made the transfer without receiving
27 reasonably equivalent value in exchange for the transfer and Mr. Mona was insolvent at the time
28 of the transfer or became insolvent as a result of the transfer.

51. As a direct and proximate result of the conduct by Mr. Mona and Mrs. Mona, Plaintiff has been damaged in a substantial sum, in excess of \$10,000.

52. Plaintiff has, by reason of the foregoing, been required to obtain the services of an attorney and is entitled to recover its reasonable attorney fees and costs from Mr. Mona and Mrs. Mona.

SECOND CAUSE OF ACTION

(Fraudulent Transfer of \$3,406,610.10 – All Defendants)

53. Plaintiff repeats and realleges the preceding allegations and by this reference incorporates the same as though fully set forth herein.

54. Upon information and belief, Mr. Mona transferred \$3,406,601.10 to Mrs. Mona.

55. Upon information and belief, Mr. Mona made the transfer with the actual intent to hinder, delay or defraud Far West.

56. Mrs. Mona is an insider to Mr. Mona.

57. Upon information Mr. Mona retained possession or control of the property transferred after the transfer.

58. Upon information and belief, Mr. Mona concealed the transfer.

59. Before the transfer was made, Mr. Mona had been sued or threatened with suit.

60. Upon information and belief, the transfer was of substantially all Mr. Mona's assets.

61. Upon information and belief, Mr. Mona removed or concealed assets.

62. Upon information and belief, the value of the consideration received by Mr. Mona was not reasonably equivalent to the value of the assets transferred.

63. Upon information and belief, Mr. Mona was insolvent or became insolvent shortly after the transfer was made.

64. The transfer occurred shortly after a substantial debt was incurred.

65. Upon information and belief, Mr. Mona made the transfer without receiving a reasonably equivalent value in exchange for the transfer or obligation.

...

1 66. Upon information and belief, at the time of the transfer, Mr. Mona was engaged
2 or was about to engage in a business or a transaction for which his remaining assets were
3 unreasonably small in relation to the business or transaction.

4 67. Upon information and belief, at the time of the transfer, Mr. Mona intended to
5 incur, or believed or reasonably should have believed that he would incur, debts beyond his
6 ability to pay as they became due.

7 68. Upon information and belief, Mr. Mona made the transfer without receiving
8 reasonably equivalent value in exchange for the transfer and Mr. Mona was insolvent at the time
9 of the transfer or became insolvent as a result of the transfer.

10 69. Upon information and belief, Mrs. Mona transferred \$900,000 of the
11 \$3,406,601.10 from Mr. Mona transferred to Michael III without consideration.

12 70. Michael III is an insider of Mr. Mona.

13 71. Upon information and belief, Michael III purchased the San Diego Property with
14 the \$900,000 Mrs. Mona transferred to him.

15 72. Upon information and belief, Michael III did not take the \$900,000 in good faith
16 for value.

17 73. Upon information and belief, Michael III transferred the San Diego Property to
18 Lundene.

19 74. Upon information and belief, Lundene did not take the San Diego Property in
20 good faith for value.

21 75. As a direct and proximate result of the conduct by Defendants, Plaintiff has been
22 damaged in a substantial sum, in excess of \$10,000.

23 76. Plaintiff has, by reason of the foregoing, been required to obtain the services of an
24 attorney and is entitled to recover its reasonable attorney fees and costs from Defendants.

25 **THIRD CAUSE OF ACTION**

26 **(Fraudulent Transfer of \$90,000 – Mr. Mona and Mrs. Mona)**

27 77. Plaintiff repeats and realleges the preceding allegations and by this reference
28 incorporates the same as though fully set forth herein.

- 1 78. Mr. Mona transferred \$90,000 to Mrs. Mona.
- 2 79. Mrs. Mona used the \$90,000 to purchase Mrs. Mona the Jaguar in 2014.
- 3 80. Upon information and belief, Mr. Mona and/or the Mona Family Trust made the
- 4 transfer with the actual intent to hinder, delay or defraud Far West.
- 5 81. Mrs. Mona is an insider to Mr. Mona and the Mona Family Trust.
- 6 82. Upon information and belief, Mr. Mona concealed the transfer.
- 7 83. Before the transfer was made, Mr. Mona had been sued or threatened with suit.
- 8 84. Upon information and belief, Mr. Mona removed or concealed assets.
- 9 85. Upon information and belief, the value of the consideration received by Mr. Mona
- 10 was not reasonably equivalent to the value of the assets transferred.
- 11 86. Upon information and belief, Mr. Mona was insolvent or became insolvent
- 12 shortly after the transfer was made.
- 13 87. The transfer occurred shortly after a substantial debt was incurred.
- 14 88. Upon information and belief, Mr. Mona made the transfer without receiving a
- 15 reasonably equivalent value in exchange for the transfer or obligation.
- 16 89. Upon information and belief, at the time of the transfer, Mr. Mona intended to
- 17 incur, or believed or reasonably should have believed that he would incur, debts beyond his
- 18 ability to pay as they became due.
- 19 90. Upon information and belief, Mr. Mona made the transfer without receiving
- 20 reasonably equivalent value in exchange for the transfer and Mr. Mona was insolvent at the time
- 21 of the transfer or became insolvent as a result of the transfer.
- 22 91. As a direct and proximate result of the conduct by Mr. Mona and Mrs. Mona,
- 23 Plaintiff has been damaged in a substantial sum, in excess of \$10,000.
- 24 92. Plaintiff has, by reason of the foregoing, been required to obtain the services of an
- 25 attorney and is entitled to recover its reasonable attorney fees and costs from Mr. Mona and
- 26 Mrs. Mona.
- 27 ...
- 28 ...

1 **FOURTH CAUSE OF ACTION**

2 **(Fraudulent Transfer of Range Rover – Mr. Mona and Michael III)**

3 93. Plaintiff repeats and realleges the preceding allegations and by this reference
4 incorporates the same as though fully set forth herein.

5 94. Mr. Mona, either individually or through his company, Mona Co. Development,
6 LLC, transferred a Range Rover to Michael III.

7 95. Upon information and belief, Mr. Mona made the transfer with the actual intent to
8 hinder, delay or defraud Far West.

9 96. Michael III is an insider to Mr. Mona.

10 97. Upon information and belief, Mr. Mona concealed the transfer.

11 98. Before the transfer was made, Mr. Mona had been sued or threatened with suit.

12 99. Upon information and belief, Mr. Mona removed or concealed assets.

13 100. Upon information and belief, the value of the consideration received by Mr. Mona
14 was not reasonably equivalent to the value of the assets transferred.

15 101. Upon information and belief, Mr. Mona was insolvent or became insolvent
16 shortly after the transfer was made.

17 102. The transfer occurred shortly after a substantial debt was incurred.

18 103. Upon information and belief, Mr. Mona made the transfer without receiving a
19 reasonably equivalent value in exchange for the transfer or obligation.

20 104. Upon information and belief, at the time of the transfer, Mr. Mona intended to
21 incur, or believed or reasonably should have believed that he would incur, debts beyond his
22 ability to pay as they became due.

23 105. Upon information and belief, Mr. Mona made the transfer without receiving
24 reasonably equivalent value in exchange for the transfer and Mr. Mona was insolvent at the time
25 of the transfer or became insolvent as a result of the transfer.

26 106. As a direct and proximate result of the conduct by Mr. Mona and Michael III,
27 Plaintiff has been damaged in a substantial sum, in excess of \$10,000.
28

1 107. Plaintiff has, by reason of the foregoing, been required to obtain the services of an
2 attorney and is entitled to recover its reasonable attorney fees and costs from Mr. Mona and
3 Michael III.

4 **FIFTH CAUSE OF ACTION**

5 **(Civil Conspiracy – All Defendants)**

6 108. Plaintiff repeats and realleges the preceding allegations and by this reference
7 incorporates the same as though fully set forth herein.

8 109. Upon information and belief, the Defendants conspired and agreed with each
9 other to commit the aforementioned transactions to hide, transfer, and/or accept the transferred
10 properties with the intent of hindering, delaying, and/or defrauding the Plaintiff in its collection
11 of the Judgment.

12 110. As a direct and proximate result of the conduct by Defendants, Plaintiff has been
13 damaged in a substantial sum, in excess of \$10,000.

14 111. Plaintiff has, by reason of the foregoing, been required to obtain the services of an
15 attorney and is entitled to recover its reasonable attorney fees and costs from Defendants.

16 **SIXTH CAUSE OF ACTION**

17 **(Declaratory Relief – All Defendants)**

18 112. Plaintiff repeats and realleges the preceding allegations and by this reference
19 incorporates the same as though fully set forth herein.

20 113. An actual, justiciable controversy exists between Plaintiff and Defendants
21 regarding the nature of the aforementioned transactions and assets, including whether Plaintiff
22 may execute upon and apply those assets towards the satisfaction of the Judgment.

23 114. Plaintiff contends that the aforementioned transactions are fraudulent transfers
24 and that Plaintiff may execute upon and apply those assets, based upon the fraudulent transfers
25 and/or the community property nature of the assets, towards the satisfaction of the Judgment.

26 115. Notwithstanding the above, upon information and belief, Defendants contend that
27 aforementioned transactions are not fraudulent transfers and that Plaintiff may not execute upon
28 and apply those assets towards the satisfaction of the Judgment.

116. Plaintiff is entitled to a declaratory judgment and determination that the aforementioned transactions are fraudulent transfers and that Plaintiff may execute upon and apply those assets, based upon the fraudulent transfers and/or the community property nature of the assets, towards the satisfaction of the Judgment.

117. A judicial determination is necessary and appropriate at this time and under the circumstances so that Plaintiff may ascertain its rights in connection the aforementioned transactions and fraudulent transfers.

Plaintiff has, by reason of the foregoing, been required to obtain the services of an attorney and is entitled to recover its reasonable attorney fees and costs from Defendants.

DEMAND

WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

1. For all damages allowed by law as to each of Plaintiff's Causes of Action;
2. For prejudgment and postjudgment interest, at the highest rate permitted by applicable law;
3. For a declaration by the Court that that the aforementioned transactions are fraudulent transfers and that Plaintiff may execute upon and apply those assets, based upon the fraudulent transfers and/or the community property nature of the assets, towards the satisfaction of the Judgment;
4. For an order avoiding the fraudulent transfers;
5. For an order of attachment and/or garnishment against the fraudulently transferred assets property and other property of the transferees;
6. For an injunction against further disposition by the Defendants of the fraudulently transferred assets and of other property;
7. For all costs and expenses, including reasonable attorney fees, incurred by Plaintiff in connection with the commencement and prosecution of this action; and

...

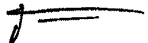
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8. For such other and further relief as the Court deems just and proper.
Dated this 11th day of September, 2015.

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


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Attorneys for Plaintiff Far West Industries

IN THE SUPREME COURT OF THE STATE OF NEVADA

MICHAEL J. MONA, JR., an individual,

Appellant,

vs.

FAR WEST INDUSTRIES, a California
corporation,

Respondent.

Case No.: 73815 Electronically Filed
Jan 09 2018 04:05 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

Appeal from the Eighth Judicial District
Court, The Honorable Joe Hardy
Presiding.

APPELLANT'S APPENDIX
(Volume 2, Bates Nos. 234-473)

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INDEX TO APPELLANT'S APPENDIX

DOCUMENT DESCRIPTION		LOCATION
Application of Foreign Judgment (filed 10/18/12)		Volume 1 Bates Nos. 1–7
Notice of Filing Application of Foreign Judgment & Affidavit (filed (10/23/12)		Volume 1 Bates Nos. 8–17
Far West Industries' Ex Parte Motion for Order Allowing Examination of Judgment Debtor (filed 01/17/13)		Volume 1 Bates Nos. 18–19
	Exhibit to Far West Industries' Ex Parte Motion for Order Allowing Examination of Judgment Debtor	
Exhibit	Document Description	
A	Affidavit of John R. Hawley, Esq. in Support of Ex Parte Motion for Examination of Judgment Debtor	Volume 1 Bates Nos. 20–22
Minute Order re: Recusal and Reassignment-no hearing held (filed 01/24/13)		Volume 1 Bates Nos. 23
Order for Appearance of Judgment Debtors (filed 01/30/13)		Volume 1 Bates Nos. 24–25
	Exhibit to Order for Appearance of Judgment Debtors	
Exhibit	Document Description	
A	List of Documents and Things to be Produced at Debtor's Examination	Volume 1 Bates Nos. 26–31
Amended Order for Appearance of Judgment Debtors (filed 02/06/13)		Volume 1 Bates Nos. 32–33
Notice of Examination of Judgment Debtor on an Order Shortening Time (filed 02/13/13)		Volume 1 Bates Nos. 34–38
	Exhibits to Notice of Examination of Judgment Debtor on an Order Shortening Time	
Exhibit	Document Description	
A	Application of Foreign Judgment (filed 10/18/12)	Volume 1 Bates Nos. 39–44
B	Order for Appearance of Judgment Debtors (filed 01/30/13)	Volume 1 Bates Nos. 45–53

DOCUMENT DESCRIPTION		LOCATION
	Exhibits to Notice of Examination of Judgment Debtor on an Order Shortening Time (cont.)	
C	Amended Order for Appearance of Judgment Debtors (filed 02/06/13)	Volume 1 Bates Nos. 54–56
	Second Amended Order for Appearance of Judgment Debtors (filed 02/20/13)	Volume 1 Bates Nos. 57–58
	Amended Order for Examination of Judgment Debtor (filed 04/29/13)	Volume 1 Bates Nos. 59–61
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C	Emails re dates for examination of judgment debtors	Volume 1 Bates Nos. 91–94
D	Emails re dates for examination of judgment debtors	Volume 1 Bates Nos. 95–96
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F	Affidavit of John Hawley, Esq. in Support of Order Shortening Time	Volume 1 Bates Nos. 101–103
G	Letter from Tye Hanseen re: no longer representing Mr. Mona	Volume 1 Bates Nos. 104–105
H	Transcript re nonappearance of Michael J. Mona for examination of judgment debtor.	Volume 1 Bates Nos. 106–109
	Special Appearance and Objection to Further Proceedings on Order to Show Cause Predicated Upon Lack of Personal Jurisdiction (filed 05/30/13)	Volume 1 Bates Nos. 110–116
	Supplemental Points and Authorities Regarding a Lack of Personal Jurisdiction (filed 06/18/13)	Volume 1 Bates Nos. 117–125

DOCUMENT DESCRIPTION		LOCATION
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Order to Show Cause (filed 07/10/13)		Volume 1 Bates Nos. 130–132
Stipulation and Order (filed 07/26/13)		Volume 1 Bates Nos. 133–136
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	Order Regarding Motion for Protective Order on Order Shortening Time (filed 06/17/15)	Volume 1 Bates Nos. 180–182
	Notice of Entry of Order Regarding Motion for Protective Order on Order Shortening Time (filed 06/17/15)	Volume 1 Bates Nos. 183–187
	Ex Parte Application for Order to Show Cause why Accounts of Rhonda Mona Should not be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (filed 06/29/15)	Volume 1 Bates Nos. 188–204
	Exhibits to Ex Parte Application for Order to Show Cause why Accounts of Rhonda Mona Should not be Subject to Execution and Why the Court Should Not Find the Monas in Contempt	
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3	Rough Draft Transcript of Deposition of Rhonda H. Mona	Volume 1 Bates Nos. 224–233
4	Judgment and Findings of Fact and Conclusions of Law	Volume 2 Bates Nos. 234–254
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Response to Order to Show Cause Why Accounts of Rhonda Mona should not be Subject to Execution and Why the Court Should Not Find the Monas in Contempt (filed 07/07/15)		Volume 2 Bates Nos. 264–278
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4	Deed of Trust with Assignment of Rents	Volume 2 Bates Nos. 423–430
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3	Writ of Execution	Volume 3 Bates Nos. 571–575
4	Instructions to the Sheriff/Constable-Clark County	Volume 3 Bates Nos. 576–589
5	Writ of Garnishment	Volume 3 Bates Nos. 590–598
6	Email Chain between Tom Edward and Tye Hanseen	Volume 3 Bates Nos. 599–602
7	Decree of Divorce (filed 07/23/2015)	Volume 3 Bates Nos. 603–609
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1	Judgment (filed 04/27/12 in the Superior Court of the State of California, Riverside)	Volume 3 Bates Nos. 623–626
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5	Instructions to the Sheriff/Constable-Clark County	Volume 3 Bates Nos. 642–656

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1	Order Regarding Order to Show Cause Why Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not Find Monas in Contempt (filed 07/15/15) (cont. in Vol. 4)	Volume 3 Bates Nos. 680–691
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8	Management Agreement	Volume 5 Bates Nos. 1180–1184
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11	Supplemental Appendix to Real Party In Interest's Answering Brief	Volume 6 Bates Nos. 1312–1424 Volume 7 Bates Nos. 1425–1664 Volume 8 Bates Nos. 1665–1890 Volume 9 Bates Nos. 1891–2127 Volume 10 Bates Nos. 2128–2312
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Mona's Reply in Support of Countermotion to Discharge Garnishment and for Return of Proceeds (filed 03/23/16)		Volume 14 Bates Nos. 3139–3154
Errata to Non-Party Rhonda Mona's Opposition to Plaintiff Far West Industries' Motion to Reduce Sanctions Order to Judgment (filed 03/29/16)		Volume 14 Bates Nos. 3155–3156
Non-Party Rhonda Mona's Supplemental Briefing Following Recent Oral Argument Concerning Plaintiff Far West Industries' Motion to Reduce Sanctions Order to Judgment (filed 04/22/16)		Volume 14 Bates Nos. 3157–3172
	Exhibits to Non-Party Rhonda Mona's Supplemental Briefing Following Recent Oral Argument Concerning Plaintiff Far West Industries' Motion to Reduce Sanctions Order to Judgment	
Exhibit	Document Description	
A	Defendant's Opposition to Countermotion for Summary Judgment (filed 01/19/16)	Volume 14 Bates Nos. 3173–3193
B	Defendants Rhonda Helen Mona, Michael Mona II, and Lundene Enterprises, LLC's Reply to Plaintiff's Opposition to Motion to Dismiss (filed 01/26/16)	Volume 14 Bates Nos. 3194–3210
C	Transcript of Proceedings: Plaintiff Far West Industries' Opposition to Defendants' Motion to Dismiss and Countermotion for Summary Judgment (filed 04/06/26)	Volume 14 Bates Nos. 3211–3279
D	Decree of Divorce (filed 07/23/15)	Volume 14 Bates Nos. 3280–3286

Plaintiff Far West Industries' Supplemental Brief Regarding Motion to Reduce Sanctions Order to Judgment (filed 04/22/16)		Volume 14 Bates Nos. 3287–3298
	Exhibits to Plaintiff Far West Industries' Supplemental Brief Regarding Motion to Reduce Sanctions Order to Judgment	
Exhibit	Document Description	
12	Writ of Garnishment-Bank of George	Volume 14 Bates Nos. 3299–3305
13	Writ of Garnishment-Bank of Nevada	Volume 14 Bates Nos. 3306–3313
14	Mona's Redacted Bank Records	Volume 14 Bates Nos. 3314–3327
Supplemental Brief Regarding Judicial Estoppel and Reducing the Sanction Order to Judgment (filed 04/23/16)		Volume 15 Bates Nos. 3328–3346
Order Regarding Plaintiff Far West Industries' Motion: (1) For Default Judgment Against Roen Ventures, LLC for Untimely Answers to Writ of Garnishment Interrogatories; and (2) to compel Roen Ventures, LLC's Turnover of Payments Made to, on Behalf of, or for the Benefit of Michael J. Mona, Jr. (filed 04/28/16)		Volume 15 Bates Nos. 3347–3350
Order Regarding Plaintiff Far West Industries' Motion for Determination of Priority of Garnishment and Defendant Michael J. Mona's Countermotion to Discharge Garnishment and for Return of Proceeds (filed 06/21/16)		Volume 15 Bates Nos. 3351–3356
Notice of Entry of Order Regarding Plaintiff Far West Industries' Motion for Determination of Priority of Garnishment and Defendant Michael J. Mona's Countermotion to Discharge Garnishment and for Return of Proceeds (filed 06/21/16)		Volume 15 Bates Nos. 3357–3365
Notice of Entry of Order Shortening Time and Notice of Hearing (filed 07/07/16)		Volume 15 Bates Nos. 3366–3372
Joint Case Appeal Statement (filed 07/14/16)		Volume 15 Bates Nos. 3373–3378

Joint Notice of Appeal (filed 07/15/16)		Volume 15 Bates Nos. 3379–3397
Claim of Exemption (filed 07/15/16)		Volume 15 Bates Nos. 3398–3400
Plaintiff's Far West Industries' Objection to Claim of Exception from Execution on an Order Shortening Time (filed 07/21/16)		Volume 15 Bates Nos. 3401–3411
	Exhibits to Plaintiff's Far West Industries' Objection to Claim of Exception from Execution on an Order Shortening Time	
Exhibit	Document Description	
1	Writ of Garnishment-Michael Mona	Volume 15 Bates Nos. 3412–3416
2	Writ of Execution	Volume 15 Bates Nos. 3417–3421
Memorandum of Points and Authorities in Support of Claim of Exemption and Discharge (filed 07/29/16)		Volume 15 Bates Nos. 3422–3452
	Exhibits to Memorandum of Points and Authorities in Support of Claim of Exemption and Discharge	
Exhibit	Document Description	
A	Legislative History related to 120 day expiration period	Volume 15 Bates Nos. 3453–3501
B	Notice of Entry of Decree of Divorce	Volume 15 Bates Nos. 3502–3510
C	Plaintiff's Opposition to Far West's Motion to Intervene for a Finding and Order that the Post-Marital Agreement is Void Based on the Principles of Res Judicata and Issue Preclusion, and that the Plaintiff and Defendant are Jointly Liable for the Judgment Held by Intervenor and Plaintiff's Countermotion for Far West to Pay Plaintiff's Attorneys Fees and Costs Incurred Pursuant to NRS 12.130(1)(d)	Volume 15 Bates Nos. 3511–3524

	Exhibits to Memorandum of Points and Authorities in Support of Claim of Exemption and Discharge (cont.)	
D	Defendant Michael Mona's Joinder to Plaintiff's Opposition to Far West's Motion to Intervene for a Finding and Order that the Post-Marital Agreement is Void Based on the Principles of Res Judicata and Issue Preclusion, and that the Plaintiff and Defendant are Jointly Liable for the Judgment Held by Intervenor and Plaintiff's Countermotion for Far West to Pay Plaintiff's Attorneys Fees and Costs Incurred Pursuant to NRS 12.130(1)(d) (filed 09/29/15)	Volume 15 Bates Nos. 3525–3528
E	Notice of Entry of Order (filed 12/01/15)	Volume 15 Bates Nos. 3529–3533
F	Writ of Garnishment-Michael Mona	Volume 15 Bates Nos. 3534–3535
G	Constable's return of Notice of Execution after Judgment and Writ of Execution to Michael Mona	Volume 15 Bates Nos. 3536–3545
H	Writ of Garnishment- Michael Mona	Volume 15 Bates Nos. 3546–3556
I	Claim of Exemption (filed 07/15/16)	Volume 15 Bates Nos. 3557–3560
J	Mona's Opposition to Far West's Motion for Determination of Priority of Garnishment and Countermotion to Discharge Garnishment and for Return of Proceeds (filed 03/04/16)	Volume 16 Bates Nos. 3561–3598
K	Mona's Reply in Support of Countermotion to Discharge Garnishment and for Return of Proceeds (filed 03/23/16)	Volume 16 Bates Nos. 3599–3614
L	NRS 21.112	Volume 16 Bates Nos. 3615–3616
M	Affidavit of Claiming Exempt Property form	Volume 16 Bates Nos. 3617–3618
Order Sustaining Plaintiff Far West Industries' Objection to Claim of Exemption from Execution (filed 08/09/16)		Volume 16 Bates Nos. 3619–3621
Memorandum of Points and authorizes in Support of Claim of Exemption and Motion to Discharge Garnishment (filed 11/10/16)		Volume 16 Bates Nos. 3622–3659

Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion for Discharge of Garnishment (filed 11/10/16)		Volume 16 Bates Nos. 3660–3662
	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion for Discharge of Garnishment	
Exhibit	Document Description	
A	Nevada Assembly Bill 247, Chapter 338, Page 699 (1989)	Volume 16 Bates Nos. 3663–3711
B	Decree of Divorce dated July 23, 2015	Volume 16 Bates Nos. 3712–3718
C	Rhonda’s Opposition to Motion to Intervene dated September 28, 2015	Volume 16 Bates Nos. 3719–3731
D	Mona’s September 29, 2015 Joinder to Rhonda’s Opposition	Volume 16 Bates Nos. 3732–3735
E	November 25, 2015 Order Denying Intervention and awarding fees and costs	Volume 16 Bates Nos. 3736–3738
F	Writ of Garnishment expiring April 29, 2016	Volume 16 Bates Nos. 3739–3740
G	Writ of Garnishment served July 1, 2016	Volume 16 Bates Nos. 3741–3748
H	July 5, 2016 correspondence from Constable with Notice and Writ of Execution	Volume 16 Bates Nos. 3749–3758
I	Writ of Execution and Writ of Garnishment served October 31, 2016	Volume 16 Bates Nos. 3759–3769
J	Claim of Exemption forms from Clark County and the Self-Help Center	Volume 16 Bates Nos. 3770–3777
K	NRS 21.075	Volume 16 Bates Nos. 3778–3780
L	NRS 20.076	Volume 16 Bates Nos. 3781–3782
M	NRS 21.090	Volume 16 Bates Nos. 3783–3785
N	NRS 21.112	Volume 16 Bates Nos. 3786–3787
O	NRS 31.200	Volume 16 Bates Nos. 3788–3789
P	NRS 31.249	Volume 16 Bates Nos. 3790–3791

	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion for Discharge of Garnishment (cont.)	
Q	NRS 31.260	Volume 16 Bates Nos. 3792–3793
R	NRS 31.270	Volume 16 Bates Nos. 3794–3795
S	NRS 31.295	Volume 16 Bates Nos. 3796–3797
T	NRS 31.296	Volume 16 Bates Nos. 3798–3799
U	EDCR 2.20	Volume 16 Bates Nos. 3800–3801
Claim of Exemption from Execution (filed 11/10/16)		Volume 17 Bates Nos. 3802–3985
Far West Industries’ Objection to Claim of Exemption from Execution on an Order shortening Time and Motion for Attorney Fees and Costs Pursuant to NRS 18.010(2)(b) (filed 11/21/16)		Volume 17 Bates Nos. 3986–4002
	Exhibits to Far West Industries’ Objection to Claim of Exemption from Execution on an Order shortening Time and Motion for Attorney Fees and Costs Pursuant to NRS 18.010(2)(b)	
Exhibit	Document Description	
1	Findings of Fact and Conclusions of Law (filed 03/06/12 Superior Court of California, County of Riverside)	Volume 17 Bates Nos. 4003–4019
2	Order Regarding Plaintiff Far West Industries’ Motion for Determination of Priority of Garnishment and Defendant Michael J. Mona’s Countermotion to Discharge Garnishment and for Return of Proceeds (filed 06/21/16)	Volume 17 Bates Nos. 4020–4026
3	Writ of Execution	Volume 17 Bates Nos. 4027–4035
4	Documents from the Office of the Ex–Officio Constable	Volume 17 Bates Nos. 4036–4039
Affidavit of Service upon CV Sciences, Inc. FKA Cannavest Corp. (filed 11/23/16)		Volume 17 Bates Nos. 4040–4041

Order Continuing Hearing re Far West's Objection to Claim of Exemption from Execution on an Order Shortening Time (filed 12/06/16)		Volume 17 Bates Nos. 4042–4043
Notice of Entry of Order Continuing Hearing on Objection to Claim of Exemption (filed 12/07/16)		Volume 18 Bates Nos. 4044–4048
Opposition to Plaintiff's Motion for Attorney Fees and Costs Pursuant to NRS 18.010(2)(b) (filed 12/08/16)		Volume 18 Bates Nos. 4049–4054
Declaration of Rosanna Wesp (filed 12/15/16)		Volume 18 Bates Nos. 4055–4056
Order Regarding Mona's Claim of Exemption, Motion to Discharge, Memorandum of Points and Authorities, and Far West's Objection to Claim or Exemption Regarding October 2016 Garnishment (filed 01/09/17)		Volume 18 Bates Nos. 4057–4058
Notice of Entry of Order (filed 01/10/17)		Volume 18 Bates Nos. 4059–4063
Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr. (filed 01/20/17)		Volume 18 Bates Nos. 4064–4066
	Exhibits to Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr.	
Exhibit	Document Description	
1	Subpoena Duces Tecum to Michael D. Sifen	Volume 18 Bates Nos. 4067–4076
Michael J. Mona's Opposition to Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr. (filed 02/06/17)		Volume 18 Bates Nos. 4077–4089
	Exhibits to Michael J. Mona's Opposition to Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr.	
Exhibit	Document Description	
1	Decree of Divorce (filed 07/23/15)	Volume 18 Bates Nos. 4090–4096
Reply to Opposition to Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr. (filed 02/14/17)		Volume 18 Bates Nos. 4097–4107
	Exhibits to Reply to Opposition to Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr.	
Exhibit	Document Description	
A	Decree of Divorce (filed 07/23/15)	Volume 18 Bates Nos. 4108–4114

	Exhibits to Reply to Opposition to Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr. (cont.)	
B	Nevada Secretary of State Entity Details for CV Sciences, Inc.	Volume 18 Bates Nos. 4115–4118
C	Executive Employment Agreement	Volume 18 Bates Nos. 4119–4136
	Exhibits to Reply to Opposition to Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr. (cont.)	
D	Judgment Debtor Examination of Michael Mona	Volume 18 Bates Nos. 4137–4148
E	Residential Lease/Rental Agreement	Volume 18 Bates Nos. 4149–4152
F	Management Agreement	Volume 18 Bates Nos. 4153–4157
Claim of Exemption from Execution (filed 03/24/17)		Volume 18 Bates Nos. 4158–4164
Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (filed 03/24/17)		Volume 18 Bates Nos. 4165–4167
	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment	
Exhibit	Document Description	
A	Nevada Assembly Bill 247, Chapter 338, Page 699 (1989)	Volume 18 Bates Nos. 4168–4216
B	Decree of Divorce dated July 23, 2015	Volume 18 Bates Nos. 4217–4223
C	Rhonda’s Opposition to Motion to Intervene dated September 28, 2015	Volume 18 Bates Nos. 4224–4236
D	Mona’s September 29, 2015 Joinder to Rhonda’s Opposition	Volume 18 Bates Nos. 4237–4240
E	November 25, 2015 Order Denying Intervention and awarding fees and costs	Volume 18 Bates Nos. 4241–4243
F	Writ of Garnishment expiring April 29, 2016	Volume 18 Bates Nos. 4244–4245

	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (cont.)	
G	Writ of Garnishment served July 1, 2016	Volume 18 Bates Nos. 4246–4253
H	July 5, 2016 correspondence from Constable with Notice and Writ of Execution	Volume 18 Bates Nos. 4254–4263
I	Writ of Execution and Writ of Garnishment served October 31, 2016	Volume 18 Bates Nos. 4264–4274
J	Claim of Exemption forms from Clark County and the Self-Help Center	Volume 18 Bates Nos. 4275–4282
K	NRS 21.075	Volume 19 Bates Nos. 4283–4285
L	NRS 20.076	Volume 19 Bates Nos. 4286–4287
M	NRS 21.090	Volume 19 Bates Nos. 4288–4290
N	NRS 21.112	Volume 19 Bates Nos. 4291–4292
O	NRS 31.200	Volume 19 Bates Nos. 4293–4294
P	NRS 31.249	Volume 19 Bates Nos. 4295–4296
Q	NRS 31.260	Volume 19 Bates Nos. 4297–4298
R	NRS 31.270	Volume 19 Bates Nos. 4299–4300
S	NRS 31.295	Volume 19 Bates Nos. 4301–4302
T	NRS 31.296	Volume 19 Bates Nos. 4303–4304
U	EDCR 2.20	Volume 19 Bates Nos. 4305–4306
V	Check to Mike Mona, Writ of Execution, and Writ of Garnishment	Volume 19 Bates Nos. 4307–4323

Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (filed 03/30/17)		Volume 19 Bates Nos. 4324–4359
Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (filed 03/30/17)		Volume 19 Bates Nos. 4360–4362
	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment	
Exhibit	Document Description	
A	Nevada Assembly Bill 247, Chapter 338, Page 699 (1989)	Volume 19 Bates Nos. 4363–4411
B	Decree of Divorce dated July 23, 2015	Volume 19 Bates Nos. 4412–4418
C	Rhonda’s Opposition to Motion to Intervene dated September 28, 2015	Volume 19 Bates Nos. 4419–4431
D	Mona’s September 29, 2015 Joinder to Rhonda’s Opposition	Volume 19 Bates Nos. 4432–4435
E	November 25, 2015 Order Denying Intervention and awarding fees and costs	Volume 19 Bates Nos. 4436–4438
F	Writ of Garnishment expiring April 29, 2016	Volume 19 Bates Nos. 4439–4440
G	Writ of Garnishment served July 1, 2016	Volume 19 Bates Nos. 4441–4448
H	July 5, 2016 correspondence from Constable with Notice and Writ of Execution	Volume 19 Bates Nos. 4449–4458
I	Writ of Execution and Writ of Garnishment served October 31, 2016	Volume 19 Bates Nos. 4459–4469
J	Claim of Exemption forms from Clark County and the Self-Help Center	Volume 19 Bates Nos. 4470–4477
K	NRS 21.075	Volume 19 Bates Nos. 4478–4480
L	NRS 20.076	Volume 19 Bates Nos. 4481–4482
M	NRS 21.090	Volume 19 Bates Nos. 4483–4485
N	NRS 21.112	Volume 19 Bates Nos. 4486–4487

	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (cont.)	
O	NRS 31.200	Volume 19 Bates Nos. 4488–4489
P	NRS 31.249	Volume 19 Bates Nos. 4490–4491
Q	NRS 31.260	Volume 19 Bates Nos. 4492–4493
R	NRS 31.270	Volume 19 Bates Nos. 4494–4495
S	NRS 31.295	Volume 19 Bates Nos. 4496–4497
T	NRS 31.296	Volume 19 Bates Nos. 4498–4499
U	EDCR 2.20	Volume 19 Bates Nos. 4500–4501
V	Check to Mike Mona, Writ of Execution, and Writ of Garnishment	Volume 19 Bates Nos. 4502–4518
W	Check to CV Sciences, Writ of Execution, and Writ of Garnishment	Volume 20 Bates Nos. 4519–4535
X	Affidavit of Service regarding March 15, 2017 service of Writ of Execution, and Writ of Garnishment from Laughlin Township Constable’s Office	Volume 20 Bates Nos. 4536–4537
Claim of Exemption from Execution (filed 03/30/17)		Volume 20 Bates Nos. 4538–4544
Order Regarding Far West’s Application for Issuance of Order for Arrest of Defendant Michael J. Mona, Jr. (filed 03/31/17)		Volume 20 Bates Nos. 4545–4546
Notice of Entry of Order (filed 04/03/17)		Volume 20 Bates Nos. 4547–4550
Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (filed 04/20/17)		Volume 20 Bates Nos. 4551–4585
Claim of Exemption from Execution (filed 04/20/17)		Volume 20 Bates Nos. 4586–4592

Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (filed 04/20/17)		Volume 20 Bates Nos. 4593–4595
	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment	
Exhibit	Document Description	
A	Nevada Assembly Bill 247, Chapter 338, Page 699 (1989)	Volume 20 Bates Nos. 4596–4644
B	Decree of Divorce dated July 23, 2015	Volume 20 Bates Nos. 4645–4651
C	Rhonda’s Opposition to Motion to Intervene dated September 28, 2015	Volume 20 Bates Nos. 4652–4664
D	Mona’s September 29, 2015 Joinder to Rhonda’s Opposition	Volume 20 Bates Nos. 4665–4668
E	November 25, 2015 Order Denying Intervention and awarding fees and costs	Volume 20 Bates Nos. 4669–4671
F	Writ of Garnishment expiring April 29, 2016	Volume 20 Bates Nos. 4672–4673
G	Writ of Garnishment served July 1, 2016	Volume 20 Bates Nos. 4674–4681
H	July 5, 2016 correspondence from Constable with Notice and Writ of Execution	Volume 20 Bates Nos. 4682–4691
I	Writ of Execution and Writ of Garnishment served October 31, 2016	Volume 20 Bates Nos. 4692–4702
J	Claim of Exemption forms from Clark County and the Self-Help Center	Volume 20 Bates Nos. 4703–4710
K	NRS 21.075	Volume 20 Bates Nos. 4711–4713
L	NRS 20.076	Volume 20 Bates Nos. 4714–4715
M	NRS 21.090	Volume 20 Bates Nos. 4716–4718
N	NRS 21.112	Volume 20 Bates Nos. 4719–4720
O	NRS 31.200	Volume 20 Bates Nos. 4721–4722
P	NRS 31.249	Volume 20 Bates Nos. 4723–4724

	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (cont.)	
Q	NRS 31.260	Volume 20 Bates Nos. 4725–4726
R	NRS 31.270	Volume 20 Bates Nos. 4727–4728
S	NRS 31.295	Volume 20 Bates Nos. 4729–4730
T	NRS 31.296	Volume 20 Bates Nos. 4731–4732
U	EDCR 2.20	Volume 20 Bates Nos. 4733–4734
V	Check to Mike Mona, Writ of Execution, and Writ of Garnishment	Volume 20 Bates Nos. 4735–4751
W	Check to CV Sciences, Writ of Execution, and Writ of Garnishment	Volume 20 Bates Nos. 4752–4768
X	Affidavit of Service regarding March 15, 2017 service of Writ of Execution, and Writ of Garnishment from Laughlin Township Constable’s Office	Volume 21 Bates Nos. 4769–4770
Y	Affidavit of Service regarding April 3, 2017 service of Writ of Execution, and Writ of Garnishment from Laughlin Township Constable’s Office	Volume 21 Bates Nos. 4771–4788
Stipulation and Order Regarding Amended Nunc Pro Tunc Order Regarding Plaintiff Far West Industries’ Motion to Reduce Sanctions Order to Judgment (filed 04/24/17)		Volume 21 Bates Nos. 4789–4791
Notice of Entry Stipulation and Order Regarding amended Nunc Pro Tunc Order regarding Plaintiff Far West Industries’ Motion to Reduce Sanctions Order to Judgment (filed 04/25/17)		Volume 21 Bates Nos. 4792–4797
Plaintiff Far West Industries Objection to Claim of Exemption from Execution on an Order Shortening Time and Motion for Attorney Fees and Costs Pursuant to NRS 18.010(2)(b) (filed 05/02/17)		Volume 21 Bates Nos. 4798–4817

	Exhibits to Plaintiff Far West Industries Objection to Claim of Exemption from Execution on an Order Shortening Time and Motion for Attorney Fees and Costs Pursuant to NRS 18.010(2)(b)	
Exhibit	Document Description	
1	Findings of Fact and Conclusions of law (filed 03/06/12 Superior Court of California Riverside)	Volume 21 Bates Nos. 4818–4834
2	Order Regarding Plaintiff Far West Industries’ Motion for Determination of Priority of Garnishment and Defendant Michael J. Mona’s Countermotion to Discharge Garnishment and for Return of Proceeds (filed 06/21/16)	Volume 21 Bates Nos. 4835–4841
3	Nevada Secretary of State Entity Details for CV Sciences, Inc.	Volume 21 Bates Nos. 4842–4845
4	Answers to Interrogatories	Volume 21 Bates Nos. 4846–4850
Stipulation and Order Regarding Writ of Garnishment Served 04/03/17 and Claim of Exemption , and Vacating Related Hearing without Prejudice (filed 05/15/17)		Volume 21 Bates Nos. 4851–4854
Notice of Entry of Stipulation and Order Regarding Writ of Garnishment Served 04/03/17 and Claim of Exemption , and Vacating Related Hearing without Prejudice (filed 05/16/17)		Volume 21 Bates Nos. 4855–4861
Claim of Exemption from Execution (filed 05/23/17)		Volume 21 Bates Nos. 4862–4868
Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (filed 05/23/17)		Volume 21 Bates Nos. 4869–4871
	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment	
Exhibit	Document Description	
A	Nevada Assembly Bill 247, Chapter 338, Page 699 (1989)	Volume 21 Bates Nos. 4872–4920
B	Decree of Divorce dated July 23, 2015	Volume 21 Bates Nos. 4921–4927
C	Rhonda’s Opposition to Motion to Intervene dated September 28, 2015	Volume 21 Bates Nos. 4928–4940

	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (cont.)	
D	Mona's September 29, 2015 Joinder to Rhonda's Opposition	Volume 21 Bates Nos. 4941–4944
E	November 25, 2015 Order Denying Intervention and awarding fees and costs	Volume 21 Bates Nos. 4945–4947
F	Writ of Garnishment expiring April 29, 2016	Volume 21 Bates Nos. 4948–4949
G	Writ of Garnishment served July 1, 2016	Volume 21 Bates Nos. 4950–4957
H	July 5, 2016 correspondence from Constable with Notice and Writ of Execution	Volume 21 Bates Nos. 4958–4967
I	Writ of Execution and Writ of Garnishment served October 31, 2016	Volume 21 Bates Nos. 4968–4978
J	Claim of Exemption forms from Clark County and the Self-Help Center	Volume 21 Bates Nos. 4979–4986
K	NRS 21.075	Volume 21 Bates Nos. 4987–4989
L	NRS 20.076	Volume 21 Bates Nos. 4990–4991
M	NRS 21.090	Volume 21 Bates Nos. 4992–4994
N	NRS 21.112	Volume 21 Bates Nos. 4995–4996
O	NRS 31.200	Volume 21 Bates Nos. 4997–4998
P	NRS 31.249	Volume 21 Bates Nos. 4999–5000
Q	NRS 31.260	Volume 21 Bates Nos. 5001–5002
R	NRS 31.270	Volume 21 Bates Nos. 5003–5004
S	NRS 31.295	Volume 21 Bates Nos. 5005–5006
T	NRS 31.296	Volume 21 Bates Nos. 5007–5008

	Exhibits to Appendix of Exhibits Attached to Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (cont.)	
U	EDCR 2.20	Volume 21 Bates Nos. 5009–5010
V	Check to Mike Mona, Writ of Execution, and Writ of Garnishment	Volume 22 Bates Nos. 5011–5027
W	Check to CV Sciences, Writ of Execution, and Writ of Garnishment	Volume 22 Bates Nos. 5028–5044
X	Affidavit of Service regarding March 15, 2017 service of Writ of Execution, and Writ of Garnishment from Laughlin Township Constable’s Office	Volume 22 Bates Nos. 5045–5046
Y	Affidavit of Service regarding April 3, 2017 service of Writ of Execution, and Writ of Garnishment from Laughlin Township Constable’s Office	Volume 22 Bates Nos. 5047–5064
Z	Writ of Execution and Writ of Garnishment served May 9, 2017	Volume 22 Bates Nos. 5065–5078
Memorandum of Points and Authorities in Support of Claim of Exemption and Motion to Discharge Garnishment (filed 05/23/17)		Volume 22 Bates Nos. 5079–5114
Plaintiff Far West Industries Objection to Claim of Exemption from Execution on an Order Shortening Time and Motion for Attorney Fees and Costs Pursuant to NRS 18.010(2)(b) (filed 06/05/17)		Volume 22 Bates Nos. 5115–5131
	Exhibits to Plaintiff Far West Industries Objection to Claim of Exemption from Execution on an Order Shortening Time and Motion for Attorney Fees and Costs Pursuant to NRS 18.010(2)(b)	
Exhibit	Document Description	
1	Findings of Fact and Conclusions of law (filed 03/06/12 in Superior Court of California Riverside)	Volume 22 Bates Nos. 5132–5148
2	Order Regarding Plaintiff Far West Industries’ Motion for Determination of Priority of Garnishment and Defendant Michael J. Mona’s Countermotion to Discharge Garnishment and for Return of Proceeds (filed 06/21/16)	Volume 22 Bates Nos. 5149–5155

	Exhibits to Plaintiff Far West Industries Objection to Claim of Exemption from Execution on an Order Shortening Time and Motion for Attorney Fees and Costs Pursuant to NRS 18.010(2)(b) (cont.)	
3	Affidavit of Service by Laughlin Township Constable's Office	Volume 22 Bates Nos. 5156–5157
4	Affidavit of Service by Laughlin Township Constable's Office	Volume 22 Bates Nos. 5158–5159
Notice of Entry of Order Sustaining Plaintiff Far West Industries' Objection to Claim of Exemption from Execution (filed 07/19/17)		Volume 22 Bates Nos. 5160–5165
Ex Parte Motion for Order Allowing Judgment Debtor Examination of Michael J. Mona, Jr., Individually, and as Trustee of the Mona Family Trust Dated February 12, 2002 (filed 08/16/17)		Volume 22 Bates Nos. 5166–5179
Notice of Appeal (filed 08/18/17)		Volume 22 Bates Nos. 5180–5182
	Exhibits to Notice of Appeal	
Exhibit	Document Description	
1	Notice of Entry of Order Sustaining Plaintiff Far West Industries' Objection to Claim of Exemption from Execution (filed 07/19/17)	Volume 22 Bates Nos. 5183–5189
2	Notice of Entry of Order Regarding Plaintiff Far West Industries' Motion for Determination of Priority of Garnishment and Defendant Michael J. Mona's Countermotion to Discharge Garnishment and for Return of Proceeds (filed 06/21/16)	Volume 22 Bates Nos. 5190–5199
Order for Examination of Judgment Debtor Michael J. Mona, Jr., Individually, and as Trustee of the Mona Family Trust dated February 12, 2002 (filed 08/18/17)		Volume 22 Bates Nos. 5200–5211
Far West Industries' Reply to CV Sciences Inc.'s Answers to Writ of Garnishment Interrogatories and Ex parte Request for Order to Show Cause Why CV Sciences Inc. Should Not be Subjected to Garnishment Penalties (filed 11/20/17)		Volume 22 Bates Nos. 5212–5223

	Exhibits to Far West Industries' Reply to CV Sciences Inc.'s Answers to Writ of Garnishment Interrogatories and Ex parte Request for Order to Show Cause Why CV Sciences Inc. Should Not be Subjected to Garnishment Penalties	
Exhibit	Document Description	
1	Answers to Interrogatories to be Answered by Garnishee	Volume 22 Bates Nos. 5224–5229
2	United States Securities and Exchange Commission, Form 10-K	Volume 22 Bates Nos. 5230–5233
3	Judgment Debtor Examination of Michael J. Mona, Jr.	Volume 22 Bates Nos. 5234–5241
4	Excerpts of Car Lease Documents	Volume 22 Bates Nos. 5242–5244
5	Excerpts of Life Insurance Premium Documents	Volume 22 Bates Nos. 5245–5250
6	Excerpts of Car Insurance Documents	Volume 23 Bates Nos. 5251–5254
7	Laughlin Constable Affidavit of Service	Volume 23 Bates Nos. 5255–5256
8	Laughlin Constable Affidavit of Mailing	Volume 23 Bates Nos. 5257–5258
9	Answers to Writ of Garnishment Interrogatories	Volume 23 Bates Nos. 5259–5263
10	Email Exchange between Andrea Gandara an Tye Hanseen June 26, 2017 through August 26, 2017	Volume 23 Bates Nos. 5264–5267
11	Email Exchange between Andrea Gandara an Tye Hanseen, November 2017	Volume 23 Bates Nos. 5268–5275
Docket of Case No. A670352		Volume 23 Bates Nos. 5276–5284

EXHIBIT 4

EXHIBIT 4

MAY 01 2012

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

APR 27 2012

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE, RIVERSIDE COURT

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

vs.

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

Defendants.

Case No. RIC495966

JUDGE: Hon. Jacqueline Jackson

~~[PROPOSED] JUDGMENT NUNC PRO
TUNC~~

Action Filed: March 24, 2008

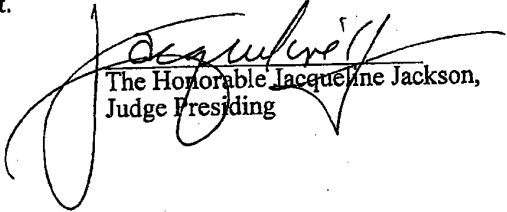
Trial Date: September 23, 2011

On February 23, 2012, the Honorable Jacqueline Jackson entered Finding of Fact and Conclusion of Law in the above-referenced matter. Based upon those Findings and Conclusion, Judgment is hereby entered in favor of Plaintiff Far West Industries, a California corporation and against the following Defendants, jointly and severally: (1) Michael J. Mona, Jr.; (2) Michael J. Mona, Jr., as Trustee of the Mona Family Trust dated February 21, 2002; (3) Rio Vista Nevada, LLC, a Nevada limited liability company; and (4) World Development, Inc., a California corporation in the amount of \$17,777,562.18. Recoverable court costs of \$25,562.56 and attorney's fees of \$327,548.84 are also awarded to Far West Industries, jointly and severally against all Defendants. The Clerk is hereby directed to enter those amounts on this Judgment following Far West Industries' post-Judgment petition for them. Finally, the Clerk is hereby

~~[PROPOSED] JUDGMENT NUNC PRO TUNC~~

1 directed to release the \$32,846 that was interplead by Defendant Fidelity National Title Company
2 to Far West Industries upon entry of this Judgment.

3 Dated: 4/27/12


The Honorable Jacqueline Jackson,
Judge Presiding

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~~[PROPOSED] JUDGMENT NUNC PRO TUNC~~

PROOF OF SERVICE

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action. My business address is 1851 East First Street, 10th Floor, Santa Ana, California 92705-4052.

On May 3, 2012, I served the within document(s) described as:

NOTICE OF ENTRY OF JUDGMENT

on the interested parties in this action as stated on the attached mailing list.

☒ (BY MAIL) By placing a true copy of the foregoing document(s) in a sealed envelope addressed as set forth on the attached mailing list. I placed each such envelope for collection and mailing following ordinary business practices. I am readily familiar with this Firm's practice for collection and processing of correspondence for mailing. Under that practice, the correspondence would be deposited with the United States Postal Service on that same day, with postage thereon fully prepaid at Santa Ana, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

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

Executed on May 3, 2012, at Santa Ana, California.

Erin Duran
(Type or print name)


(Signature)

SERVICE LIST

Howard Golds, Esq. Jerry R. Dagrella, Esq. Best, Best & Krieger, LLP 3750 University Avenue Riverside, California 92502-1028 howard.golds@bbkklaw.com jerry.dagrella@bbkklaw.com (951) 686-1450 (951) 686-3083 Attorney for Michael J. Mona, Jr.	Empire West Development, Inc. 42575 Melanie Place, Suite S Palm Desert, CA 92211 (760) 568-2850; Fax: (760) 568-2855 maize@empirewestdev.com In Pro Per
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SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

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SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE

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

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

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

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

4 **A. Mona Acquires the Project**

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

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

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

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

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

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

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

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

10 **D. Mona Solicits World Development's Participation**

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

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

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

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

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

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

19 **E. The Project**

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

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

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

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

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

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

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

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

10 **H. January of 2006**

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

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

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

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

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

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

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

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

I. Far West Expresses Interest in the Project

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

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

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

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

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

7 57. If the infrastructure surrounding that island was not completed, Far West would have
8 no streets, water, electrical, cable, telephone, and the like to which it would connect.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 **K. May of 2006**

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

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

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

8 81. Also at this time, the Vestin loan was again coming due and Mona negotiated another
9 short (three month) extension.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 107. Maize and Mona knew that RVN was in default under RVVA Operations
8 Agreement, and that the Project was facing imminent failure.

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

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

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

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

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

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

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

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

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

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

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

8 119. This was two months before Far West closed the second escrow (August 31).

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

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

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

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

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

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

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

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

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

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

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

4 130. Those improvements were never constructed.

5 **N. Far West Suffers Damage**

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

8 132. Because the infrastructure was incomplete, no developers could move forward with
9 the Project's remaining lots.

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

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

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

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

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

22 **O. Alter Ego**

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

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

1340. Mona diverted RVN's funds to other than RVN's uses.

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

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

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

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

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

7 **II. Conclusions of Law**

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

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

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

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

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

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

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

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

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

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

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

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

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

22 16. Mona and Shustek agreed and conspired to defraud any potential purchasers of the
23 Project (which ultimately included Far West) by structuring this entire transaction to
24 appear to be a legitimate loan being made to a legitimate company (RVN) and
25 guaranteed by another legitimate company (Emerald Suites).

17 17. The conspiratorial agreement between Mona and Shustek was for them to take
18 millions of dollars for Vestin in the form of fees, to pay certain individuals and entities
19 unrelated to the Project a total of \$702,000, and for Mona and the Mona Family Trust
20 to personally reap an initial \$1 million profit.

21 18. Mona and Shustek also agreed that Mona would use what was left of the Construction
22 Loan to move the Project along far enough to find some unsuspecting developer to
23 purchase all or part of it from RVN.

24 19. At some point after the formation of that conspiracy, but no later than the Fall of 2005,
25 Maize joined them as a co-conspirator.

1 20. In exchange for agreeing; (1) to continue moving the Project along and seeking
2 unsuspecting developers to purchase it; and (2) to stay silent about the monies already
3 paid from the Construction Loan to Mona and Vestin, World Development was paid
4 \$858,598.60, which money was separate from any project management costs to which
5 it was to be paid.

6 21. The many wrongful acts done furtherance of that conspiracy are more fully set forth in
7 the Findings of Fact.

8 22. The Liability of Mona, RVN, and World Development is therefore joint and several as
9 a result of their conspiratorial agreement.

10 **F. Maize Acted as Mona's Agent**

11 23. Maize was Mona's actual and ostensible agent when Mona directed him to submit to
12 Far West the fraudulent Guaranty.

13 **II. MONA IS THE ALTER EGO OF RVN, AND TO THE EXTENT NECESSARY,**
14 **OF THE MONA FAMILY TRUST**

15 27. California law governs any alter ego analysis.

16 28. The alter ego doctrine applies to Limited Liability Companies.

17 29. Under California law, the alter ego doctrine is a viable theory of recovery against a
18 Trustee for actions taken in his or her representative capacity to benefit the Trust.

19 30. Accordingly, this finding of alter ego liability applies to Mona both in his individual
20 capacity and in his capacity as the Trustee of the Mona Family Trust.

21 31. There is such a unity of interest and ownership that the separate personalities of
22 RVN, the Mona Family Trust, and Mona no longer individually exist.

23 32. The acts of RVN are treated as those of the entity alone, an inequitable result will
24 follow.

25 33. Mona, individually and in his capacity as Trustee of the Mona Family Trust, are the
alter egos of RVN and therefore liable for any and all damages awarded against RVN.

34. To the extent necessary, Mona is the alter ego of the Mona Family Trust, and as a
result, both he and the Mona Family Trust are both liable for any and all damages
awarded herein against RVN.

1 **III. FAR WEST IS ENTITLED TO THE INTERPLEAD FUNDS**

2 35. Defendant Fidelity National Title Company filed a Cross-Complaint in Interpleader,
3 thereby depositing \$32,846 with the Court pursuant to Section 386.1 of the California
4 Code of Civil Procedure.

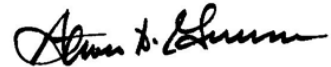
5 36. Far West is entitled to those funds, and the Clerk is hereby directed to pay those funds
6 to Far West forthwith.

6 **IV. JUDGMENT TO BE ISSUED**

7 Judgment shall issue forthwith against Mona in his individual capacity and as Trustee of
8 the Mona Family Trust, RVN, and World Development in the amount of \$16,886,132.16 plus
9 daily additional damages of \$5,259.75 from September 23, 2011 until entry of Judgment, jointly
10 and severally; this amount totals \$17,841,651.92 as of March 5, 2012. Furthermore, that
11 judgment shall leave a blank for any award of any court costs and attorney's fees that will be the
12 subject of Far West's post-Judgment motions. Finally, the Clerk is directed to release the
13 \$32,846 interplead funds to Far West immediately.

14
15
16 Dated: March 5, 2012

17 
18 Hon. Jacqueline C. Jackson,
19 Judge Presiding
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CLERK OF THE COURT

1 **OSC**

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14 *Attorneys for Plaintiff Far West Industries*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California
18 corporation,

19 Plaintiff,

20 v.

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

26 Defendants.

Case No.: A-12-670352-F

Dept. No.: XV

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

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

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

37 ///

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

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

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

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

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

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

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

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

21 Dated this 30th of June 2015.

22
23 Joe Hardy
24 DISTRICT COURT JUDGE
25 MB
26
27
28

1 Submitted by:

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

4 

5 F. THOMAS EDWARDS, ESQ.

6 Nevada Bar No. 9549

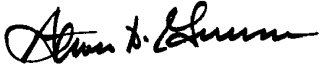
7 ANDREA M. GANDARA, ESQ.

8 Nevada Bar No. 12580

9 400 South Fourth Street, Third Floor

10 Las Vegas, Nevada 89101

11 *Attorneys for Plaintiff Far West Industries*



CLERK OF THE COURT

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14 *Attorneys for Plaintiff*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California
18 corporation,

19 Plaintiff,

20 v.

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

26 Defendants.

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

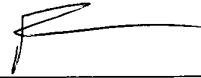
**NOTICE OF ENTRY OF ORDER TO
SHOW CAUSE WHY ACCOUNTS OF
RHONDA MONA SHOULD NOT BE
SUBJECT TO EXECUTION AND WHY
THE COURT SHOULD NOT FIND
MONAS IN CONTEMPT**

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

Dated this 30th day of June, 2015.

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



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Attorneys for Plaintiff


1 **CERTIFICATE OF SERVICE**

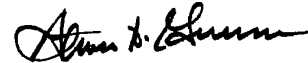
2 I certify that I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey &
3 Thompson, and that on the 30th day of June, 2015, I served via electronic service in accordance
4 with Administrative Order 14.2, to all interested parties, through the Court's Wiznet/Odyssey E-
5 File & Serve, a true copy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

9 Aurora M. Maskall, Esq.
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15 Andrea M. Gandara, Esq.
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20 
21 Tilla D. Nealon, an employee of
22 Holley, Driggs, Walch, Fine, Wray, Puzey &
23 Thompson
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CLERK OF THE COURT

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8 *Attorneys for Plaintiff Far West Industries*

9 **DISTRICT COURT**

10 **CLARK COUNTY, NEVADA**

11 FAR WEST INDUSTRIES, a California
corporation,

12 Plaintiff,

13 v.

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

17 Defendants.
18

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

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

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

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

28 ///

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

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

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

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

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

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

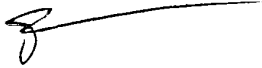
16 IT IS FURTHER ORDERED that Plaintiff shall serve and file any written reply no later
17 than July 8, 2015 at 5:00 p.m.

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

21 Dated this 30th of June 2015.

22
23 Joe Harch
24 DISTRICT COURT JUDGE
25 MB
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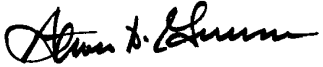
1 Submitted by:
2 **HOLLEY, DRIGGS, WALCH,**
3 **FINE, WRAY, PUZEY & THOMPSON**

4 

5 F. THOMAS EDWARDS, ESQ.
6 Nevada Bar No. 9549
7 ANDREA M. GANDARA, ESQ.
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9 400 South Fourth Street, Third Floor
10 Las Vegas, Nevada 89101

11 *Attorneys for Plaintiff Far West Industries*

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CLERK OF THE COURT

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thanseen@maclaw.com
Attorneys for Michael J. Mona, Jr.

DISTRICT COURT

CLARK COUNTY, NEVADA

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

vs.

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

Defendants.

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

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

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

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

3 Dated this 7th day of July, 2015.

4 MARQUIS AURBACH COFFING

5
6 By /s/ Tye S. Hanseen
7 Terry A. Coffing, Esq.
8 Nevada Bar No. 4949
9 Tye S. Hanseen, Esq.
10 Nevada Bar No. 10365
11 10001 Park Run Drive
12 Las Vegas, Nevada 89145
13 Attorneys for Defendant
14 Michael J. Mona, Jr.

15 **MEMORANDUM OF POINTS AND AUTHORITIES**

16 **I. INTRODUCTION.**

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

1 **II. LEGAL ARGUMENT.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1-Transfer or Obligation was to an Insider.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 **III. CONCLUSION.**

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

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

6 Dated this 7th day of July, 2015.

7 MARQUIS AURBACH COFFING

8
9 By /s/ Tye S. Hanseen
10 Terry A. Coffing, Esq.
11 Nevada Bar No. 4949
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16 Attorneys for Defendant
17 Michael J. Mona, Jr.
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28

CERTIFICATE OF SERVICE

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

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

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

N/A

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

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

EXHIBIT “A”

EXHIBIT “A”

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

MAR 06 2012

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE

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

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

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

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

4 **A. Mona Acquires the Project**

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

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

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

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

- 24 26. Mona had only purchased 549 of the Project's 1,362 total lots.
- 25

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

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

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

10 D. Mona Relies on World Development's Participation

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

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

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

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

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

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

19 E. The Project

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

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

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

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

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

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

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

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

10 H. January of 2006

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

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

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

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

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

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

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

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

I. Far West Expresses Interest in the Project

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 **K. May of 2006**

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

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

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

8 81. Also at this time, the City threatened to shut down the Project and to demand a short
9 (three month) extension.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 98. The combined purchase price under the agreements was \$6,430,961.45. Escrow for
17 72 of the lots closed on June 9, 2006, and escrow for the remaining 4 lots closed on
18 August 31, 2006.

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

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

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

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

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

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

4 105."Each of the representations and warranties set forth in this Section 3 and in Section
5 6.2 is material to and is being relied upon by Buyer and the continuing truth thereof shall
6 constitute a condition precedent to Buyer's obligations hereunder".

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

9 107. Maize and Mona knew that RVN's default under RVVA, the Purchase
10 Agreement, and that the City was threatening to shut down the Project.

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

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

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

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

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

1 113. Finally, Maize and Mona did not provide Far West with all "material documents
2 relating to the Property in Seller's possession as of the date of this Agreement" (June 1,
3 2006).

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

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

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

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

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

8 119. This was two months before Far West closed the second escrow (August 31).

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

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

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

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

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

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

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

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

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

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

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

4 130. Those improvements were never constructed.

5 **N. Far West Suffers Damage**

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

8 132. Because the infrastructure was never built, the delay in construction caused more than \$100,000 in
9 the Project's continuing loss.

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

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

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

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

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

22 **O. Alter Ego**

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

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

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

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

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

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

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

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

7 **II. Conclusions of Law**

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

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

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

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

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

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

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

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

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

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

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

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

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

16. Mona and Shustek agreed and conspired to defraud any potential purchasers of the Project (which ultimately included Far West) by structuring this entire transaction to appear to be a legitimate loan being made to a legitimate company (RVN) and guaranteed by another legitimate company (Emerald Suites).

17. The conspiratorial agreement between Mona and Shustek was for them to take millions of dollars for Vestin in the form of fees, to pay certain individuals and entities unrelated to the Project a total of \$702,000, and for Mona and the Mona Family Trust to personally reap an initial \$1 million profit.

18. Mona and Shustek also agreed that Mona would use what was left of the Construction Loan to move the Project along far enough to find some unsuspecting developer to purchase all or part of it from RVN.

19. At some point after the formation of that conspiracy, but no later than the Fall of 2005, Maize joined them as a co-conspirator.

1 20. In exchange for agreeing; (1) to continue moving the Project along and seeking
2 unsuspecting developers to purchase it; and (2) to stay silent about the monies already
3 paid from the Construction Loan to Mona and Vestin, World Development was paid
4 \$858,598.60, which money was separate from any project management costs to which
5 it was to be paid.

6 21. The many wrongful acts done furtherance of that conspiracy are more fully set forth in
7 the Findings of Fact.

8 22. The Liability of Mona, RVN, and World Development is therefore joint and several as
9 a result of their conspiratorial agreement.

10 F. Maize Acted as Mona's Agent

11 23. Maize was Mona's actual and ostensible agent when Mona directed him to submit to
12 Far West the fraudulent Guaranty.

13 **II. MONA IS THE ALTER EGO OF RVN, AND TO THE EXTENT NECESSARY,**
14 **OF THE MONA FAMILY TRUST**

15 27. California law governs any alter ego analysis.

16 28. The alter ego doctrine applies to Limited Liability Companies.

17 29. Under California law, the alter ego doctrine is a viable theory of recovery against a
18 Trustee for actions taken in his or her representative capacity to benefit the Trust.

19 30. Accordingly, this finding of alter ego liability applies to Mona both in his individual
20 capacity and in his capacity as the Trustee of the Mona Family Trust.

21 31. There is such a unity of interest and ownership that the separate personalities of
22 RVN, the Mona Family Trust, and Mona no longer individually exist.

23 32. The acts of RVN are treated as those of the entity alone, an inequitable result will
24 follow.

25 33. Mona, individually and in his capacity as Trustee of the Mona Family Trust, are the
alter egos of RVN and therefore liable for any and all damages awarded against RVN.

34. To the extent necessary, Mona is the alter ego of the Mona Family Trust, and as a
result, both he and the Mona Family Trust are both liable for any and all damages
awarded herein against RVN.

1 **III. FAR WEST IS ENTITLED TO THE INTERPLEAD FUNDS**

2 35. Defendant Fidelity National Title Company filed a Cross-Complaint in Interpleader,
3 thereby depositing \$32,846 with the Court pursuant to Section 386.1 of the California
4 Code of Civil Procedure.

5 36. Far West is entitled to those funds, and the Clerk is hereby directed to pay those funds
6 to Far West forthwith.

7 **IV. JUDGMENT TO BE ISSUED**

8 Judgment shall issue forthwith against Mona in his individual capacity and as Trustee of
9 the Mona Family Trust, RVN, and World Development in the amount of \$16,886.132.16 plus
10 daily additional damages of \$5,259.75 from September 23, 2011 until entry of Judgment, jointly
11 and severally; this amount totals \$17,841,651.92 as of March 5, 2012. Furthermore, that
12 judgment shall leave a blank for any award of any court costs and attorney's fees that will be the
13 subject of Far West's post-Judgment motions. Finally, the Clerk is directed to release the
14 \$32,846 interplead funds to Far West immediately.

15
16 Dated: March 5, 2012

17 
18 Hon. Jacqueline C. Jackson,
19 Judge Presiding
20
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EXHIBIT “B”

EXHIBIT “B”

POST-MARITAL PROPERTY SETTLEMENT AGREEMENT

THIS POST-MARITAL PROPERTY SETTLEMENT AGREEMENT ("Agreement") is made and entered into on the 13 day of Sept 2013, by and between RHONDA HELENE MONA ("RHONDA"), a resident of the County of Clark, State of Nevada, and MICHAEL JOSEPH MONA ("MIKE"), a resident of the County of Clark, State of Nevada. MIKE and RHONDA sometimes will be collectively referred to in this Agreement as the "parties", and individually may be referred to as a "party."

WITNESSETH:

WHEREAS, the parties to this Agreement were married on October 17, 1982, in Las Vegas, Nevada, and ever since such date have been and now are married to each other;

WHEREAS, during the entirety of their 30 years of marriage, the parties have been, and currently are, residents of the State of Nevada;

WHEREAS, Nevada being a community property state, all the property acquired during the parties marriage has been acquired as community property;

WHEREAS, by way of this Agreement, and pursuant to Nevada law, the parties intend to equally divide between themselves that certain specific community property referenced below in this Agreement, and thereby making such property the sole and separate property of each party;

WHEREAS, on or about December 3, 2012, the parties acquired, as their community property, 30,000,000 shares of the corporate stock of Medical Marijuana, Inc, an Oregon corporation ("MMI");

WHEREAS, on or about January 15, 2013, the parties acquired, as their community property, and additional 7,337,500 shares of the MMI corporate stock;

WHEREAS, between the months of March through August 2013, the parties sold all of their 37,337,500 shares of the MMI corporate stock for \$6,813,202.20;


RHM


MJM

WHEREAS, it is the parties' intent to acknowledge, confirm, and document their equal division between themselves of the said \$6,813,202.20 they received from the sale of their MMI corporate stock, with RHONDA receiving \$3,406,601.10 of such monies as her sole and separate property, and MIKE receiving the remaining \$3,406,601.10 as his sole and separate property;

WHEREAS, the parties enter into this Agreement pursuant to the provisions of NRS 123.080, and the parties expressly acknowledge and understand that NRS 123.080 provides as follows:

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

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

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

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

WHEREAS, the parties expressly acknowledge, understand, and agree that they specifically are entering into this Agreement pursuant to the provisions of NRS 123.080(1), which allow a husband and wife to enter into a contract, such as this Agreement, for the purpose of altering their legal relations with respect to their property, and with respect to each party's property rights; and the parties acknowledge and understand that their mutual consent to the terms of this Agreement, as evidenced by each party's signature endorsed at page 11 of this Agreement, is sufficient consideration for this Agreement to be a valid, legal, and enforceable agreement, legally binding upon each party;


RHM


MM

WHEREAS, it is the mutual wish and desire of the parties that a full and final adjustment and settlement of their property rights, and only their property rights, be had, settled, and determined at the present time by this Agreement with respect to the aforementioned \$6,813,202.20 they received from the sale of their MMI corporate stock;


WHEREAS, the parties further acknowledge and agree that this Agreement is not intended to alter their legal relations and obligations owed to each other as a married couple, other than as expressly set forth above with respect to their equal division of the \$6,813,202.20 they received from the sale of their MMI corporate stock, and this Agreement specifically and expressly is not intended to affect either party's legal obligation to support the other party as his or her spouse;

WHEREAS, MIKE and RHONDA wish to make clear their respective desires that each of them shall retain to himself or herself, as his or her respective sole and separate property, the \$3,406,601.10 he or she has received from their equal division of the \$6,813,202.20 they received from the sale of their MMI corporate stock;

WHEREAS, the \$3,406,601.10 received by RHONDA from the parties' sale of their MMI corporate stock is and shall forever be and remain RHONDA's sole and separate property, free from any and all claims of MIKE, and RHONDA shall continue to have the sole ownership, care, and control of her said \$3,406,601.10;

WHEREAS, the \$3,406,601.10 received by MIKE from the parties' sale of their MMI corporate stock is and shall forever be and remain MIKE's sole and separate property, free from any and all claims of RHONDA, and MIKE shall continue to have the sole ownership, care, and control of his said \$3,406,601.10;


RHM


M.M.

WHEREAS, by execution of this Agreement, each party expresses his or her intention not to claim any interest whatsoever in the said \$3,406,601.10 of separate property owned by the other party, or in any of the income, rents, issues, profits, or appreciation derived therefrom;

WHEREAS, the parties do not intend to immediately separate, and, in fact, the parties acknowledge that they remain happily married to each other and have no intent to separate or divorce at any time in the immediate or foreseeable future; notwithstanding, however, the parties do intend for this Agreement to be a valid, enforceable, and binding agreement to be ratified, adopted, and approved by any and all courts of competent jurisdiction should the parties ever separate or divorce;

NOW, THEREFORE, in consideration of the foregoing facts and the mutual agreements and covenants contained in this Agreement, it is covenanted, agreed and promised by each party hereto as follows:

I.

ACKNOWLEDGMENT OF RECITALS;
ADDITIONAL CONSIDERATION

A. MIKE and RHONDA acknowledge, warrant, represent, and agree that the recitals set forth above on pages one through four of this Agreement, are true and correct, and the same are incorporated in this Section I as though the same are repeated in this Section in full.

B. As noted in the recitals set forth above in this Agreement, the parties acknowledge and agree that their mutual consent to the terms of this Agreement is sufficient consideration, and the only consideration necessary, for this Agreement to be a valid, legal, and enforceable agreement, legally binding upon each party.


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II.

DIVISION OF PROPERTY

A. RHONDA shall have confirmed to her, as her sole and separate property, free of any and all claims of MIKE, all right, title and interest, and the sole ownership in and to, the \$3,406,601.10 she received from the parties' sale of the parties' MMI corporate stock, as well as all additional property owned or acquired by RHONDA at any time with her said separate property, and all property described in this Agreement as being RHONDA's sole and separate property, including any of the income, rents, issues, profits, or appreciation derived therefrom.

B. MIKE shall have confirmed to him, as his sole and separate property, free of any and all claims by RHONDA, all right, title and interest, and the sole ownership in and to, the \$3,406,601.10 he received from the parties' sale of the parties' MMI corporate stock, as well as all additional property owned or acquired by MIKE at any time with his said separate property, and all property described in this Agreement as being MIKE's sole and separate property, including any of the income, rents, issues, profits, or appreciation derived therefrom.

III.

INTENT OF THE PARTIES AND STATUS OF PROPERTY

A. **Property Rights.** The parties intend, desire and agree that the aforementioned \$3,406,601.10 each party respectively received from the sale of the their MMI corporate stock shall be and forever remain each such party's respective sole and separate property, and all appreciation, increments, addition, improvements, income, and fruits therefrom also shall be and forever remain each such party's respective sole and separate property. The parties further intend that all such property forever remain each party's respective sole and separate property regardless of any interest either party might have acquired in such separate property of the other by reason of their continued marriage to each other, counsel, advice, energy, and efforts heretofore or hereafter, and regardless of the source of any monies invested in or contributed to any such property at any time during the parties' marriage or after the termination of the parties marriage, should the parties' marriage ever


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be terminated by divorce or otherwise.

B. No Transmutation of Separate Property. The parties agree that at no time in the future shall there be any transmutation of any of their respective separate property interests into jointly owned or community property except by an express written agreement signed by both parties and executed with the same formality as this Agreement. Unless otherwise expressly provided in this Agreement, the following events shall, under no circumstance, be evidence of any intention by either party, or of an agreement between the parties, to transmute their separate property interests into jointly owned or community property:

1. The taking of title to property, whether real or personal, in joint tenancy or in any other joint or common form;
2. The designation of one party by the other as a beneficiary of his or her estate;
3. The commingling by one party of his or her separate funds or property with jointly owned funds or property, or with the separate funds or property of the other party;
4. The filing of a joint income tax return by the parties, whether it be for federal income tax purposes or for the purpose of any state income tax, and/or the payment of any such income taxes from jointly held funds, or the use of one party's separate property to pay the income taxes owed by the other party;
5. Any oral statements by either party;
6. Any written statement by either party other than an express written agreement of transmutation;
7. The payment from jointly held funds of any separate obligation, including, but not limited to, the payment of any mortgage/home loan, interest, or real property taxes on a separately owned residence or other real property; and
8. The joint occupation of a separately owned residence or any other such property.


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IV.

RIGHT TO DISPOSE OF PROPERTY BY WILL

Each of the parties shall have an immediate right to dispose of or bequeath by Will, living trust, or other estate planning vehicle, his or her respective interests in and to any and all separate property belonging to him or her from and after the date of this Agreement, and such right shall extend to all future acquisitions of separate property as well as to all separate property set over to either party under this Agreement.

V.

WAIVER OF INHERITANCE RIGHTS

Except as may be otherwise provided by Will, Codicil, or other such testamentary instrument voluntarily executed by either party, whether before or after the date of this Agreement, the parties each hereby waive any and all right to the separate estate of the other left at his or her death and forever quitclaim any and all right to share in the separate estate of the other by the laws of succession; and the parties hereby release one to the other all rights to inherit from the other any portion of the other party's separate estate.

VI.

MUTUAL RELEASE OF PROPERTY RIGHTS

It is hereby mutually understood and agreed by and between the parties hereto that this Agreement is deemed to be a final and conclusive agreement between the parties relative to their respective property rights set forth in this Agreement.

VII.

EXECUTION OF NECESSARY DOCUMENTS

A. MIKE and RHONDA agree to execute quitclaim deeds, stock transfers, and any and all other instruments that may be required in order to effectuate the transfer of any and all interest either may have in and to the separate property hereby conveyed to the other as specified in this Agreement, or as otherwise provided by the terms of this Agreement. Should either party fail to


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execute any such documents, this Agreement shall constitute a full and complete transfer of the interest of one to the other as provided in this Agreement, or to otherwise effectuate any provision of this Agreement. Upon failure of either party to execute and deliver any such deed, conveyance, title, certificate or other document or instrument to the other party, or as otherwise provided in this Agreement, this Agreement shall constitute and operate as such properly executed document, and the County Auditor and County Recorder and any and all other public and private officials are hereby authorized and directed to accept this Agreement or a properly certified copy thereof in lieu of the document regularly required for such conveyance or transfer.

B. MIKE and RHONDA each agree that should either party sell any of his or her separate property in which the other has no right, title, or interest by virtue of this Agreement, that such other party will and shall sign any deed, contract, or other instrument necessary to perfect title to any such property so conveyed.

VIII.


DISCLOSURE


Each party hereto acknowledges that he or she has read the foregoing Agreement, fully understands the contents of this Agreement, and accepts the same as fair, just and equitable. Each party further acknowledges that there has been no promise, agreement or understanding of either of the parties made to the other, except as expressly set forth in this Agreement, which has been relied upon by either as a matter of inducement to enter into this Agreement. Furthermore, each party hereto has had the opportunity to be independently advised by his or her attorney as to the legal effect of the terms and the execution of this Agreement.

IX.

EFFECT OF PARTIAL INVALIDITY

If any term, provision, promise, or condition of this Agreement is determined by a court of competent jurisdiction to be invalid, void, or unenforceable, in whole or in part, the remainder of this Agreement shall remain in full force and effect, and shall in no way be affected, impaired or


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invalidated.

X.

ENFORCEMENT OF AGREEMENT

A. If either party institutes any action or proceeding to enforce, or for the breach of any of the terms of this Agreement, or if either party contests the validity of this Agreement or challenges or claims that this Agreement is not enforceable, then the prevailing party shall be entitled to recover his or her attorneys' fees and costs from the other party. In any such action or proceeding, the prevailing party shall be entitled to recover all attorneys' fees and costs incurred by that party, regardless of whether the action or proceeding is prosecuted to judgment. This shall include attorneys' fees and costs incurred by a party defending a claim or suit necessitated by the other party's failure to indemnify as required in this Agreement.


B. In addition to the provisions of subparagraph A immediately above, each party to this Agreement shall be indemnified for and against all loss, damages, costs, and expenses incurred as a result of or arising from any demand, claim, or suit by or on behalf of the other party contesting or attempting to modify, change, set aside, nullify, or cancel this Agreement or any part or provision of this Agreement for any reason whatsoever. The indemnity provisions of this Agreement shall specifically apply to costs, expenses, and attorneys' fees incurred by a party successfully seeking enforcement of this Agreement or any provision of this Agreement.

XI.

NO PARTY DEEMED DRAFTER

The parties agree that neither party shall be deemed to be the drafter of this Agreement and, in the event this Agreement is ever construed by a court of law or equity, such court shall not construe this Agreement or any provision hereof against either party as the drafter of the Agreement. MIKE and RHONDA hereby acknowledge that both parties have contributed substantially and materially to the preparation of this Agreement.


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XII.

GOVERNING LAW

The laws of the State of Nevada shall govern the validity, construction, performance, and effect of this Agreement. This Agreement and the rights of the parties hereto shall be governed and interpreted in all respects by the law applied to contracts made wholly to be performed within the State of Nevada.

XIII.

CUMULATIVE EFFECT

The parties' rights and remedies hereunder shall be cumulative, and the exercise of one or more shall not preclude the exercise of any other(s).

XIV.

COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an executed original, but all of which together shall be deemed one and the same document.


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XV.

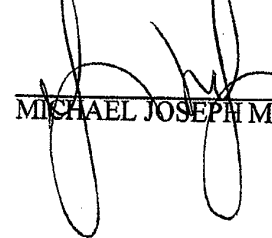
VERIFICATION


A. MIKE and RHONDA each agrees that he or she has read this Agreement in its entirety prior to his or her execution of this Agreement, and fully understands the same.


D. MIKE and RHONDA each further acknowledges and agrees that he or she fully understands that this Agreement is a full and final settlement of rights and obligations pertaining to the matters addressed in and resolved by this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands to this Agreement the year and date above written.


RHONDA HELENE MONA


MICHAEL JOSEPH MONA


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ACKNOWLEDGMENTS

STATE OF CALIFORNIA)
COUNTY OF) ss.

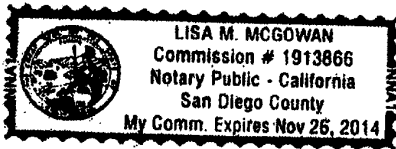
On this 13th day of September, 2013, personally appeared before me, a Notary Public in and for said County and State, RHONDA HELENE MONA, personally known (or proved) to me to be the person whose name is subscribed to the above instrument, and who acknowledged that she executed the instrument.



Lisa M. McGowan
Notary Public

STATE OF CALIFORNIA)
COUNTY OF) ss.

On this 13th day of September, 2013, personally appeared before me, a Notary Public in and for said County and State, MICHAEL JOSEPH MONA, personally known (or proved) to me to be the person whose name is subscribed to the above instrument, and who acknowledged that he executed the instrument.



Lisa M. McGowan
Notary Public

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EXHIBIT “C”

EXHIBIT “C”

**DECLARATION OF MIKE MONA IN SUPPORT OF RESPONSE TO ORDER TO
SHOW CAUSE**

Mike Mona declares as follows:

1. I am a defendant in this matter. I have personal knowledge of the facts stated herein, except for those stated on information and belief, which I believe to be true. I am competent to testify as to the facts stated herein in a court of law and will so testify if called upon.

2. On information and belief, plaintiff has accused me of lying, not producing documents, and concealing information in this proceeding. To be clear, I have produced, on information and belief, over 34,000 pages of documents related to plaintiff's requests and the judgment related to this case.

3. I have participated in two judgment debtor examinations, each of which lasted multiple hours, in the span of approximately a year and a half.

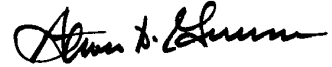
4. I believed that the Post-Marital Property Settlement Agreement currently at issue was within the first 33,000 pages I disclosed. I have not gone back and reviewed each of the 33,000 pages, but, even though I understand plaintiff has alleged otherwise, I still believe it may be within the disclosure. However, if it is not within the initial 33,000 pages, I produced it to my counsel, for what I believe to be a second time, in response to recent document requests from plaintiff asking for information I believed similar to the prior document requests.

5. I did not lie about or conceal the Post-Marital Property Agreement. Also, I did not lie about what I did with funds from the sale of stock. Based on my best recollection, I told opposing counsel that I paid bills and loaned money to Roen, which is true. If my recollection is accurate, without asking me anything else about the funds, the questioning moved on to Roen and CannaVest.

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

Executed this 7th day of July, 2015.

Mike Mona



CLERK OF THE COURT

Marquis Aurbach Coffing

Terry A. Coffing, Esq.
Nevada Bar No. 4949
Tye S. Hanseen, Esq.
Nevada Bar No. 10365
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tcoffing@maclaw.com
thanseen@maclaw.com
Attorneys for Michael J. Mona, Jr.

DISTRICT COURT

CLARK COUNTY, NEVADA

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

vs.

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

Defendants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 Id. and NRS 22.030(3). In McCormick v. The Sixth Judicial Court, 67 Nev. 318, 218 P.2d 939
8 (1950), the court indicated that in cases of contempt arising outside the presence of the court, the
9 judge in whose contempt the defendant is alleged to be shall not preside at trial over the
10 objection of the defendant. Awad, at 410 (citing McCormick, 218 P.2d 939). The McCormick
11 court stated that:

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

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

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

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

23 Awad's fourth argument was that the district court committed reversible error in denying
24 his request for an evidentiary hearing during the contempt proceedings. Awad, at 411. The
25 Nevada Supreme Court again agreed Awad was correct, even if the trial court had acquired
26 jurisdiction, which it had not. Id. In Burgers v. Maiben, 652 P.2d 1320 (Utah 1982), the Utah
27 Supreme Court articulated the due process requirement in indirect contempt proceedings stating:
28

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

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

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

16 ***Conclusion:***

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

21 Dated this 8th day of July, 2015.

22 MARQUIS AURBACH COFFING

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

CERTIFICATE OF SERVICE

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

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

Andrea M. Gandara
Norma
Tilla Nealon
Tom Edwards

Email

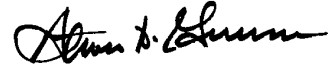
agandara@nevadafirm.com
nmoseley@nevadafirm.com
tnealon@nevadafirm.com
tedwards@nevadafirm.com

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

N/A

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

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



CLERK OF THE COURT

1 F. THOMAS EDWARDS, ESQ.
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FINE WRAY PUZEY & THOMPSON
5 400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
6 Telephone: 702/791-0308
Facsimile: 702/791-1912
7

8 *Attorneys for Plaintiff Far West Industries*

9 **DISTRICT COURT**

10 **CLARK COUNTY, NEVADA**

11 FAR WEST INDUSTRIES, a California
corporation,

12 Plaintiff,

13 v.

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

17 Defendants.

Case No.: A-12-670352-F

Dept. No.: XV

Date of Hearing: July 9, 2015

Time of Hearing: 9:00 a.m.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

///

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

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

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

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

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

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

25 A. About \$0.12 a share.

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

27 A. About \$6 million.

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

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A. Yes.

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

A. Paid bills.

Q. What bills?

A. Paid off some debts that I had.

Q. What bills?

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

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

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

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

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

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

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

See Orders entered 5/13/15.

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

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

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

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

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

24 A. I believe it was produced.

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

28 A. No.

Q. Do you agree it should have been produced?

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A. Definitely.

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

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

A. Yes.

Q. What is it?

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

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

A. Correct.

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

A. Correct.

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

A. No.

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

A. No idea.

Q. Were you trying to conceal that transfer?

A. Not at all.

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

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

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

A. I have no idea.

Q. Do you agree you should have told us?

A. Definitely.

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

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

4 Executed this 8th day of July, 2015.

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7 
8 _____
F. THOMAS EDWARDS

1 **CERTIFICATE OF SERVICE**

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

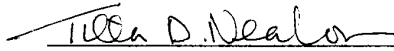
7 Terry A. Coffing, Esq.
8 Tye S. Hanseen, Esq.
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agandara@nevadafirm.com

tnealon@nevadafirm.com
nmoseley@nevadafirm.com

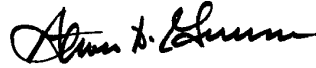
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20
21 

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

Attorneys for Plaintiff Far West Industries

DISTRICT COURT

CLARK COUNTY, NEVADA

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

v.

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

Defendants.

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

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

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

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

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

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

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

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

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

1 and/or was removed as a trustee.

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

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

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

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

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

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

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

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

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

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

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

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

10 A. About \$0.12 a share.

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

12 A. About \$6 million.

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

14 A. Yes.

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

16 A. Paid bills.

17 **Q. What bills?**

18 A. Paid off some debts that I had.

19 **Q. What bills?**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 ///

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

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

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

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

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

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

4 Based on the foregoing, and good cause appearing:

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

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

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

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

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

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

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

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

4 **IT IS SO ORDERED.**

5 Dated this 15th day of July, 2015.

6
7 
8 DISTRICT COURT JUDGE
9 MB

10 Submitted by:

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

13 
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15 Nevada Bar No. 9549

16 ANDREA M. GANDARA, ESQ.

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18 400 S. Fourth Street, Third Floor

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20 Attorneys for Plaintiff Far West Industries

21 Approved as to Form and Content by:

22 **MARQUIS AURBACH COFFING**

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

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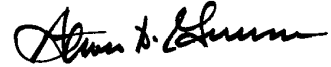
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 Attorneys for Mr. and Mrs. Mona



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Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

v.

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

Defendants.

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

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

Hearing: July 9, 2015

YOU, and each of you, will please take notice that an **ORDER TO SHOW CAUSE
WHY ACCOUNTS OF RHONDA MONA SHOULD NOT BE SUBJECT TO
EXECUTION AND WHY THE COURT SHOULD NOT FIND MONAS IN CONTEMPT**

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1 was filed in this matter and entered by the Clerk of the above-entitled Court on the 15th day of
2 July, 2015, a copy of which is attached hereto.

3 Dated this 16th day of July, 2015.

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

6 

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17 *Attorneys for Plaintiff*

1 **CERTIFICATE OF ELECTRONIC FILING/SERVICE**

2 I am an employee of Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson. On the
3 16th day of July, 2015, I filed with this Court and electronically served in accordance with
4 Administrative Order 14.2, to all interested parties, through this Court's Wiznet/Odyssey E-File
5 & Serve, a true copy of the foregoing **NOTICE OF ENTRY OF ORDER TO SHOW CAUSE**
6 **WHY ACCOUNTS OF RHONDA MONA SHOULD NOT BE SUBJECT TO**
7 **EXECUTION AND WHY THE COURT SHOULD NOT FIND MONAS IN CONTEMPT,**
8 in the above matter, addressed as follows:

9
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11 Tye Hanseen, Esq.
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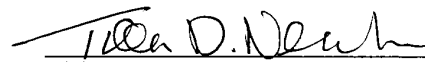
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26 Tilla D. Nealon, an employee of
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ORDER

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CLERK OF THE COURT

Attorneys for Plaintiff Far West Industries

DISTRICT COURT

CLARK COUNTY, NEVADA

FAR WEST INDUSTRIES, a California
corporation,

Plaintiff,

v.

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

Defendants.

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

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

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

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

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

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

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

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

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

1 and/or was removed as a trustee.

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

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

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

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

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

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

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

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

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

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

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

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

10 A. About \$0.12 a share.

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

12 A. About \$6 million.

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

14 A. Yes.

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

16 A. Paid bills.

17 **Q. What bills?**

18 A. Paid off some debts that I had.

19 **Q. What bills?**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 ///

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

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

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

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

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

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

4 Based on the foregoing, and good cause appearing:

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

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

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

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

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

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

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

0349

1 **MCOM**

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8 HOLLEY DRIGGS WALCH

9 FINE WRAY PUZEY & THOMPSON

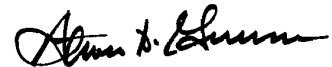
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CLERK OF THE COURT

14 *Attorneys for Plaintiff Far West Industries*

15 **DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 FAR WEST INDUSTRIES, a California
18 corporation,

19 Plaintiff,

20 v.

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

26 Defendants.

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

27 **MOTION TO COMPEL APPLICATION OF**
28 **PARTICULAR ASSETS TOWARDS SATISFACTION OF JUDGMENT**

29 Plaintiff FAR WEST INDUSTRIES (“Plaintiff” or alternatively, the “Judgment
30 Creditor”), by and through its attorneys, F. THOMAS EDWARDS, ESQ. and ANDREA M.
31 GANDARA, ESQ. of the law firm of HOLLEY, DRIGGS, WALCH, FINE, WRAY, PUZEY &
32 THOMPSON, hereby respectfully requests that this Court order certain property be applied
33 toward satisfaction of Plaintiff’s judgment pursuant to NRS 21.320, including: (1) the firearms of
34 Mr. and Mrs. Mona; (2) the Jaguar in Mrs. Mona’s name; and (3) the IRS tax refund for 2014 for
35 \$55,541.00 due to the Monas.

36 ///

1 This Motion is based upon the following Memorandum of Points and Authorities and the
2 pleadings and papers on file herein.

3 Dated this 16th day of July, 2015.

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

6 /s/ F. Thomas Edwards
7 F. THOMAS EDWARDS, ESQ.
8 Nevada Bar No. 9549
9 ANDREA M. GANDARA, ESQ.
10 Nevada Bar No. 12580
11 400 South Fourth Street, Third Floor
12 Las Vegas, Nevada 89101

13 *Attorneys for Plaintiff Far West Industries*

14 **NOTICE OF MOTION**

15 YOU AND EACH OF YOU, will please take notice that the **MOTION TO COMPEL**
16 **APPLICATION OF PARTICULAR ASSETS TOWARDS SATISFACTION OF**
17 **JUDGMENT** will come on regularly for hearing on the 17 day of August, 2015, at the hour
18 of 9:00am or as soon thereafter as counsel may be heard, in Department XV in the
19 above-referenced court.

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

22 /s/ F. Thomas Edwards
23 F. THOMAS EDWARDS, ESQ.
24 Nevada Bar No. 9549
25 ANDREA M. GANDARA, ESQ.
26 Nevada Bar No. 12580
27 400 South Fourth Street, Third Floor
28 Las Vegas, Nevada 89101

Attorneys for Plaintiff Far West Industries

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **BACKGROUND**

4 Plaintiff holds a fraud judgment against Michael J. Mona, Jr. and the Mona Family Trust
5 for more than \$23,000,000.00 (the "Judgment"). As this Court has already found, Plaintiff
6 obtained the Judgment against Mr. Mona during the Monas' marriage, and it therefore is a
7 community debt. The Monas hold assets that should be applied toward satisfaction of the
8 Judgment, but they refuse to apply those assets towards the Judgment.

9 NRS 21.320 expressly permits this Court to "order any property of the judgment debtor
10 not exempt from execution, in the hands of such debtor or any other person, or due to the
11 judgment debtor, to be applied toward the satisfaction of the judgment." As the Monas refuse to
12 apply their assets towards satisfaction of the Judgment, Plaintiff hereby moves for an order
13 compelling the application of their assets towards satisfaction of the Judgment. Specifically, at
14 their recent judgment debtor examinations, the Monas testified that they own approximately 11
15 to 14 firearms, a 2014 Jaguar in Mrs. Mona's name, and that the IRS owed the Monas
16 \$55,541.00 for their 2014 tax refund. Plaintiff simply requests that these assets be applied
17 towards satisfaction of the Judgment.

18 **I.**

19 **THE MONAS' FIREARMS SHOULD BE APPLIED**
20 **TOWARDS SATISFACTION OF THE JUDGMENT**

21 Mr. Mona testified during his judgment debtor examination that he owns approximately
22 10 to 13 firearms.

23 **Q. Do you have any firearms?**

24 A. Yes.

25 **Q. How many?**

26 A. I've got probably six or eight handguns and probably four or
27 five rifles that were left to me years ago when a buddy passed
away.

28 See Transcript of Mr. Mona's Judgment Debtor Examination, 187:10-15, attached as **Exhibit 1**.

1 Mrs. Mona testified during her judgment debtor examination that she owns a firearm as
2 well.

3 **Q. Do you own any firearms?**

4 A. Yes.

5 **Q. How many?**

6 A. I own a gun.

7 **Q. I'm sorry?**

8 A. I own a gun.

9 **Q. One gun?**

10 A. I do.

11 See Transcript of Mrs. Mona's Judgment Debtor Examination, 169:7-14, attached hereto as
12 **Exhibit 2.**¹

13 Thus, the Monas collectively own approximately 11 to 14 firearms. NRS 21.320
14 expressly permits this Court to "order any property of the judgment debtor not exempt from
15 execution, in the hands of such debtor or any other person, or due to the judgment debtor, to be
16 applied toward the satisfaction of the judgment." Therefore, Plaintiff respectfully requests that
17 the Court order that the Monas' firearms be applied toward the satisfaction of the Judgment.

18 In addition, the Monas failed to produce any records reflecting these firearms, despite the
19 May 13, 2015 Judgment Debtor Examination Orders requiring them to produce all documents

20
21 ¹ Notably, when asked about her husband's firearms, Mrs. Mona lied and said he only owned
about 3 firearms, not the 10 to 13 firearms he admitted to owning.

22 **Q. Okay. So you own one. How many does your husband own?**

23 A. A couple.

24 **Q. How many is "a couple"?**

25 A. A few. Three, maybe.

26 **Q. Three. Not ten?**

27 A. No.

28 Id., 169:19-25.

1 evidencing any assets. For example, the Monas should have produced any receipts related to the
2 firearms and the "Blue Cards" issued by the Las Vegas Metropolitan Police Department when
3 the handguns were registered. Therefore, Plaintiff respectfully requests that the Court also
4 compel the Monas to produce these and any other documents evidencing the firearms.

5 **II.**

6 **THE MONAS' JAGUAR SHOULD BE APPLIED**
7 **TOWARDS SATISFACTION OF THE JUDGMENT**

8 Mrs. Mona testified at her judgment debtor examination that Mr. Mona bought her a
9 Jaguar in 2014.

10 **Q. Okay. What other vehicles do you have?**

11 A. I have my car.

12 **Q. Okay.**

13 A. I have a Jaguar. It's in San Diego.

14 **Q. Okay. I love Jaguars. What kind?**

15 A. A white one.

16 **Q. Do you know the model?**

17 A. It's a white convertible, two doors.

18 **Q. Okay. So does that make it an XK?**

19 A. It could be.

20 **Q. I'm shopping, so --**

21 A. It could be. I don't know. I know it's white and cute.

22 **Q. Okay. What year is it?**

23 A. I got it a year ago.

24 **Q. Okay. Did you purchase it or lease it?**

25 A. I purchased it.

26 **Q. Okay. Purchased it with -- did you take out a loan for it?**

27 A. I don't think so.

28 **Q. You believe you paid all cash for it?**

1 A. My husband took care of it, so I really don't know.

2 **Q. So your husband bought you a car?**

3 A. I don't know. He took care of the financing.

4 **Q. Okay. You're not exactly sure where money came from?**

5 A. Exactly.

6 **Q. But you believe it was paid for in cash?**

7 A. I think so.

8 **Q. And you bought it new?**

9 A. No. I think it was -- I can't remember if it was slightly used or
10 new.

11 **Q. But close to new. Do you know what year it is, by chance?**

12 A. 2014, probably.

13 See Ex. 2, 65:5-66:17.

14 Mr. Mona confirmed at his judgment debtor examination that he paid cash for the Jaguar,
15 that the car is registered in his wife's name and it is registered in Nevada.

16 **Q. How did your wife acquire this Jaguar?**

17 A. We got a -- Mona Family Trust, I believe it was or Mike and
18 Rhonda Mona -- I don't know -- received a check from Employers
19 Compensation. I guess Employers -- Employers Compensation that
20 we used to pay through the properties was a public company that
21 we had, you know, you pay your employment. So much of that
22 goes to that. I had no idea of that. I was contacted -- I don't know -
- maybe a year ago by them and said we had money sitting there.
They contacted me. It was 90-some thousand, I believe, or 100-
some thousand, something like that. They contacted me. They
charged a fee obviously to go get the money. We received the
money. I gave it to my wife to buy her car. She demanded it.

23 **Q. And can you give me a little bit more explanation? I'm not
24 quite sure I follow what you were paying into and what this
money was?**

25 A. Well, again, I was not aware of this. I guess Joy McLaughlin
26 who worked for me for years -- Employers Compensation went
27 public, I believe, years ago, and we opted to pay a little extra
28 money into the public company from what I understand. And they
contacted me and said we had money sitting there. I had no idea. It
was a pleasant surprise.

1 **Q. And how much money did you ultimately receive from**
2 **Employers Compensation?**

3 A. I'm guessing -- again, I believe I supplied the document. I'm
4 guessing 90,000, maybe, something like that.

5 **Q. And you gave all that money to your wife?**

6 A. Correct.

7 **Q. And it's with that money that she purchased the Jaguar?**

8 A. Yes.

9 **Q. Do you know how much the Jaguar cost?**

10 A. No.

11 **Q. Is the Jaguar in your wife's name?**

12 A. I believe so.

13 See Ex. 1, 37:5-38:17.

14 **Q. Is there any debt against the Jaguar?**

15 A. I don't know if my wife put that against it or not. I don't think
16 so.

17 **Q. You didn't put any debt against it?**

18 A. I did not, no.

19 **Q. Where is the Mercedes registered?**

20 A. Las Vegas.

21 **Q. Where is the Jaguar registered?**

22 A. Las Vegas.

23 See Ex. 1, 113:14-22.

24 As this Jaguar was acquired during the marriage using community property funds, it is
25 community property, regardless of the fact that it is only registered in the name of Mrs. Mona.
26 NRS 123.220. The entirety of the community property is subject to a judgment against the
27 tortfeasor spouse, even if the other spouse was not a named party to the suit. Randono v. Turk,
28 466 P.2d 218, 223-24 (Nev. 1970); see also F.T.C. v. Neiswonger, 580 F.3d 769, 776 (8th Cir.
2009) (analyzing Nevada law). NRS 21.320 expressly permits this Court to "order any property

1 of the judgment debtor not exempt from execution, in the hands of such debtor or any other
2 person, or due to the judgment debtor, to be applied toward the satisfaction of the judgment.”
3 Therefore, Plaintiff respectfully requests that the Court order that the Jaguar be applied toward
4 the satisfaction of the Judgment.

5 In addition, the Monas failed to produce any records reflecting the Jaguar, despite the
6 May 13, 2015 Judgment Debtor Examination Orders requiring them to produce all documents
7 evidencing any assets. For example, the Monas should have produced the documents related to
8 the purchase of the Jaguar, the title, and the registration. Therefore, Plaintiff respectfully
9 requests that the Court also compel the Monas to produce these and any other documents
10 evidencing the Jaguar.

11 **III.**

12 **THE MONAS' \$55,541.00 TAX REFUND SHOULD BE**
13 **APPLIED TOWARDS SATISFACTION OF THE JUDGMENT**

14 Mr. Mona testified at this judgment debtor examination that he is owed a 2014 tax refund
15 of \$55,541.00, but that he plans to spend the money on personal expenses as opposed to applying
16 it towards the judgment.

17 **Q. Okay. Did you file 2014 tax returns?**

18 A. Yes.

19 **Q. Did you receive a refund?**

20 A. No. Not yet.

21 **Q. When do you expect to receive a refund?**

22 A. Hopefully.

23 **Q. When?**

24 A. Oh, I have no idea.

25 **Q. When did you file the 2014 tax returns?**

26 A. I believe Mr. Wilson filed them April 13th, 14th, something like
27 that.

28 **Q. Is there a reason you haven't received your refund yet?**

1 A. I have no idea.

2 **Q. Have you asked about it?**

3 A. Asked about it yesterday.

4 **Q. And?**

5 A. He'll check on it he said.

6 **Q. What do you intend to do with that money?**

7 A. Probably give it to Mona Co to pay bills.

8 **Q. What bills?**

9 A. Everyday living bills, expenses.

10 See Ex. 1, 154:22-155:18

11 **Q. On the second page, you see the return identifies that you're**
12 **entitled to a refund of \$55,541?**

13 A. Correct.

14 **Q. Which you haven't received that yet?**

15 A. Correct.

16 See Ex. 1, 157:1-5.

17 NRS 21.320 expressly permits this Court to "order any property of the judgment debtor
18 not exempt from execution, in the hands of such debtor or any other person, or due to the
19 judgment debtor, to be applied toward the satisfaction of the judgment." Therefore, Plaintiff
20 respectfully requests that the Court order that when the Monas receive the tax refund, it be
21 applied toward the satisfaction of the Judgment.

22 **CONCLUSION**

23 For these reasons, Plaintiff respectfully requests that this Court order certain property be
24 applied toward satisfaction of Plaintiff's judgment pursuant to NRS 21.320, including: (1) the
25 firearms of Mr. and Mrs. Mona; (2) the Jaguar in Mrs. Mona's name; and (3) the IRS tax refund
26 for 2014 for \$55,541.00 due to the Monas. Plaintiff further requests that the Monas be
27 compelled to produce any records reflecting the firearms they own (receipts, "Blue Cards," etc.)

28 ///

1 and the Jaguar (purchase documents, title, registration, etc.).

2 Dated this 16th day of July, 2015.

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

5 /s/ F. Thomas Edwards

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