

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Deductions,
Credits, etc. See separate instructions.

Part I Information About the Partnership

A. Partnership's employer identification number

B. Partnership's name, address, city, state, and ZIP code

MONA CO. DEVELOPMENT, LLC
2588 S RAINBOW BLVD
LAS VEGAS, NV 89146

C. IRS Center where partnership filed return

B - FILE

D. ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E. Partner's identifying number

F. Partner's name, address, city, state, and ZIP code

MONA FAMILY TRUST
MICHAEL J MONA, CH TRUSTEE
2793 RED ARROW DRIVE
LAS VEGAS, NV 89135

G. ☐ General partner or LLC member manager ☒ Limited partner or other LLC member

H. ☒ Domestic partner ☐ Foreign partner

I. What type of entity is this partner? TRUST

J. If this partner is a limited partner (LP) or LLC member, check here

K. Partner's share of profit, loss, and capital

	Beginning	Ending
Profit	51.00000000%	51.00000000%
Loss	51.00000000%	51.00000000%
Capital	51.00000000%	51.00000000%

L. Partner's share of liabilities at year end

Non-recourse	\$	
Qualified non-recourse financing	\$	
Recourse	\$	0

M. Partner's capital account analysis

Beginning capital account	\$	18,396
Capital contributed during the year	\$	402,000
Current year increase (decrease)	\$	-238,563
Withdrawals & distributions	\$	145,147
Ending capital account	\$	36,886

☒ Tax basis ☐ CAPP ☐ Section 704(b) book

N. Other (explain)

O. Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

(If "Yes," attach statement (see instructions).)

U.S. 1041-1 For Partners' Redaction Act Notice, see Instructions for Form 1065. IRS.gov/Form1065

Schedule K-1 (Form 1065), 2014

MONACODEV

MONA CO. DEVELOPMENT, LLC. MONACOD1

MONA 2nd JDE - 0935

SCHEDULE K-1

ALTERNATIVE MINIMUM TAX, ADJUSTED
GAIN OR LOSS, BOX 17, CODE B

DESCRIPTION	PARTNER FILING INSTRUCTIONS	SUBJECT TO SPECIAL RATES	AMOUNT
ORDINARY GAIN (LOSS)	SEE FORM 6251 INSTRUCTIONS		-3,253.
TOTAL TO SCHEDULE K-1, BOX 17, CODE B			-3,253.

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	NONDEDUCTIBLE PORTION	12,059.
EMPLOYEE LIFE INSURANCE		21,473.
HEALTH INSURANCE	MZ	5,765.
INSURANCE RED ARROW		2,845.
CLUB DUES		8,880.
PERSONAL AUTO		674.
PERSONAL USE OF VEHICLE	MZ	4,447.
UTILITIES		19,405.
TOTAL TO SCHEDULE K-1, BOX 18, CODE C		75,558.

MONACODEV

PARTNER NUMBER 2

MONA CO, DEVELOPMENT, LLC. MONACODI

0936

MONA 2nd JDE - 00278

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether a partner's distributive share is a net income or a net loss and enter the partner's share as follows:

Partner's share	Report on
1. Ordinary income	See the Partner's Instructions for Schedule E, line 28, column (b).
2. Nonseparately stated income	See the Partner's Instructions for Schedule E, line 28, column (b).
3. Net income or net loss	See the Partner's Instructions for Schedule E, line 28, column (b).
4. Guaranteed payments	See the Partner's Instructions for Schedule E, line 28, column (b).
5. Interest income	See the Partner's Instructions for Schedule E, line 28, column (b).
6. Dividend income	See the Partner's Instructions for Schedule E, line 28, column (b).
7. Capital gains (losses)	See the Partner's Instructions for Schedule E, line 28, column (b).
8. Net capital gain (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
9. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
10. Unrecaptured Section 1250 gain	See the Partner's Instructions for Schedule E, line 28, column (b).
11. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
12. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
13. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
14. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
15. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
16. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
17. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
18. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
19. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
20. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).

15. Self-employment income (loss). Report the partner's share of the partnership's self-employment income (loss) on the Partner's Instructions for Schedule SE.

1. Self-employment income (loss)	See the Partner's Instructions for Schedule SE, line 14.
2. Other income (loss)	See the Partner's Instructions for Schedule SE, line 14.
3. Other income (loss)	See the Partner's Instructions for Schedule SE, line 14.

16. Credits	See the Partner's Instructions for Schedule E, line 28, column (b).
17. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
18. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
19. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
20. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
21. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
22. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
23. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
24. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
25. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
26. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
27. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
28. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
29. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).
30. Other income (loss)	See the Partner's Instructions for Schedule E, line 28, column (b).

1. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
2. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
3. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
4. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
5. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
6. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
7. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
8. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
9. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
10. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
11. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
12. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
13. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
14. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
15. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
16. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
17. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
18. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
19. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
20. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
21. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
22. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
23. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
24. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
25. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
26. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
27. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
28. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
29. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).
30. Excess of income over expenses	See the Partner's Instructions for Schedule E, line 28, column (b).

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

M&M VENTURES LLC
2688 E. RAINBOW BLVD
LAS VEGAS, NV 89146

C IRS Center where partnership filed return
E-FYLS

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

1 Partner's identifying number

2 Partner's name, address, city, state, and ZIP code

MICHAEL J MONA, JR
MONA FAMILY TRUST
2397 RED ARROW DRIVE
LAS VEGAS, NV 89133

3 ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

4 ☒ Domestic partner ☐ Foreign partner

5 What type of entity is this partner? TRUST

6 If this partner is a "disqualified partner" (RASCAL), check here ☐

7 Partner's share of profit, loss, and capital

	Beginning	Ending
Profit	90.0000000%	90.0000000%
Loss	90.0000000%	90.0000000%
Capital	90.0000000%	90.0000000%

8 Partner's share of liabilities at year end

Nonrecourse	\$	
Capital nonrecourse financing	\$	
Recourse	\$	0

9 Partner's capital account analysis

Beginning capital account	\$	175,750
Capital contributed during the year	\$	33,327
Current year increase (decrease)	\$	-209,077
Withdrawals & distributions	\$	
Ending capital account	\$	0

☒ Tax basis ☐ GAAP ☐ Section 108(b) book

10 Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes," attach statement (see instructions)

Form K-1

Amended 4-1

CASR No. 1545-0125

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0	15 Credit
2 Guaranteed income		16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income		
6a Ordinary dividends		17 Alternative tax (AMT) items
6b Qualified dividends		
7 Royalties		18 Tax-exempt income and nondeductible expenses
8a Net short-term capital gain (loss)		
8b Net long-term capital gain (loss)	-209,077	
9a Collectibles (20%) gain (loss)		19 Dispositions
9b Unrecaptured sec. 1250 gain		
10 Net section 1253 gain (loss)		20 Other information
11 Other income (loss)		
12 Section 28 deduction		
13 Other deductions		
14 Self-employment earnings (loss)		

* See attached statement for additional information

432001

11-24-11 LHA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

IRS.gov/Form 1065

Schedule K-1 (Form 1065) 2014

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0938
MONA 2nd JDE - 00280

This list identifies the codes used on Schedule K-1 for partners and amounts summarized reporting information. For details regarding the Form 1040. For details regarding coding information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your return software.

1. **Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:

	Record on
Passive loss	See the Partner's Instructions.
Passive income	Schedule K, line 28, column (b).
Nonpassive loss	Schedule K, line 28, column (c).
Nonpassive income	Schedule K, line 28, column (d).
2. Rental real estate income (loss).	See the Partner's Instructions.
3. Other rental real estate income (loss).	Schedule K, line 28, column (b).
4. Guaranteed payments	See the Partner's Instructions.
5. Interest income	Schedule K, line 28, column (b).
6. Dividend income	Schedule K, line 28, column (b).
7. Royalties	Schedule K, line 28, column (b).
8. Tax-exempt interest (gross)	Schedule K, line 28, column (b).
9. Tax-exempt interest (net)	Schedule K, line 28, column (b).
10. Tax-exempt interest (gross)	Schedule K, line 28, column (b).
11. Tax-exempt interest (net)	Schedule K, line 28, column (b).
12. Other income (loss)	See the Partner's Instructions.
13. Other income (loss)	See the Partner's Instructions.
14. Other income (loss)	See the Partner's Instructions.
15. Other income (loss)	See the Partner's Instructions.
16. Other income (loss)	See the Partner's Instructions.
17. Other income (loss)	See the Partner's Instructions.
18. Other income (loss)	See the Partner's Instructions.
19. Other income (loss)	See the Partner's Instructions.
20. Other income (loss)	See the Partner's Instructions.
21. Other income (loss)	See the Partner's Instructions.
22. Other income (loss)	See the Partner's Instructions.
23. Other income (loss)	See the Partner's Instructions.
24. Other income (loss)	See the Partner's Instructions.
25. Other income (loss)	See the Partner's Instructions.
26. Other income (loss)	See the Partner's Instructions.
27. Other income (loss)	See the Partner's Instructions.
28. Other income (loss)	See the Partner's Instructions.
29. Other income (loss)	See the Partner's Instructions.
30. Other income (loss)	See the Partner's Instructions.
31. Other income (loss)	See the Partner's Instructions.
32. Other income (loss)	See the Partner's Instructions.
33. Other income (loss)	See the Partner's Instructions.
34. Other income (loss)	See the Partner's Instructions.
35. Other income (loss)	See the Partner's Instructions.
36. Other income (loss)	See the Partner's Instructions.
37. Other income (loss)	See the Partner's Instructions.
38. Other income (loss)	See the Partner's Instructions.
39. Other income (loss)	See the Partner's Instructions.
40. Other income (loss)	See the Partner's Instructions.
41. Other income (loss)	See the Partner's Instructions.
42. Other income (loss)	See the Partner's Instructions.
43. Other income (loss)	See the Partner's Instructions.
44. Other income (loss)	See the Partner's Instructions.
45. Other income (loss)	See the Partner's Instructions.
46. Other income (loss)	See the Partner's Instructions.
47. Other income (loss)	See the Partner's Instructions.
48. Other income (loss)	See the Partner's Instructions.
49. Other income (loss)	See the Partner's Instructions.
50. Other income (loss)	See the Partner's Instructions.
51. Other income (loss)	See the Partner's Instructions.
52. Other income (loss)	See the Partner's Instructions.
53. Other income (loss)	See the Partner's Instructions.
54. Other income (loss)	See the Partner's Instructions.
55. Other income (loss)	See the Partner's Instructions.
56. Other income (loss)	See the Partner's Instructions.
57. Other income (loss)	See the Partner's Instructions.
58. Other income (loss)	See the Partner's Instructions.
59. Other income (loss)	See the Partner's Instructions.
60. Other income (loss)	See the Partner's Instructions.
61. Other income (loss)	See the Partner's Instructions.
62. Other income (loss)	See the Partner's Instructions.
63. Other income (loss)	See the Partner's Instructions.
64. Other income (loss)	See the Partner's Instructions.
65. Other income (loss)	See the Partner's Instructions.
66. Other income (loss)	See the Partner's Instructions.
67. Other income (loss)	See the Partner's Instructions.
68. Other income (loss)	See the Partner's Instructions.
69. Other income (loss)	See the Partner's Instructions.
70. Other income (loss)	See the Partner's Instructions.
71. Other income (loss)	See the Partner's Instructions.
72. Other income (loss)	See the Partner's Instructions.
73. Other income (loss)	See the Partner's Instructions.
74. Other income (loss)	See the Partner's Instructions.
75. Other income (loss)	See the Partner's Instructions.
76. Other income (loss)	See the Partner's Instructions.
77. Other income (loss)	See the Partner's Instructions.
78. Other income (loss)	See the Partner's Instructions.
79. Other income (loss)	See the Partner's Instructions.
80. Other income (loss)	See the Partner's Instructions.
81. Other income (loss)	See the Partner's Instructions.
82. Other income (loss)	See the Partner's Instructions.
83. Other income (loss)	See the Partner's Instructions.
84. Other income (loss)	See the Partner's Instructions.
85. Other income (loss)	See the Partner's Instructions.
86. Other income (loss)	See the Partner's Instructions.
87. Other income (loss)	See the Partner's Instructions.
88. Other income (loss)	See the Partner's Instructions.
89. Other income (loss)	See the Partner's Instructions.
90. Other income (loss)	See the Partner's Instructions.
91. Other income (loss)	See the Partner's Instructions.
92. Other income (loss)	See the Partner's Instructions.
93. Other income (loss)	See the Partner's Instructions.
94. Other income (loss)	See the Partner's Instructions.
95. Other income (loss)	See the Partner's Instructions.
96. Other income (loss)	See the Partner's Instructions.
97. Other income (loss)	See the Partner's Instructions.
98. Other income (loss)	See the Partner's Instructions.
99. Other income (loss)	See the Partner's Instructions.
100. Other income (loss)	See the Partner's Instructions.

411012
11-24-14

69480319 754170 MMVENT

2014.03000 N&M VENTURES LLC

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MMVENT_10939
MONA 2nd JDE - 00281

Schedule of Activities

For calendar year 2014, or for year beginning 2014, and ending

Name: **M&M VENTURES LLC**

E.O. Number: **20 1994776**

For: **MICHAEL J MONA, JR MONA FAMILY TRUST**

Description of Activity: **1 X AZ 1-10, LLC**

Description of Activity	1	X	Activity -	1	Activity -	Activity -
Ordinary business income (loss)						
Net rental real estate income (loss)						
Other net rental income (loss)						
Interest income						
Dividends - Ordinary dividends						
Qualified dividends						
Royalties						
Net short-term capital gain (loss)						
Net long-term capital gain (loss)						
Collectibles (28%) gain (loss)						
Unrecaptured Section 1256 gain						
Net section 1231 gain (loss)						
Other portfolio income						
Section 1256 contracts and straddles						
Other income						
Section 179 deduction						
Charitable contributions						
Portfolio deductions						
Investment interest expense						
Section 66(a)(2) expenditures						
Other deductions						
Net earnings from self-employment						
Gross farming or fishing income						
Gross nonfarm income						
LIFO credit - Section 42(b)(5) partnerships						
Other						
Qualified rehabilitation expenditures related to rental real estate						
Other rental credits						
Credits related to other rental activities						
Recapture of LIFO credit - Section 42(b)(5) partnerships						
Other						
Other credits						
Post-1986 depreciation adjustment						
Adjusted gain or loss						
Portion of adjusted gain/loss allocable to short-term gain/loss						
Portion of adjusted gain/loss allocable to long-term gain/loss						
Portion of adjusted gain/loss allocable to section 1231 gain/loss						
Depreciation (other than oil and gas)						
Oil, gas and geothermal properties - gross income						
Oil, gas and geothermal properties - deductions						
Other AMT items						
Investment income						
Investment expenses						

- 1 - Single Family Residence
- 2 - Multi-Family Residence
- 3 - Vacation or Short-Term Rental
- 4 - Commercial
- 5 - Land
- 6 - Royalties
- 7 - Self-Rental
- 8 - Other

435001 06-01-14

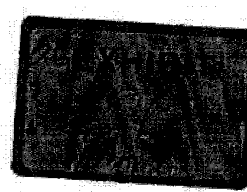
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M&M VENTURES LLC

MMVENT 1

0940
MONA 2nd JDE - 00282

1065 Form Department of the Treasury Internal Revenue Service	U.S. Return of Partnership Income For calendar year 2014, or tax year beginning 2014 EXTENSION GRANTED TO 09/15/15	OMB No. 1545-0047 2014 Employee identification number Date business started 07/13/2000
A Previous business return Name of partner's firm REAL ESTATE MONA CO. DEVELOPMENT, LLC. Principal product or service MANAGEMENT/DEVELOPMENT Principal address 2688 S RAINBOW BLVD City or town, state or province, country, and ZIP or foreign postal code LAS VEGAS NV 89146		
B Business code number 531310		
C Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return (6) <input type="checkbox"/> Technical termination also check (1) or (2)		
H Check accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify):		
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year 3		
J Check if Schedules C and M-1 are attached <input type="checkbox"/>		
Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.		
Income	1 a Gross receipts or sales 1a b Returns and allowances 1b c Balance. Subtract line 1b from line 1a 2 Cost of goods sold (attach Form 1775-A) 3 Gross profit. Subtract line 2 from line 1c 4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) 5 Net farm profit (loss) (attach Schedule F (Form 1040)) 6 Net gain (loss) from Form 4797, Part I, line 17 (attach Form 4797) 7 Other income (loss) (attach statement) SEE STATEMENT 1 8 Total income (loss). Combine lines 3 through 7 30,183. 9 Salaries and wages (other than to partners) (less employment credits) 10 Guaranteed payments to partners 11 Repairs and maintenance 12 Bad debts 13 Rent 23,675. 14 Taxes and licenses 4,596. 15 Interest 896. 16 a Depreciation (if required, attach Form 4562) 3,791. b Less depreciation reported on Form 1125-A and elsewhere on return 3,791. 17 Depletion (Do not deduct oil and gas depletion) 18 Retirement plans, etc. 19 Employee benefit programs 20 Other deductions (attach statement) SEE STATEMENT 3 21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20 359,257. 22 Ordinary business income (loss). Subtract line 21 from line 8 319,617.	
Deductions (see the instructions for limitations)		
Sign Here May the IRS discuss this return with the preparer shown below (see note 1)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Preparer's name EDWARD A. WILSON, CPA Preparer's signature Date		
Paid Preparer Use Only WILSON & COMPANY, CPA'S PTIN P01227966 2688 S. RAINBOW BLVD, STE A Phone 88-0340469 LAS VEGAS, NV 89146 Fax (702) 227-6090		
LHA For Paperwork Reduction Act Notice, see separate instructions. Form 1065 (2014)		



0941
MONA 2nd JDE - 00325

Schedule B Other Information

		Yes	No	
1 What type of entity is filing this return? Check the applicable box:				
a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership			
c <input checked="" type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership			
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other			
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?		X		
3 At the end of the tax year:				
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership			X	
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		X		
4 At the end of the tax year, did the partnership:				
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below			X	
(i) Name of Corporation	(ii) Employee Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below			X	
(i) Name of Entity	(ii) Employee Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Member Percentage Owned in Profit, Loss, or Capital
5 Did the partnership file Form 9893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 9893 for more details			X	
6 Does the partnership satisfy all four of the following conditions?				
a The partnership's total receipts for the tax year were less than \$250,000.				
b The partnership's total assets at the end of the tax year were less than \$1 million.				
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		X		
d The partnership is not filing and is not required to file Schedule M-3. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.				
7 Is this partnership a publicly traded partnership as defined in section 409(c)(2)?			X	
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?			X	
9 Has this partnership filed, or is it required to file, Form 8878, Material Advisor Disclosure Statement, to provide information on any reportable transaction?			X	
10 At any time during calendar year 2014, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country.			X	

Form 1065 (2014)

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MONA CO. DEVELOPMENT, LLC. MONACOD1

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MONA 2nd JDB - 00326

Schedule B Other information (continued)

	Yes	No
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year).		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions.		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.		X
17 Enter the number of Forms 8895, Return of U.S. Persons With Respect To Certain Foreign Partnerships, attached to this return.		X
18a Did you make any payments in 2014 that would require you to file Form(s) 1099? See instructions.		X
b If "Yes," did you or will you file required Form(s) 1099?		
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return.		
20 Enter the number of partners that are foreign governments under section 692.		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return.

Name of designated TMP	MICHAEL J. MONA, JR.	Identifying number of TMP	
If the TMP is an entity, name of TMP representative		Phone number of TMP	
Address of designated TMP	2793 RED ARROW DRIVE LAS VEGAS, NV 89135		

Form 1065 (2014)

Schedule K Partners' Distributions

Total amount

1 Ordinary business income (loss) (page 1, line 22)		1	-319,617.
2 Net rental real estate income (loss) (attach Form 8825)		2	
Income (Loss)	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income	5	
6 Dividends:	a Ordinary dividends	6a	
	b Qualified dividends	6b	
7 Royalties	7		
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8		
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
12 Section 179 deduction (attach Form 4562)	12		
Deductions	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
	d Other deductions (see instructions) Type ▶	13d	
Self-Employment	14a Net earnings (loss) from self-employment	14a	
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15a Low-income housing credit (section 42(i)(1))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ▶	16a	
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	d Foreign gross income sourced at partnership level		
	General category ▶ Other ▶	16d	
	e Deductions allocated and apportioned at partner level		
	Interest expense ▶ Other ▶	16e	
	f Deductions allocated and apportioned at partnership level to foreign source income		
	General category ▶ Other ▶	16f	
	g Total foreign taxes (check one): Paid Accrued	16g	
h Reduction in taxes available for credit (attach statement)	16h		
i Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	2,048.
	b Adjusted gain or loss	17b	-6,379.
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties - gross income	17d	
	e Oil, gas, and geothermal properties - deductions	17e	
f Other AMT items (attach statement)	17f		
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	95,046.
	d Distributions of cash and marketable securities	18d	146,031.
	e Distributions of other property	18e	
	20a Investment income	20a	
b Investment expenses	20b		
c Other items and amounts (attach statement)			

Form 1065 (2014)

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MONA CO. DEVELOPMENT, LLC. MONACOD1

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MONA 2nd JDE - 00328

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From this result, subtract the sum of Schedule K, lines 12 through 13c, and 16i.						-319,617.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nonresident Alien
a General partners						
b Limited partners			76,708.			-242,909.

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		45,397.		71,592.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	STATEMENT 6	75,260.		
7a Loans to partners (or persons related to partners)				
b Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	268,128.		94,551.	
b Less accumulated depreciation	254,179.	13,949.	94,210.	341.
10a Depreciable assets				
b Less accumulated depreciation				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets		134,606.		71,933.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable (less than 1 year)		10,964.		
17 Other current liabilities (attach statement)	STATEMENT 7	55,000.		
18 All nonrecourse loans				
19a Loans from partners (or persons related to partners)				
b Mortgages, notes, bonds payable (1 year or more)				
20 Other liabilities (attach statement)	STATEMENT 8	11,015.		
21 Partners' capital accounts		57,627.		71,933.
22 Total liabilities and capital		134,606.		71,933.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. The partnership may be required to file Schedule M-3 (see instructions).

1 Net income (loss) per books	-414,663.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 5a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16 (itemize):		a Depreciation \$	
STMT 10 71,382.		8 Add lines 6 and 7	
a Depreciation \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-319,617.
b Travel and entertainment \$ 23,664.	95,046.		
5 Add lines 1 through 4	-319,617.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	57,627.	6 Distributions: a Cash	146,031.
2 Capital contributed: a Cash	575,000.	b Property	
b Property		7 Other decreases (itemize)	
3 Net income (loss) per books	-414,663.	8 Add lines 6 and 7	146,031.
4 Other increases (itemize)		9 Balance at end of year. Subtract line 8 from line 1	71,933.
5 Add lines 1 through 4	217,964.		

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Form 1065 (2014)

MONACODEV

MONA CO. DEVELOPMENT, LLC.

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MONA 2nd JDE - 00329

SCHEDULE B-1
(Form 1065)
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

Information on Partners Owning 50% or
More of the Partnership

OMB No. 1545-0099

▶ Attach to Form 1065. See instructions.

Name of partnership

Employer identification number

MONA CO. DEVELOPMENT, LLC.

Part I Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
MONA FAMILY TRUST MICHAEL J MONA, JR	530-50-1249	UNITED STATES	51.00

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule B-1 (Form 1065) (Rev. 12-2011)

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MONA CO. DEVELOPMENT, LLC. MONACOD1

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MONA 2nd JDE - 00330

2014 DEPRECIATION AND AMORTIZATION REPORT
CONSULTING AND MANAGEMENT

Asset No.	Description	Dep. Acquired	Method	Life	Yr	Unadjusted Basis	Reg'n. Exp.	Section 179	Basel'n Depreciation	Adjusted Depreciation	Current Sec 179	Current Year Deduction
OTHER												
6	COMPUTERS & EQUIPMENT	082704	200DB5.00	17		8,459.		4,230.	4,229.	4,229.		0.
7	COMPUTER	100506	200DB5.00	17		1,416.			1,416.	1,416.		0.
8	COMPUTER	030206	200DB5.00	17		3,227.			3,227.	3,227.		0.
9	COMPUTER EQUIPMENT	061207	200DB5.00	17		20,643.			20,643.	20,643.		0.
10	FURNITURE	032607	200DB7.00	17		12,500.			12,500.	12,363.		137.
11	FURNISHINGS	062507	200DB7.00	17		19,781.			19,781.	19,123.		658.
12	APPLE LAPTOP	120208	200DB5.00	17		2,864.			2,864.	2,864.		0.
13	COMPUTER	081309	200DB5.00	17		2,101.			2,101.	1,980.		121.
15	COMPUTER EQUIPMENT	052110	200DB5.00	17		2,511.			2,511.	2,077.		289.
18	BINDING MACHINE (D)2011 FANCE	123113	200DB5.00	17		344.			344.	17.		131.
19	COVER WHITE (D)2008 LAND	030111	200DB5.00	17		48,608.			48,608.	36,336.		2,455.
20	COVER-SILVER (D)2008 LAND	122008	200DB5.00	17		89,969.			89,969.	89,969.		0.
21	COVER-WHITE-ADJ BAS	123008	200DB5.00	17		35,000.			35,000.	35,000.		0.
	* OTHER TOTAL OTHER FURNITURE & FIXTURES					247,423.		4,230.	243,193.	229,244.		3,791.
20	OFFICE FURNITURE	070100	200DB5.00	17		1,757.			1,757.	1,757.		0.
4	TWO DESKS	091601	200DB7.00	17		1,455.		437.	1,018.	1,018.		0.
5	FILE CABINETS	121102	200DB7.00	17		1,147.		344.	803.	803.		0.

(D) - Asset disposed
* IRC Section 179. See app. Bonus. Corrected Re-valuation Deduction

2014 DEPRECIATION AND AMORTIZATION REPORT
CONSULTING AND MANAGEMENT

Asset No.	Description	Item Acquired	Method	Life	1st Year	Unadjusted Cost Basis	Book Value	Reduction Basis	Cost for Depreciation	Accumulated Depreciation	Current Year Depreciation
	* OTHER TOTAL FURNITURE & FIXTURE MACHINERY & EQUIPMENT					4,359.		781.	3,578.	3,578.	0.
1	COMPUTER	070100200DB	7.00	17		5,290.			5,290.	5,290.	0.
3	OFFICE COMPUTER	0701001200DB	5.00	17		11,056.			11,056.	11,056.	0.
	* OTHER TOTAL MACHINERY & EQUIPMENT					16,346.			16,346.	16,346.	0.
	* GRAND TOTAL OTHER DEPRECIATION					268,129.		5,011.	263,117.	249,168.	3,791.
	CURRENT ACTIVITY										
	BEGINNING BALANCE					268,128.		5,011.	263,117.	249,168.	
	ACQUISITIONS					0.		0.	0.	0.	
	DISPOSITIONS					173,577.		0.	173,577.	161,309.	
	ENDING BALANCE					94,551.		5,011.	89,540.	87,863.	

1/15/17 06:31:14 (B) - Asset disposed (C) - Section 179, Salvage, Bonus, Commercial Realization Deduction

6.2

Form **4797**

Department of the Treasury
Internal Revenue Service

Use only if you are an individual

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

► Attach to your tax return

► Information about Form 4797 and its separate instructions is at www.irs.gov/form4797.

OMB No. 1545-0047

2014

Attachment
Sequence No. 27

MONA CO. DEVELOPMENT, LLC.

1 Enter the gross proceeds from sales or exchanges reported to you for 2014 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and subtractive sale	(g) Gain or loss. Subtract (f) from the sum of (d) and (e)
2						

3 Gain, if any, from Form 4684, line 39

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824

6 Gain, if any, from line 32, from other than casualty or theft

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions)

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

--	--	--	--	--	--	--

11 Loss, if any, from line 7

12 Gain, if any, from line 7 or amount from line 9, if applicable

13 Gain, if any, from line 31

14 Net gain or (loss) from Form 4684, lines 31 and 36a

15 Ordinary gain from installment sales from Form 6252, line 25 or 36

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824

17 Combine lines 10 through 16

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(4), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from Form 4797, line 18a. See instructions.

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14.

WJA For Paperwork Reduction Act Notice, see separate instructions.

Form 4797 2014

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MONA 2nd JDE - 00333

MONA CO., DEVELOPMENT, LLC.

Page 2

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
030111	080814

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:

A 2008 RANGE ROVER - WHITE

B

C

D

These columns relate to the properties on lines 19A through 19D.	Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	40,000.			
21 Cost or other basis plus expense of sale	173,577.			
22 Depreciation (or depletion) allowed or allowable	163,760.			
23 Adjusted basis. Subtract line 22 from line 21	9,817.			
24 Total gain. Subtract line 23 from line 20	30,183.			
25 If section 1245 property:				
a Depreciation allowed or allowable from line 22	163,760.			
b Enter the smaller of line 24 or 25a	30,183.			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26d, except for a corporation subject to section 291.				
a Additional depreciation after 1975				
b Applicable percentage multiplied by the smaller of line 24 or line 26a				
c Subtract line 25a from line 24. If residential rental property or line 24 is not more than line 25a, skip lines 26d and 26e				
d Additional depreciation after 1969 and before 1976				
e Enter the smaller of line 26c or 26d				
f Section 291 amount (corporations only)				
g Add lines 26b, 26e, and 26f				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a Soil, water, and land clearing expenses				
b Line 27a multiplied by applicable percentage				
c Enter the smaller of line 24 or 27b				
28 If section 1254 property:				
a Incapable drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion				
b Enter the smaller of line 24 or 28a				
29 If section 1255 property:				
a Applicable percentage of payments excluded from income under section 125				
b Enter the smaller of line 24 or 29a				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30,183.
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	30,183.
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 53. Enter the portion from other than casualty or theft on Form 4797, line 6	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years		
34 Recaptured depreciation (see instructions)		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report		

7-8302 JVA

Form 4797 (20-4)

0950
MONA 2nd JDE - 00334

Form 4797 <small>Department of the Treasury Internal Revenue Service</small>		ALTERNATIVE MINIMUM TAX Sales of Business Property <small>(Also involuntary conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))</small> 2014 <small>OMB No. 1545-0044</small> Attachment Sequence No. 27	
Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year		Identifying number: 0000000000	
Name of person or return: MONA CO. DEVELOPMENT, LLC.			
1 Enter the gross proceeds from sales or exchanges reported to you for 2014 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions): 1			
(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Unrecaptured section 1231 gain or (loss)
2			
3 Gain, if any, from Form 4684, line 39: 3			
4 Section 1231 gain from installment sales from Form 6252, line 25 or 37: 4			
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824: 5			
6 Gain, if any, from line 32, from other than casualty or theft: 6			
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: <div style="font-size: small;"> Partnerships (except blocking large partnerships) and S corporations. Report the gain or (loss) following the instructions on Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. Nonrecaptured net section 1231 losses from prior years (see instructions). 8 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions). </div>			
Part II Ordinary Gains and Losses			
10 Ordinary gains and losses not included on lines 11 through 15 (include property held 1 year or less):			
11 Loss, if any, from line 7: 11			
12 Gain, if any, from line 7 or amount from line 8, if applicable: 12			
13 Gain, if any, from line 31: 13 23,804.			
14 Net gain or (loss) from Form 4684, lines 31 and 38a: 14			
15 Ordinary gain from installment sales from Form 6252, line 25 or 36: 15			
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824: 16			
17 Combine lines 10 through 16: 17 23,804.			
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: <div style="font-size: small;"> a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(6), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee or Schedule A (Form 1040), line 23, identify as from Form 4797, line 18a. See instructions. b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14. </div>			

WA For Paperwork Reduction Act Notice, see separate instructions

Form 4797 (2014)

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12-19-14

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MONA 2nd JDE - 00335

MONA CO, DEVELOPMENT, LLC.

ALTERNATIVE MINIMUM TAX

Page 2

Form 4797 (2014)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	19 (b) Date acquired (mo. day, yr.)	19 (c) Date sold (mo. day, yr.)
A 2008 RANGE ROVER-WHITE	030111	080814

A 2008 RANGE ROVER-WHITE

030111

080814

B

C

D

These columns relate to the properties on lines 19A through 19D.

	Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20 40,000.			
21 Cost or other basis plus expense of sale	21 173,577.			
22 Depreciation (or depletion) allowed or allowable	22 157,381.			
23 Adjusted basis. Subtract line 22 from line 21	23 16,196.			
24 Total gain. Subtract line 23 from line 20	24 23,804.			
25 If section 1245 property:				
a Depreciation allowed or allowable from line 22	25a 157,381.			
b Enter the smaller of line 24 or 25a	25b 23,804.			
26 If section 1250 property. If straight line depreciation was used, enter -0- on line 26c, except for a corporation subject to section 291.				
a Additional depreciation after 1975	26a			
b Applicable percentage multiplied by the smaller of line 24 or line 25a	26b			
c Subtract line 26a from line 24. If residential rental property of line 24 is not more than line 25a, skip lines 26d and 26e	26c			
d Additional depreciation after 1969 and before 1976	26d			
e Enter the smaller of line 26c or 26d	26e			
f Section 291 amount (corporations only)	26f			
g Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property. Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a Soil, water, and land clearing expenses	27a			
b Line 27a multiplied by applicable percentage	27b			
c Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:				
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion	28a			
b Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:				
a Applicable percentage of payments excluded from income under section 126	29a			
b Enter the smaller of line 24 or 29a	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30 23,804.
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31 23,804.
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4694, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recaptured depreciation (see instructions)	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

479022 JWA

Form 4797 (2014)

0952

MONA 2nd JDE - 00336

MONA CO, DEVELOPMENT, LLC.

FORM 1065	OTHER INCOME	STATEMENT 1
DESCRIPTION	AMOUNT	
PERSONAL USE OF VEHICLES	9,457.	
TOTAL TO FORM 1065, LINE 7	9,457.	

FORM 1065	TAX EXPENSE	STATEMENT 2
DESCRIPTION	AMOUNT	
PAYROLL TAXES	3,796.	
TAXES AND LICENSES	800.	
TOTAL TO FORM 1065, LINE 14	4,596.	

FORM 1065	OTHER DEDUCTIONS	STATEMENT 3
DESCRIPTION	AMOUNT	
ACCOUNTING FEES	13,825.	
ADVERTISING	13,975.	
AUTO EXPENSES	3,117.	
BANK CHARGES	725.	
COMPUTER & INTERNET	2,260.	
INSURANCE	8,354.	
LEGAL FEES	113,122.	
MEALS AND ENTERTAINMENT	23,664.	
OUTSIDE SERVICES	14,040.	
PAYROLL FEES	3,996.	
POSTAGE & DELIVERY	885.	
SUPPLIES	5,113.	
TELEPHONE	21,212.	
TRAVEL	53,289.	
TOTAL TO FORM 1065, LINE 20	277,577.	

MONACODEV

11

STATEMENT(S) 1, 2, 3

MONA CO, DEVELOPMENT, LLC. MONACOD1

0953

MONA 2nd JDE - 00337

MONA CO, DEVELOPMENT, LLC.

SCHEDULE K	ADJUSTED GAIN OR LOSS	STATEMENT 4
DESCRIPTION	AMOUNT	
AMT BASIS ADJUSTMENT - 2008 RANGE ROVER-WHITE	-6,379.	
TOTAL TO SCHEDULE K, LINE 17B	-6,379.	

SUBJECT TO
SPECIAL
RATES

AMOUNT

ADJUSTED GAIN OR LOSS ALLOCABLE TO:

ORDINARY GAIN OR LOSS
SHORT TERM CAPITAL GAIN OR LOSS
LONG TERM CAPITAL GAIN OR LOSS
SECTION 1231 GAIN OR LOSS
COLLECTIBLES - 28% RATE
UNRECAPTURED SECTION 1250 GAIN - 25% RATE

6,379.

SCHEDULE K	NONDEDUCTIBLE EXPENSE	STATEMENT 5
DESCRIPTION	AMOUNT	
CLUB DUES	8,880.	
EMPLOYEE LIFE INSURANCE	21,473.	
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	23,664.	
HEALTH INSURANCE	8,648.	
INSURANCE RED ARROW	2,845.	
PERSONAL AUTO	674.	
PERSONAL USE OF VEHICLE	9,457.	
UTILITIES	19,405.	
TOTAL TO SCHEDULE K, LINE 18C	95,046.	

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
ADVANCES	75,260.	
TOTAL TO SCHEDULE L, LINE 6	75,260.	

MONA CO, DEVELOPMENT, LLC.

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
DUE TO AFFILIATE PAYROLL TAXES PAYABLE	55,000.		
TOTAL TO SCHEDULE L, LINE 17	55,000.		

SCHEDULE L	OTHER LIABILITIES	STATEMENT	8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
LAND ROVER FINANCIAL	11,015.		
TOTAL TO SCHEDULE L	11,015.		

FORM 1065	PARTNERS' CAPITAL ACCOUNT SUMMARY				STATEMENT	9
PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH-DRAWALS	ENDING CAPITAL	
1	31,133.	73,000.	-85,820.	330.	17,983.	
2	18,396.	402,000.	-238,563.	145,147.	36,686.	
3	8,098.	100,000.	-90,280.	554.	17,264.	
TOTAL	57,627.	575,000.	-414,663.	146,031.	71,933.	

MONACODEV

13

STATEMENT(S) 7, 8, 9

MONA CO, DEVELOPMENT, LLC. MONACOD1

0955

MONA 2nd JDE - 00339

MONA CO, DEVELOPMENT, LLC.

SCHEDULE M-1 EXPENSES RECORDED ON BOOKS NOT DEDUCTED IN RETURN STATEMENT 10

DESCRIPTION	AMOUNT
CLUB DUES	8,880.
EMPLOYEE LIFE INSURANCE	21,473.
HEALTH INSURANCE	8,648.
INSURANCE RED ARROW	2,845.
PERSONAL AUTO	674.
PERSONAL USE OF VEHICLE	9,457.
UTILITIES	19,405.
TOTAL TO SCHEDULE M-1, LINE 4	71,382.

0 MONACODEV

14

MONA CO, DEVELOPMENT, LLC. MONACOD1

STATEMENT(S) 10

0956

MONA 2nd JDE - 00340

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Month	AMT Life	AMT Cost Basis	AMT Accumulated	Regular Depreciated	AMT Depreciation	AMT Adjustment
10	FURNITURE	032607	150DB	7.00	12,500.	12,330.	137.	190.	53.
11	FURNISHINGS	062507	150DB	7.00	19,781.	18,674.	658.	907.	-249.
15	COMPUTER	081309	150DB	5.00	2,101.	1,925.	121.	175.	-54.
16	COMPUTER EQUIPMENT	052101	150DB	5.00	2,511.	1,883.	289.	419.	-130.
18	BINDING MACHINE	123103	150DB	5.00	344.	13.	131.	39.	32.
19	2011 RANGE ROVER-WHITE	030111	150DB	5.00	48,608.	28,363.	2,455.	4,049.	-1,594.
	TOTALS				85,845.	63,369.	3,791.	5,839.	-2,048.
	MACRS AMT ADJUSTMENT							-2,048.	

58214
58214

14.1

Schedule K-1
(Form 1065)

For calendar year 2014, or tax

2014

Department of the Treasury
Internal Revenue Servicetax beginning
endingPartner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Final K-1 Amended K-1 OMB No. 1545-0123

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	15 Credits
-79,904.	
2 Real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	17 Alternative min tax (AMT) items
	A 512.
6b Qualified dividends	B* 1,595.
7 Royalties	
8 Net short-term capital gain (loss)	18 Tax-exempt income and nondeductible expenses
	C* 5,916.
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
	A 330.
9c Unrecaptured sec. 1250 gain	20 Other information
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss)	

*See attached statement for additional information.

Part I Information About the Partnership

A Partnership's employer identification number
2

B Partnership's name, address, city, state, and ZIP code
MONA CO, DEVELOPMENT, LLC.
2688 S RAINBOW BLVD
LAS VEGAS, NV 89146

C IRS Center where partnership filed return
E-FILE

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
MIK-NIK TRUST
MICHAEL J MONA, III, TRUSTEE
2688 S RAINBOW BLVD, SUITE B-1
LAS VEGAS, NV 89146

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? TRUST

J If this partner is a retirement plan (RABSP/Keogh/etc.), check here

K Partner's share of profit, loss, and capital

	Beginning	Ending
Profit	25.0000000%	25.0000000%
Loss	25.0000000%	25.0000000%
Capital	25.0000000%	25.0000000%

L Partner's share of liabilities at year end:

Nonrecourse	\$
Qualified nonrecourse financing	\$
Recourse	\$ 0.

L Partner's capital account analysis:

Beginning capital account	\$ 31,133.
Capital contributed during the year	\$ 73,000.
Current year increase (decrease)	\$ -85,820.
Withdrawals & distributions	\$ 330.
Ending capital account	\$ 17,983.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book

M Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No

If "Yes," attach statement (see instructions).

For IRS Use Only

1545-0123-01-01 LHA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

IRS.gov/form1065

Schedule K-1 (Form 1065) 2014

15

1

70 MONACODEV

MONA CO, DEVELOPMENT, LLC. MONACOD1

0958

MONA 2nd JDE - 00342

MONA CO, DEVELOPMENT, LLC.

SCHEDULE K-1 ALTERNATIVE MINIMUM TAX, ADJUSTED
GAIN OR LOSS, BOX 17, CODE B

DESCRIPTION	PARTNER FILING INSTRUCTIONS	SUBJECT TO SPECIAL RATES	AMOUNT
ORDINARY GAIN (LOSS)	SEE FORM 6251 INSTRUCTIONS		1,595.
TOTAL TO SCHEDULE K-1, BOX 17, CODE B			1,595.

SCHEDULE K-1 NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	NONDEDUCTIBLE PORTION	5,916.
TOTAL TO SCHEDULE K-1, BOX 18, CODE C		5,916.

IN THE SUPREME COURT OF THE STATE OF NEVADA

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

Petitioners,

v.

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

Respondents,

and

FAR WEST INDUSTRIES,

Real Party in Interest.

SUPREME COURT NO. 68434

District Court Case No. A-12-670352-F
Dept. No.: 15

Electronically Filed
Oct 01, 2015 11:33 a.m.
Tracie K. Lindeman
Clerk of Supreme Court

SUPPLEMENTAL APPENDIX TO REAL PARTY IN INTEREST'S
ANSWERING BRIEF

Volume 4 of 4
Pages 0980 - 0997

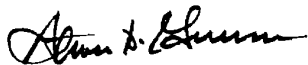
F. THOMAS EDWARDS, ESQ.
Nevada Bar No. 9549
RACHEL E. DONN, ESQ.
Nevada Bar No. 10568
ANDREA M. GANDARA, ESQ.
Nevada Bar No. 12580
HOLLEY DRIGGS WALCH
FINE WRAY PUZEY & THOMPSON
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Attorneys for Real Party in Interest
Far West Industries

**TABLE OF CONTENTS OF
SUPPLEMENTAL APPENDIX
(Chronological)**

TAB	Document	Date	Vol. #	Pages
1	Application of Foreign Judgment	October 18, 2012	1	0001-0007
2	Order for Appearance of Judgment Debtors	January 30, 2013	1	0008-0015
3	Transcript of Judgment Debtor Examination of Michael J. Mona, Jr.	November 25, 2013	1	0016-0160
4	Order for Examination of Judgment Debtor Michael J. Mona, Jr., Individually, and as Trustee of the Mona Family Trust Dated February 12, 2001	May 13, 2015	1	0161-0169
5	Order for Examination of Rhonda Mona as Trustee of Judgment Debtor The Mona Family Trust Dated February 12, 2001	May 13, 2015	1	0170-0178
6	Transcript of Judgment Debtor Examination of Rhonda Mona (erroneously named on its face as "Deposition of Rhonda Mona")	June 26, 2015	2	0179-0497
7	Transcript of Judgment Debtor Examination of Michael J. Mona, Jr.	June 30, 2015	3	0498-0979
8	First Amended Complaint , <u>Far West Industries, etc. vs. Michael J. Mona, Jr., etc., et al.</u> , Eighth Judicial District Court Case No. A-15-724490-C	September 16, 2015	4	0980-0997

**TABLE OF CONTENTS OF
SUPPLEMENTAL APPENDIX
(Alphabetical)**

TAB	Document	Date	Vol. #	Pages
1	Applicaion [sic] of Foreign Judgment	October 18, 2012	1	0001-0007
8	First Amended Complaint; <u>Far West Industries, etc. vs. Michael J. Mona, Jr., etc., et al.</u> , Eighth Judicial District Court Case No. A-15-724490-C	September 16, 2015	4	0980-0997
2	Order for Appearance of Judgment Debtors	January 30, 2013	1	0008-0015
4	Order for Examination of Judgment Debtor Michael J. Mona, Jr., Individually, and as Trustee of the Mona Family Trust Dated February 12, 2001	May 13, 2015	1	0061-0169
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6	Transcript of Judgment Debtor Examination of Rhonda Mona (erroneously named on its face as "Deposition of Rhonda Mona")	June 26, 2015	2	0179-0497


CLERK OF THE COURT

1 **ACOM**
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 MICHAEL J. MONA, JR., an individual;
22 RHONDA HELENE MONA, an individual;
23 MICHAEL MONA III, an individual;
24 LUNDENE ENTERPRISES, LLC, a Nevada
25 limited liability corporation, DOES 1 through 10
26 and ROE CORPORATIONS 1 through 10,
27 inclusive,

28 Defendants.

Case No.: A-15-724490-C

Dept. No.: XXXII

FIRST AMENDED COMPLAINT

ARBITRATION EXEMPTION CLAIMED:
Declaratory Relief Requested

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

24 **JURISDICTION AND VENUE**

25 1. The Court has subject matter jurisdiction over this action based on the Judgment,
26 which is defined below, and the subject fraudulent transfers, which are described below, the
27 Nevada Constitution, and Chapters 17, 21, 31, and/or 112 of the Nevada Revised Statutes
28 ("NRS").

2. The Court has personal jurisdiction over the Defendants because the Defendants are residents of and/or conduct business in and/or engaged in the wrongful conduct complained of herein in Clark County, Nevada.

3. Venue in Clark County, Nevada is proper pursuant to NRS 13.040.

PARTIES

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

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

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

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

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

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

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

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

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

5 11. On February 23, 2012, the Superior Court of the State of California, County of
6 Riverside, Riverside Court (the "California Court"), entered Findings of Fact and Conclusions of
7 Law in the case of Far West Industries v. Rio Vista Nevada, LLC, et. al., Case No. RIC495966
8 (the "California Action").

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

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

18 14. On April 27, 2012, the California Court entered Judgment in the amount of
19 \$17,777,562.18, plus costs of \$25,562.56 and attorney fees of \$327,548.84, in favor of Plaintiff
20 and against the following parties, jointly and severally: Mr. Mona, Mr. Mona as Trustee of the
21 Mona Family Trust, Rio Vista Nevada, LLC, and World Development, Inc. (the "Judgment").

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

25 16. As of September 1, 2015, the Judgment balance of the Judgment was \$24,172,076.16.

26 17. Far West has attempted to execute against assets in satisfaction of the Judgment by,
27 among other things, garnishing Mr. Mona's earnings, which wage garnishments totaled
28 \$28,647.59 as of September 1, 2015.

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

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

6 19. Mr. Mona's sale of his interest in Roen and the Roen Note is the subject of a separate
7 fraudulent transfer action entitled Far West Industries v. CannaVEST Corp., et. al., Case No. A-
8 14-695786-F (the "Fraudulent Transfer Action").

9 20. CannaVEST Corp. ("Cannavest") is entity of which Mr. Mona is the Chief Executive
10 Officer, President, and Director.

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

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

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

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

18 23. On May 13, 2015, Plaintiff obtained orders in the Judgment Collection Action
19 scheduling judgment examinations of Mr. Mona and Mrs. Mona (collectively referred to as the
20 "Monas"). The orders required the Monas to produce documentation prior to the examinations.

21 24. One of the documents the Monas produced was a Post-Marital Property Settlement
22 Agreement (the "Agreement"), executed on or about September 13, 2013.

23 25. In the Agreement, the Monas explain that they have sold their community property
24 shares of Medical Marijuana, Inc., for \$6,813,202.20.

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

27 27. Upon information and belief, Mr. Mona did not receive any consideration for the
28 \$3,406,601.10 transfer to Mrs. Mona.

1 28. Mr. Mona failed to produce the Agreement pursuant to prior orders scheduling his
2 judgment debtor examination and requiring production of documents.

3 29. Mr. Mona also failed to disclose the Agreement during his testimony at the prior
4 judgment debtor examination on November 25, 2013.

5 30. Upon information and belief, Mrs. Mona invested \$1,000,000 of the community
6 property proceeds obtained from the sale of the Medical Marijuana, Inc. shares in Roen.

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

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

11 33. Upon information and belief, on or about March 7, 2014, Michael III purchased
12 certain real property located at 877 Island Avenue #701, San Diego, California 92101, APN:535-
13 114-04-11 (the "San Diego Property") with the \$900,000 from Mrs. Mona.

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

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

17 35. Upon information and belief, on or about February 14, 2014, the Monas, acting as co-
18 trustees of the Mona Family Trust, sold stocks held in an investment account with Employers
19 Holdings, Inc. for approximately \$100,000.

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

23 37. Upon information, Mr. Mona did not receive any consideration for the transfer of the
24 \$90,000 to Mrs. Mona.

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

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

28 39. Mr. Mona testified at a judgment debtor examination on June 30, 2015 that he

1 purchased a Range Rover vehicle (the "Range Rover") either two or three years prior and that he
2 gave the Range Rover to his son (Michael III) a year prior.

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

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

7 42. Upon information, Mr. Mona did not receive any consideration for the transfer of the
8 Range Rover to Michael III.

9 **MR. MONA FRAUDULENTLY TRANSFERS ASSETS TO MRS. MONA AND ASSUMES INEQUITABLE**
10 **DISTRIBUTION OF LIABILITIES THROUGH SHAM DIVORCE**

11 43. Upon information and belief, the Monas were married on or about October 17, 1982.

12 44. On or about July 2, 2015, Mrs. Mona filed a Complaint for Divorce with the Family
13 Division of the Eighth Judicial District Court, initiating Case No. D-15-517425-D (the
14 "Divorce").

15 45. Less than one week before filing for divorce, on June 26, 2015, Mrs. Mona testified
16 that she was happily married and had no plan to get divorced at that time.

17 46. Mr. Mona similarly said he had no plans to divorce during his judgment debtor
18 examination on June 30, 2015, only two days before Mrs. Mona filed the Complaint for Divorce.

19 47. Upon information and belief, Mrs. Mona obtained an order to seal the proceedings in
20 the Divorce because the Monas wanted to prevent Far West from obtaining knowledge of
21 otherwise public filings and orders that affected its interests in the Judgment Collection Action.

22 48. On June 30, 2015, prior to Mrs. Mona filing the Complaint for Divorce, Far West
23 served counsel for the Monas with an Ex Parte Application for Order to Show Cause Why
24 Accounts of Rhonda Mona Should Not Be Subject to Execution and Why the Court Should Not
25 Find the Monas in Contempt (the "Motion for OSC") in the Judgment Collection Action. In the
26 Motion for OSC, Far West requested, among other things, that the purported transfer pursuant to
27 the Agreement be deemed a fraudulent transfer and that it be allowed to execute against three
28 bank accounts in Mrs. Mona's name: (1) a Bank of George checking account containing

1 community property earnings from design projects performed by Mrs. Mona during the Monas'
2 marriage, (2) a Bank of George money market account that contained the remaining community
3 property proceeds from the sale of the Monas' shares in Medical Marijuana, Inc. through the
4 Agreement, and (3) a Bank of Nevada checking account that was funded through with money
5 from the Bank of George money market account.

6 49. On July 15, 2015, this Court entered an Order regarding the Motion for OSC (the
7 "Sanctions Order") that, among other things, deemed the Agreement a fraudulent transfer,
8 allowed Far West to execute against the three bank accounts in Mrs. Mona's name, and
9 prohibited the Monas from claiming any money transferred pursuant to the Agreement or any
10 money in the bank accounts in Mrs. Mona's name as exempt from Far West's execution.

11 50. The Sanctions Order is currently on appeal and Far West has since filed a Motion for
12 an Order Shortening Time for Bond Pending Appeal requesting that the Monas be required to
13 post a bond of no less than \$24,172,076.16.

14 51. On July 16, 2015, Far West filed a Motion to Compel Application of Particular Assets
15 Towards Satisfaction of Judgment in the Judgment Collection Action (the "Motion to Compel").
16 In the Motion to Compel, Far West requested, among other things, that certain property be
17 applied in satisfaction of the Judgment, namely, (1) several firearms that the Monas disclosed
18 they had during their judgment debtor exam testimony, (2) the Jaguar, and (3) an IRS tax refund
19 for 2014 in the amount of \$55,541 that was due to the Monas based on disclosures they made in
20 advance of their judgment debtor examinations.

21 52. Upon information and belief, after receiving notice and obtaining knowledge of the
22 Motion for OSC, the Sanctions Order, and/or the Motion to Compel, the Monas stipulated into a
23 joint division of assets and liabilities (the "Divorce Stipulation") in the Divorce.

24 53. On or about July 23, 2015, the Family Division of the Eighth Judicial District Court
25 entered a Decree of Divorce (the "Divorce Decree") in the Divorce, which, upon information and
26 belief, incorporated the terms of Divorce Stipulation.

27 54. Upon information and belief, through the Divorce Stipulation and/or the Divorce
28 Decree, Mr. Mona transferred to Mrs. Mona:

- 1 (a) Alimony of \$10,000 per month;
- 2 (b) \$3,406,601.10 from the sale of the Monas' community property stocks in
- 3 Medical Marijuana, Inc. based on the Agreement;
- 4 (c) 3,000,000 stock options in Cannavest shares out of 4,000,000 stock
- 5 options;
- 6 (d) A \$787,760.88 receivable owed by Michael III, apparently for the
- 7 \$900,000 loan Mrs. Mona gave him without consideration to purchase the San Diego
- 8 Property;
- 9 (e) Any returns on Mrs. Mona's investment in Roen;
- 10 (f) Any bank accounts that are in Mrs. Mona's name only, including, but not
- 11 limited to, bank accounts at the Bank of George and Bank of Nevada;
- 12 (g) The Jaguar;
- 13 (h) One-half of any tax refund received for the 2014 tax year,
- 14 (i) Two dogs;
- 15 (j) Mrs. Mona's personal property, including her jewelry, clothing, and
- 16 personalites; and
- 17 (k) The furniture, furnishings, and firearms located at Mr. Mona's and Mrs.
- 18 Mona's personal residence, 2793 Red Arrow Drive, Las Vegas, Nevada 89135, that is
- 19 held in the name of the Mona Family Trust (the "Red Arrow Property").

20 55. The Divorce Decree expressly recognizes that the Agreement is subject to Far West's

21 claims in Judgment Collection Action.

22 56. Upon information and belief, through the Divorce Stipulation and/or the Divorce

23 Decree, Mr. Mona assumed all liabilities and encumbrances relating to the Red Arrow Property,

24 the debt arising from the Judgment, and debt owed to a third party Mike Sifen.

25 57. Upon information and belief, Mr. Mona's assumption of the liabilities, encumbrances,

26 and debts in the Divorce Stipulation and/or Divorce Decree inequitably shifts community debts

27 to Mr. Mona while leaving him with insufficient assets to satisfy those obligations.

28 58. Upon information and belief, Mr. Mona did not receive any consideration for the

1 transfers of assets made to Mrs. Mona or his assumption of liabilities, debts, and encumbrances
2 through the Divorce Stipulation and/or Divorce Decree.

3 59. Upon information and belief, the Monas knew that the property they purported to
4 transfer through the Divorce Stipulation and/or was the subject of the Motion for OSC, the
5 Sanctions Order, and/or the Motion to Compel at the time they entered into the Divorce
6 Stipulation.

7 60. Upon information and belief, neither Mr. Mona nor Mrs. Mona disclosed the
8 existence of the Motion for OSC, the Sanctions Order, and/or the Motion to Compel in the
9 Divorce because they desired to conceal their improper transfer of assets and/or allocation of
10 debts through the Divorce Stipulation and/or the Divorce Decree.

11 61. Upon information and belief, the Monas agreed to the \$10,000 per month alimony
12 award to Mrs. Mona through the Divorce Stipulation and/or Divorce Decree with the intent to
13 hinder, delay or defraud Far West.

14 62. Upon information and belief, the Monas agreed to ratify the transfer of \$3,406,601.10
15 to Mrs. Mona under the Agreement through the Divorce Stipulation and/or Divorce Decree with
16 the intent to hinder, delay or defraud Far West.

17 63. Upon information and belief, the Monas agreed to transfer the aforementioned
18 property to Mrs. Mona through the Divorce Stipulation and/or Divorce Decree with the intent to
19 hinder, delay or defraud Far West.

20 **FIRST CAUSE OF ACTION**
21 **Fraudulent Transfer of \$500,000**
22 **The Monas**

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

25 65. Mr. Mona transferred \$500,000 to Mrs. Mona.

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

28 67. Mrs. Mona is an insider to Mr. Mona.

1 68. Upon information, Mr. Mona retained possession or control of the property
2 transferred after the transfer.

3 69. Upon information and belief, Mr. Mona concealed the transfer.

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

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

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

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

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

11 75. The transfer occurred shortly after a substantial debt was incurred.

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

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

17 78. Upon information and belief, Mr. Mona made the transfer without receiving
18 reasonably equivalent value in exchange for the transfer and Mr. Mona was insolvent at the time
19 of the transfer or became insolvent as a result of the transfer.

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

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

24 **SECOND CAUSE OF ACTION**
25 **Fraudulent Transfer of \$3,406,610.10**
26 **All Defendants**

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

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

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

3 84. Mrs. Mona is an insider to Mr. Mona.

4 85. Upon information Mr. Mona retained possession or control of the property transferred
5 after the transfer.

6 86. Upon information and belief, Mr. Mona concealed the transfer.

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

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

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

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

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

14 92. The transfer occurred shortly after a substantial debt was incurred.

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

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

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

23 96. 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 97. Upon information and belief, Mrs. Mona transferred \$900,000 of the \$3,406,601.10
27 from Mr. Mona transferred to Michael III without consideration.

28 98. Michael III is an insider of Mr. Mona.

1 99. Upon information and belief, Michael III purchased the San Diego Property with the
2 \$900,000 Mrs. Mona transferred to him.

3 100. Upon information and belief, Michael III did not take the \$900,000 in good faith
4 for value.

5 101. Upon information and belief, Michael III transferred the San Diego Property to
6 Lundene.

7 102. Upon information and belief, Lundene did not take the San Diego Property in
8 good faith for value.

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

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

13 **THIRD CAUSE OF ACTION**
14 **Fraudulent Transfer of \$90,000**
 The Monas

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

17 106. Mr. Mona transferred \$90,000 to Mrs. Mona.

18 107. Mrs. Mona used the \$90,000 to purchase Mrs. Mona the Jaguar in 2014.

19 108. Upon information and belief, Mr. Mona and/or the Mona Family Trust made the
20 transfer with the actual intent to hinder, delay or defraud Far West.

21 109. Mrs. Mona is an insider to Mr. Mona and the Mona Family Trust.

22 110. Upon information and belief, Mr. Mona concealed the transfer.

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

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

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

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

1 115. The transfer occurred shortly after a substantial debt was incurred.

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

4 117. 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.

7 118. 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.

10 119. As a direct and proximate result of the conduct by the Monas, Plaintiff has been
11 damaged in a substantial sum, in excess of \$10,000.

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

14 **FOURTH CAUSE OF ACTION**
 Fraudulent Transfer of Range Rover
15 **Mr. Mona and Michael III**

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

18 122. Mr. Mona, either individually or through his company, Mona Co. Development,
19 LLC, transferred a Range Rover to Michael III.

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

22 124. Michael III is an insider to Mr. Mona.

23 125. Upon information and belief, Mr. Mona concealed the transfer.

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

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

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

28 129. Upon information and belief, Mr. Mona was insolvent or became insolvent

1 shortly after the transfer was made.

2 130. The transfer occurred shortly after a substantial debt was incurred.

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

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

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

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

13 135. Plaintiff has, by reason of the foregoing, been required to obtain the services of an
14 attorney and is entitled to recover its reasonable attorney fees and costs from Mr. Mona and
15 Michael III.

16 **FIFTH CAUSE OF ACTION**
17 **Fraudulent Transfer Through Divorce Stipulation and Divorce Decree**
18 **The Monas**

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

21 137. Upon information and belief, through the Divorce Stipulation and/or Divorce
22 Decree, Mr. Mona transferred to Mrs. Mona:

- 23 (a) Alimony of \$10,000 per month;
- 24 (b) \$3,406,601.10 from the sale of the Monas' community property stocks in
25 Medical Marijuana, Inc.;
- 26 (c) 3,000,000 stock options in Cannavest shares;
- 27 (d) A \$787,760.88 receivable owed by Michael III;
- 28 (e) Any returns on Mrs. Mona's investments in Roen;
- (f) Any bank accounts that are in Mrs. Mona's name only, including, but not

1 limited to, bank accounts at the Bank of George and Bank of Nevada;

2 (g) The Jaguar;

3 (h) One-half of any tax refund received for the 2014 tax year,

4 (i) Two dogs;

5 (j) Mrs. Mona's personal property, including her jewelry, clothing, and
6 personalites; and

7 (k) The furniture, furnishings, and firearms located at the Red Arrow
8 Property.

9 138. Upon information and belief, through the Divorce Stipulation and/or Divorce
10 Decree, Mr. Mona assumed all debts associated with the Red Arrow Property, the debt owed
11 under the Judgment, and debts owed to third party Mike Sifen as his sole and separate debts.

12 139. Upon information and belief, Mr. Mona made transfers through the Divorce
13 Stipulation and/or Divorce Decree with the actual intent to hinder, delay or defraud Far West.

14 140. Mrs. Mona is an insider to Mr. Mona.

15 141. Upon information, Mr. Mona retained possession or control of the property
16 transferred after the transfer.

17 142. Upon information and belief, Mr. Mona concealed the transfer.

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

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

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

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

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

26 148. The transfer occurred shortly after a substantial debt was incurred.

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

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

4 151. Upon information and belief, Mr. Mona made the transfer without receiving
5 reasonably equivalent value in exchange for the transfer and Mr. Mona was insolvent at the time
6 of the transfer or became insolvent as a result of the transfer.

7 152. As a direct and proximate result of the conduct by the Monas, Plaintiff has been
8 damaged in a substantial sum, in excess of \$10,000.

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

11 **SIXTH CAUSE OF ACTION**
12 **Civil Conspiracy**
 All Defendants

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

15 155. Upon information and belief, the Defendants conspired and agreed with each
16 other to commit the aforementioned transactions to hide, transfer, and/or accept the transferred
17 properties with the intent of hindering, delaying, and/or defrauding the Plaintiff in its collection
18 of the Judgment.

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

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

23 **SEVENTH CAUSE OF ACTION**
24 **Declaratory Relief**
 All Defendants

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

27 159. An actual, justiciable controversy exists between Plaintiff and Defendants
28 regarding the nature of the aforementioned transactions and assets, including whether Plaintiff

1 may execute upon and apply those assets towards the satisfaction of the Judgment.

2 160. Plaintiff contends that the aforementioned transactions are fraudulent transfers
3 and that Plaintiff may execute upon and apply those assets, based upon the fraudulent transfers
4 and/or the community property nature of the assets, towards the satisfaction of the Judgment.

5 161. Notwithstanding the above, upon information and belief, Defendants contend that
6 aforementioned transactions are not fraudulent transfers and that Plaintiff may not execute upon
7 and apply those assets towards the satisfaction of the Judgment.

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

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

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

17 **DEMAND**

18 WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

19 1. For all damages allowed by law as to each of Plaintiff's Causes of Action;

20 2. For prejudgment and postjudgment interest, at the highest rate permitted by
21 applicable law;

22 3. For a declaration by the Court that that the aforementioned transactions are
23 fraudulent transfers and that Plaintiff may execute upon and apply those assets, based upon the
24 fraudulent transfers and/or the community property nature of the assets, towards the satisfaction
25 of the Judgment;

26 4. For an order avoiding the fraudulent transfers;

27 5. For an order of attachment and/or garnishment against the fraudulently transferred
28 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

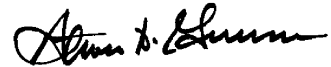
8. For such other and further relief as the Court deems just and proper.

Dated this 15th day of September, 2015.

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

/s/ F. Thomas Edwards
F. THOMAS EDWARDS, ESQ.
Nevada Bar No. 9549
E-mail: tedwards@nevadafirm.com
ANDREA M. GANDARA, ESQ.
Nevada Bar No. 12580
E-mail: agandara@nevadafirm.com
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Telephone: 702/791-0308
Facsimile: 702/791-1912

Attorneys for Plaintiff Far West Industries



CLERK OF THE COURT

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1 **ROPP**
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*

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

11 FAR WEST INDUSTRIES, a California
12 corporation,

13 Plaintiff,

14 v.

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

20 Defendants.

Case No: A-12-670352-F

Dept. No.: XV

**PLAINTIFF FAR WEST INDUSTRIES'
REPLY TO ROEN VENTURE, LLC'S
OPPOSITION TO 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., AND OPPOSITION TO
COUNTERMOTION FOR ATTORNEYS'
FEES AND COSTS**

Date of Hearing: March 21, 2016

Time of Hearing: 9:00 a.m.

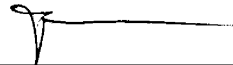
23 Plaintiff FAR WEST INDUSTRIES ("Far West"), by and through its attorneys, F.
24 THOMAS EDWARDS, ESQ. and ANDREA M. GANDARA, ESQ. of the law firm of HOLLEY
25 DRIGGS WALCH FINE WRAY PUZEY & THOMPSON, hereby submits this reply in support
26 of its Motion: (1) For Default Judgment Against Roen Ventures, LLC for Untimely Answers to
27 Writ of Garnishment Interrogatories; and (2) To Compel Roen Ventures, LLC's Turnover of
28 Payments Made to, on Behalf of, or for the Benefit of Michael J. Mona, Jr. (the "Motion") and

1 opposition to Roen Ventures LLC's ("Roen") Counter-motion for Attorneys' Fees and Costs (the
2 "Counter-motion").

3 In its Opposition to the Motion and Counter-motion, Roen admits "[i]n this case, Roen
4 actually answered the Writ of Garnishment immediately after the deadline." See Roen's
5 Opposition and Counter-motion at 11:1-2. Despite conceding this point, Roen relies upon
6 inapplicable rules and cases in an attempt to avoid the automatic default resulting from its
7 neglect as garnishee. However, Roen's statutory default under NRS 31.290(2) was immediate
8 and unqualified, and therefore judgment must be entered against Roen pursuant to NRS
9 31.260(2). Turnover of any future payments owed under Roen and Mr. Mona's Management
10 Agreement is appropriate under NRS 21.320. Finally, as Far West is entitled to default judgment
11 and turnover over of funds from Roen, Roen's Counter-motion must be denied.

12 Dated this 14th day of March, 2016.

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

15 
16 F. THOMAS EDWARDS, ESQ.
17 Nevada Bar No. 9549
18 ANDREA M. GANDARA, ESQ.
19 Nevada Bar No. 12580
20 400 South Fourth Street, Third Floor
21 Las Vegas, Nevada 89101
22 *Attorneys for Plaintiff, Far West Industries*
23
24
25
26
27
28

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I.

3 ADDITIONAL BACKGROUND¹

4 After obtaining a Writ of Execution for Mr. Mona's Roen earnings on December 4, 2015,
5 Far West sought to have the Writ of Execution and related Writ of Garnishment served upon
6 Roen by the Office of the Ex-Officio Constable for the Las Vegas Township ("Las Vegas
7 Constable"). Unfortunately, on December 11, 2015 the Las Vegas Constable incorrectly served
8 the Writ of Execution and related Writ of Garnishment on Mr. Mona's counsel, Tye Hanseen,
9 instead of Roen. *See* Instructions to Sheriff. Constable – Clark County, preceding Served Writ of
10 Garnishment, Executed by L. Crane P #9595, attached to the Motion as **Exhibit 5** (reflecting
11 signature of Tye Hanseen). Roen now discloses in its principal Bart Mackay's ("Mr. Mackay")
12 Declaration that just four days after Mr. Mona, through counsel, was tipped off as to the
13 imminent Roen garnishment, Mr. Mackay, acting on behalf of Roen, signed a \$41,912.58 check
14 to Bank of America for six months of advance mortgage payments for Mr. Mona. *See* Mr.
15 Mackay's Declaration in Support of Roen's Opposition and Countermotion ("Mr. Mackay's
16 Declaration"), ¶ 7 and Exhibit 1-A to Mr. Mackay's Declaration.

17 On January 7, 2016, the Las Vegas Constable personally served Mr. Mackay with the
18 Writ of Execution and related Writ of Garnishment, not on January 8, 2016 as Mr. Mackay
19 recollects. *See* Served Writ of Garnishment, Executed by L. Crane P #9595, Ex. 5 to the Motion,
20 at p. 6². By that time, Roen had already helped Mr. Mona withhold nearly \$42,000 from Far
21 West's execution. On January 29, 2016, Roen mailed its answers to interrogatories in the Writ
22 of Garnishment two days after they were due and in those answers Roen conveniently reported
23 that no payments were due under Roen and Mr. Mackay's Management Agreement. *See* Writ of
24 Garnishment With Answers to Interrogatories from Roen, postmarked January 29, 2016 from
25 Provo, UT ("Roen Writ Answers"), attached to the Motion as **Exhibit 6**.

26 _____
27 ¹ The background facts from the Motion are incorporated by reference herein. *See* Motion at 3-6.

28 ² The copy of the Served Writ of Garnishment has duplicate pages for page 6 with the last page
containing the executed affirmation of service on Roen.

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II.

LEGAL ANALYSIS

A. Roen's Failure to Timely Answer Interrogatories Resulted in Immediate Default

Under Nevada's statutory scheme, a garnishee's default for failure to timely respond to interrogatories in a writ of garnishment is immediate, automatic and without qualification:

The garnishee shall answer the interrogatories in writing upon oath or affirmation and submit the answers to the sheriff within the time required by the writ. The garnishee shall submit his or her answers to the judgment debtor within the same time. If the garnishee fails to do so, the garnishee shall be deemed in default.

NRS 31.290(2). Emphasis added.

The facts here reflect that garnishee Roen was required to answer the interrogatories in Far West's Writ of Garnishment on January 27, 2015, contrary to Mr. Mackay's incorrect recollections. *Compare* Served Writ of Garnishment, Executed by L. Crane P #9595, attached to the Motion as **Exhibit 5** (reflecting personal service on Mr. Mackay on January 7, 2016) and Roen Writ Answers, Ex. 6 to the Motion (postmarked January 29, 2016 from Provo, UT) *with* Mr. Mackay's Declaration, ¶¶ 3, 5 (stating that Mr. Mackay recollects receiving notice of Writ of Garnishment on January 8, 2016 and placing responses to Writ of Garnishment on January 28, 2016). Roen did not send the answers until January 29, 2015, which means that it is deemed in default and judgment must be entered against it. NRS 31.290(2).

Now that Roen realizes the consequences of its conduct, it desperately and incorrectly seeks refuge in NRPC 3.5A and NRCP 55. First, Roen has failed to cite to any authority that would apply the requirements of NRPC 3.5A or NRCP 55 to failures to respond to garnishment interrogatories, when those rules are clearly meant to reply to failures to respond to complaints. Second, even if these rules did apply in the instant case, they have not been violated. NRPC 3.5A only prevents an attorney from "causing" entry of default without first consulting with opposing counsel. Under NRS 31.290(2), if the garnishee fails to timely respond to the interrogatories, the garnishee "shall be deemed in default" immediately, automatically and without any action required. Thus, Far West did not and was not required to "cause" a default to

1 be entered, because pursuant to NRS 31.290(2), Roen was automatically in default. Therefore,
2 even if NRCP 3.5A is applicable, it has not been violated.

3 Likewise, while NRCP 55 is not applicable, even it was applicable, Far West complied
4 with the rule. NRCP 55 only requires 3-days of notice “prior to the hearing on such application
5 [for default judgment].” Roen received notice of the hearing on Far West’s motion to default
6 judgment along with the filing of the motion, such that Roen has had more than 30 days of
7 notice. Far West had no responsibility to inform Roen or its counsel of the statutory penalty for
8 its admittedly late answers to interrogatories. Roen’s arguments with regard to these rules are
9 frivolous and should be disregarded.

10 Roen cannot remedy its failure to timely respond to Far West’s Writ of Garnishment
11 because the default already is established as a matter of law. *See* NRS 31.290(2). The blame for
12 waiting until after January 27, 2015 to answer the interrogatories can fairly be placed on Roen.

13 **B. Default Judgment Should Be Entered Against Roen**

14 As to the judgment amount that should be entered against Roen, Far West concedes that
15 the garnishment statutes could be read in multiple ways. Far West believes that the “amount of
16 money specified” in the Writ of Garnishment is informed by the concurrently served Writ of
17 Execution. *See* NRS 31.320. The Writ of Execution reflected that Far West’s Judgment against
18 Mr. Mona exceeded \$24 million and Roen was clearly notified of the risk of entry of judgment
19 against Roen “in the amount due [Far West]” for failure to answer within 20 days. *See* Served
20 Writ of Garnishment, Executed by L. Crane P #9595, Ex. 5 to the Motion, at p. 2.

21 To the extent that this Court is inclined to accept Roen’s more limited interpretation of
22 the garnishment statutes, Far West is still entitled to a judgment for the amount due to Mr. Mona
23 under the Management Agreement. More specifically, Far West should be awarded the
24 \$6,985.43 monthly mortgage beginning from January 7, 2016, when Roen was served with the
25 Writ of Garnishment, through the initial term of the Management Agreement, or November 23,
26 2016, which is ten months of payments for a total of \$69,854.30. Since Roen and Mr. Mona
27 apparently take the position that the mortgage payments are not for an employee, do not
28 constitute disposable earnings, and are not exempt, the 25 percent limitation for garnishment of

1 disposable earnings in NRS 31.295(2)(a) should not be withheld from the \$69,854.30 and Far
2 West should be paid that entire amount. See Roen Writ Answers, Ex. 6 to Motion at page 4
3 (Roen reporting that Mr. Mona is paid \$0 in gross and disposable earnings).

4 **C. Roen Should Not Be Permitted to Set Aside the Default**

5 In *Corrales v. Castillo*, No. 2:07-CV-00141-LRH-LR, 2008 WL 1840773, at *3 (D. Nev.
6 Feb. 25, 2008), the garnishees made the same arguments Roen is asserting here; namely that
7 “default judgment should not be entered because plaintiffs are not prejudiced by its failure to
8 answer the garnishment interrogatories” and “that any failure to answer should be excused due to
9 excusable neglect.” *Id.* The U.S. District Court rejected both arguments explaining that
10 “Nevada’s attachment statute, which governs attachment and garnishment in this case, provides
11 that the garnishee ‘shall be deemed in default’ upon failing to timely answer garnishment
12 interrogatories. NRS 31.290(2) (emphasis added). The court is thus left with no discretion in this
13 regard.” *Id.* (emphasis in original). Nevada’s garnishment statutes further state that if the
14 “garnishee fails, neglects or refuses to answer the interrogatories within the time required, the
15 court shall, upon application therefor by the plaintiff with at least 5 days’ notice of the hearing
16 upon the application given to each defendant who has appeared in the action, enter judgment”.
17 NRS 31.320. Accordingly, the Court is “left with no discretion in this regard.” *Corrales*, 2008
18 WL 1840773, at *3. Pursuant to Nevada’s garnishment statutes, this Court is required to enter
19 the default judgment against Roen.

20 Assuming for the sake of argument that the standards for setting aside default did apply,
21 the only standard at issue would be NRCP 55 because NRCP 60 relates to relief from judgment,
22 not entry of default. See NRCP 60 (title “Relief from Judgment or Order”); 1 Nevada Civil
23 Practice Manual, § 10.05 (“Practitioners commonly confuse the standards for setting aside
24 defaults and setting aside default judgments . . . In order to justify setting aside an entry of
25 default, a showing of “good cause” is required under NRCP 55(c). If a default judgment has
26 been entered, the judgment must be set aside in accordance with NRCP 60”). . Here, Far West is
27 seeking entry of judgment through the Motion. Roen cannot seek to set aside a judgment that
28 has not yet been entered.

1 Default cannot be set aside pursuant to NRCP 55(c) unless the defaulted party carries its
2 burden by demonstrating good cause. NRCP 55(c); *Nev. Direct Ins. Co. v. Fields*, No. 66561,
3 2016 WL 797048, at *2 (Nev. Feb. 26, 2016) (quoting *Intermountain Lumber & Builders Supply,*
4 *Inc. v. Glens Falls Ins. Co.*, 83 Nev. 126, 129, 424 P.2d 884, 886 (1967)). In determining
5 whether Roen has demonstrated good cause, the Court should consider whether Roen engaged in
6 culpable conduct that led to the default and whether setting aside the default would prejudice Far
7 West. *Id.* (citing FED. R. CIV. P. 55(c) as analogous to NRCP 55(c) and *Franchise Holding II,*
8 *LLC v. Huntington Rests. Grp., Inc.*, 375 F.3d 922, 926 (9th Cir. 2004)).³

9 Where a party receives actual notice of an action and fails to answer, its conduct is
10 culpable. *Id.* (citing *Franchise Holding*, 375 F.3d 922, 926 (9th Cir. 2004)). In *Nev. Direct*, the
11 Nevada Supreme Court found a defendant's conduct to be culpable when it was served by
12 publication and then failed to answer or otherwise respond. *Id.* Here, Roen's conduct is even
13 more culpable than the defaulted party in *Nev. Direct* because it is undisputed that it received
14 actual notice by personal service upon Mr. Mackay. *See* Served Writ of Garnishment, Executed
15 by L. Crane P #9595, Ex. 5 to the Motion. Roen's weak assertion that it was somehow mistaken
16 or inadvertently answered the interrogatories late has no credibility. Roen's principal, Mr.
17 Mackay, is an attorney and Roen is represented by counsel with respect to Far West's Writ of
18 Garnishment. Between Mr. Mackay and Roen's counsel, Roen cannot plausibly claim it did not
19 understand the clear warning in the Writ of Garnishment that "In case of your failure to answer
20 the interrogatories within 20 days, a Judgment by Default in the amount due the Plaintiff may be
21 entered against you[.]" Accordingly, the culpable conduct factor weighs heavily against setting
22 aside default.

23
24 ³ Nevada law is unsettled as to whether a party must show a meritorious defense prior to the
25 setting aside a default, as opposed to a default judgment, under NRCP 55(c). In *Epstein v.*
26 *Epstein*, 113 Nev. 1401, 1405, 950 P.2d 771, 773 (1997), the Nevada Supreme Court overruled
27 prior authority that required a showing of a meritorious defense when considering whether to set
28 aside a default decree of divorce, *i.e.*, a default judgment. In a more recent case, the Nevada
Supreme Court declined to consider whether a meritorious defense was necessary if a non-final
default judgment was entered against one or more but fewer than all parties, instead focusing on
the culpable conduct and prejudice considerations. *Nevada Direct Ins. Co. v. Fields*, No. 66561,
2016 WL 797048, at *1-2 (Nev. Feb. 26, 2016).

1 While mere delay in resolution of a matter is not sufficient prejudice under NRCP 55(c),
2 *see Nev. Direct*, 2016 WL 797048, at *3 (Nev. Feb. 26, 2016), here, Far West has been
3 prejudiced by having to bring the Motion to obtain information from Roen that should have been
4 disclosed in its answers to the interrogatories. Initially, Roen's answers reflected that Mr. Mona
5 is not its employee and receives no disposable earnings from it, but only now, after being held
6 accountable for its default, Roen reports that it wrote a check for approximately \$42,000 for six
7 months of advance mortgage payments for Mr. Mona.

8 The picture Roen paints of itself as an innocent garnishee being blindsided by Far West's
9 collection efforts is inaccurate. The suspicious timing of Mr. Mackay writing a \$41,912.58
10 check to Bank of America for six months of Mr. Mona's mortgage payments immediately after
11 Mr. Mona's counsel was served with Far West's Writ of Garnishment for his Roen earnings
12 tracks a pattern of Mr. Mona hiding assets subject to Far West's imminent execution. While Mr.
13 Mackay reports that this was a matter of convenience because of personal matters, when coupled
14 with the timing of Roen's payment of Mr. Mona's mortgage, his explanation lacks credibility.
15 Moreover, Roen's withholding of information of this prepayment has harmed Far West and
16 militates against setting aside the deemed default under NRS 31.290(2).

17 **D. Roen Should Be Required to Turnover Any Further Payments to or for the Benefit**
18 **of Mr. Mona**

19 To prevent Roen and Mr. Mona from playing additional games to avoid the garnishment
20 (e.g., prepayment of amounts due), the Court should enter an order that all future payments under
21 the Management Agreement must be applied to satisfy the Judgment. The Management
22 Agreement does not make payments contingent, other than performance bonuses, and Roen
23 obviously has the ability to make such payments on demand. NRS 21.320 provides that "[t]he
24 judge or master may order any property of the judgment debtor not exempt from execution, in
25 the hands of such debtor or any other person, or due to the judgment debtor, to be applied
26 toward the satisfaction of the judgment." Accordingly, Roen should be ordered to turnover any
27 and all future payments under the Management Agreement to Far West pursuant to NRS 21.320.

28 ///

1 **E. Roen Is Not Entitled to Attorneys' Fees and Costs**

2 Roen admits that it failed to answer the interrogatories in the Writ of Garnishment within
3 the time required. *See* Roen's Opposition and Countermotion at 11:1-2. For this reason alone,
4 Roen's Countermotion must be denied because the Motion is well founded in law (NRS 31.260
5 and 31.290) and undisputed facts (Roen's admitted late answers to interrogatories). Roen's
6 claims of traps and overreaching by Far West are nothing more than its grasping at straws upon
7 learning of the severe consequences of its disregard of its duties as garnishee.

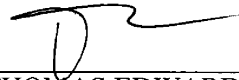
8 **III.**

9 **CONCLUSION**

10 For the foregoing reasons, Far West respectfully requests that this Court grant the
11 Motion.

12 Dated this 14th day of March, 2016.

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

15 

16 _____
17 F. THOMAS EDWARDS, ESQ.
18 Nevada Bar No. 9549
19 ANDREA M. GANDARA, ESQ.
20 Nevada Bar No. 12580
21 400 South Fourth Street, Third Floor
22 Las Vegas, Nevada 89101
23 *Attorneys for Plaintiff, Far West Industries*

1 **CERTIFICATE OF SERVICE**

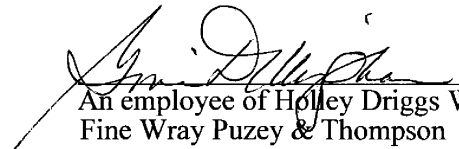
2 I HEREBY CERTIFY that on March 14, 2016, pursuant to EDCR 8.05 and NRCP 5(b), I
3 caused to be served electronically using the Court's E-File & Serve System, a true and correct
4 copy of the foregoing **PLAINTIFF FAR WEST INDUSTRIES' REPLY TO ROEN**
5 **VENTURE, LLC'S OPPOSITION TO MOTION (1) FOR DEFAULT JUDGMENT**
6 **AGAINST ROEN VENTURES, LLC FOR UNTIMELY ANSWERS TO WRIT OF**
7 **GARNISHMENT INTERROGATORIES; AND (2) TO COMPEL ROEN VENTURES,**
8 **LLC'S TURNOVER OF PAYMENTS MADE TO, ON BEHALF OF, OR FOR THE**
9 **BENEFIT OF MICHAEL J. MONA, JR., AND OPPOSITION TO COUNTERMOTION**
10 **FOR ATTORNEYS' FEES AND COSTS** to the parties below:

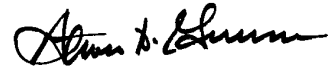
11 Aurora M. Maskall, Esq.
12 David S. Lee, Esq.
13 LEE, HERNANDEZ, LANDRUM &
14 GARAFALO
7575 Vegas Drive, #150
Las Vegas, NV 89128

Tye S. Hanseen, Esq.
Terry A. Coffing, Esq.
MARQUIS AURBACH COFFING
1001 Park Run Drive
Las Vegas, NV 89145
Attorney for Michael J. Mona, Jr.

15 James E. Whitmire, Esq.
16 SANTORO WHITMIRE
10100 West Charleston Boulevard,
Suite 250
Las Vegas, Nevada 89135
Attorney for Rhonda Helene Mona

Erika Pike Turner
Dylan Ciciliano
GARMAN TURNER GORDON
650 White Drive
Suite 100
Las Vegas, Nevada 89119
Attorney for Roen Ventures, LLC

19
20 
21 An employee of Holley Driggs Walch
22 Fine Wray Puzey & Thompson
23
24
25
26
27
28



CLERK OF THE COURT

1 **AMEN**
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

**AMENDED APPENDIX OF EXHIBITS
TO PLAINTIFF FAR WEST
INDUSTRIES' REPLY IN SUPPORT OF
MOTION TO REDUCE SANCTIONS
ORDER TO JUDGMENT**

DATE OF HEARING: March 21, 2016
TIME OF HEARING: 9:00 A.M.

27 Plaintiff Far West Industries hereby submits its Amended Appendix of Exhibits to
28 Plaintiff Far West Industries' Reply in Support of Motion to Reduce Sanctions Order to
Judgment filed on March 14, 2016. The original electronically filed Appendix did not include
Exhibit 10 to the Reply, which exhibit is attached hereto.

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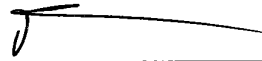
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Dated this 15th day of March, 2016.

HOLLEY DRIGGS WALCH
FINE WRAY PUZEY & THOMPSON



F. THOMAS EDWARDS, ESQ.
Nevada Bar No. 9549
ANDREA M. GANDARA, ESQ.
Nevada Bar No. 12580
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101

Attorneys for Plaintiff Far West Industries

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 15, 2016, pursuant to EDCR 8.05 and NRCP 5(b), I caused to be served electronically using the Court's E-File & Serve System, a true and correct copy of the foregoing **AMENDED APPENDIX OF EXHIBITS TO PLAINTIFF FAR WEST INDUSTRIES' REPLY IN SUPPORT OF MOTION TO REDUCE SANCTIONS ORDER TO JUDGMENT** to the parties below:

Aurora M. Maskall, Esq.
David S. Lee, Esq.
LEE, HERNANDEZ, LANDRUM &
GARAFALO
7575 Vegas Drive, #150
Las Vegas, NV 89128

James E. Whitmire, Esq.
SANTORO WHITMIRE
10100 West Charleston Boulevard,
Suite 250
Las Vegas, Nevada 89135
Attorney for Rhonda Helene Mona

Tye S. Hanseen, Esq.
Terry A. Coffing, Esq.
MARQUIS AURBACH COFFING
1001 Park Run Drive
Las Vegas, NV 89145
Attorney for Michael J. Mona, Jr.

Erika Pike Turner
Dylan Ciciliano
GARMAN TURNER GORDON
650 White Drive
Suite 100
Las Vegas, Nevada 89119
Attorney for Roen Ventures, LLC

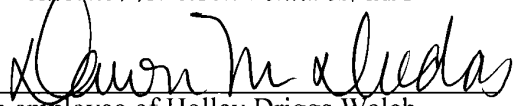

An employee of Holley Driggs Walch
Fine Wray Puzey & Thompson

EXHIBIT 10

EXHIBIT 10

IN THE SUPREME COURT OF THE STATE OF NEVADA

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

Petitioners,

v.

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

Respondents,

and

FAR WEST INDUSTRIES,

Real Party in Interest.

Electronically Filed
Oct 01 2015 08:43 a.m.
Tracie K. Lindeman
Clerk of Supreme Court

Case No.: 68434

District Court Case No.: A-12-670352-F

REAL PARTY IN INTEREST'S ANSWERING BRIEF

F. THOMAS EDWARDS, ESQ.

Nevada Bar No. 9549

RACHEL E. DONN, ESQ.

Nevada Bar No. 10568

ANDREA M. GANDARA, ESQ.

Nevada Bar No. 12580

HOLLEY DRIGGS WALCH

FINE WRAY PUZEY & THOMPSON

400 South Fourth Street, Third Floor

Las Vegas, Nevada 89101

Attorneys for Real Party in Interest

Far West Industries

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NRAP 26.1 DISCLOSURE STATEMENT

The undersigned counsel of record certifies that the following are persons and entities as described in NRAP 26.1(a), and must be disclosed. These representations are made in order that the Justices of the Court may evaluate possible disqualification or recusal.

1. Real Party in Interest Far West Industries ("Far West") is a nongovernmental entity.

2. Far West has no parent corporations and there is no publicly held company which owns 10% or more of Far West's stock.

3. The law firm of Lee, Hernandez, Landrum & Garofalo, formerly known as Lee, Hernandez, Landrum, Garofalo & Blake, previously represented Far West in proceedings before the Eighth Judicial District Court (the "District Court").

4. The law firm of Holley Driggs Walch Fine Wray Puzey & Thompson, formerly known as Holley Driggs Walch Puzey & Thompson, currently represents

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Far West in proceedings before the District Court and in the proceedings before this Court.

Dated this 30th day of September, 2015.

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

/s/ F. Thomas Edwards

F. THOMAS EDWARDS, ESQ.

Nevada Bar No. 9549

RACHEL E. DONN, ESQ.

Nevada Bar No. 10568

ANDREA M. GANDARA, ESQ.

Nevada Bar No. 12580

400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101

*Attorneys for
Real Party in Interest
Far West Industries*

I.

ISSUES PRESENTED FOR REVIEW

1. Whether the District Court has the power to sanction an individual subject to a Court order for knowingly failing to abide by that same order.
2. Whether the District Court has personal jurisdiction over an individual duly served with an order for judgment debtor examination, who appears at a judgment debtor examination, a telephonic hearing and subsequent District Court proceedings without raising the issue of personal jurisdiction.
3. Whether this Court should disregard its decision in Randono v. Turk, 86 Nev. 123, 466 P.2d 218 (1970) and prevent judgment creditors from executing their judgments against community property.
4. Whether the District Court can order Petitioners not to dispose of assets pursuant to NRS 21.280 and 21.330.
5. Whether NRS 21.320 allows the District Court to order the community property of Mr. Mona, held in Mrs. Mona's account, to be used to satisfy a judgment.
6. Whether the District Court needs to conduct an evidentiary hearing before awarding sanctions when there are no disputed material facts.
7. Whether the District Court in awarding sanctions is required to specifically

reference Young v. Johnny Ribeiro Blvd. Inc., 106 Nev. 88, 787 P.2d 777
(1990) despite considering all relevant factors, including those identified in
Young.

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II.

STATEMENT OF THE CASE

The Superior Court of the State of California, County of Riverside (“California Court”), found Michael J. Mona, Jr. (“Mr. Mona”) guilty of fraud. The California Court also determined Mr. Mona was the alter ego of the Mona Family Trust Dated February 21, 2002 (“Mona Family Trust”) and awarded Far West a judgment of approximately \$18,000,000.00 against Mr. Mona and the Mona Family Trust. See Judgment and Findings of Fact and Conclusions of Law (“Judgment”), 1 Pet. App. 174-93.¹ However, Mr. Mona failed to limit his fraud and deceit to the underlying action, but persisted with this conduct during Far West’s attempts to execute upon the Judgment. Mr. Mona’s wife, Rhonda Helene Mona (“Mrs. Mona” and collectively with Mr. Mona, the “Petitioners”) participated in Mr. Mona’s fraudulent and deceitful conduct. Petitioners waged a campaign spanning two years to avoid satisfying the Judgment. Petitioners’ efforts to avoid the Judgment included fraudulent transfers between spouses, fraudulent transfers to their children, fraudulent transfers to related entities and now a sham

¹ “Pet. App.” refers to Petitioners’ Appendix and is preceded by the volume number and is followed by the page number. “FW App.” refers Far West’s Supplemental Appendix and is preceded by the volume number and followed by the page number. “NRAP” refers to the Nevada Rules of Appellate Procedure. “NRCF” refers to the Nevada Rules of Civil Procedure, and “NRS” refers to the Nevada Revised Statutes.

divorce.

Petitioners' efforts to avoid the Judgment also included the violation of court orders and the concealment of records. Even more egregious, Mr. Mona lied under oath to conceal the transfer of community property totaling more than \$3,400,000.00 to Mrs. Mona ("Transfer"). After discovering the Transfer, the lies and the violations of court orders to conceal the Transfer, Far West requested sanctions against Petitioners. In the 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 ("Sanction Order"), 2 Pet. App. 348-58, the Eighth Judicial District Court ("District Court") properly found that Petitioners violated court orders, lied under oath and made gross omissions in their briefing. Given the severity of the Petitioners' misconduct and as explained further below, the Court should affirm the Sanction Order.

III.

STATEMENT OF THE FACTS

A. Entry of the Fraud Judgment

In April 2012, the California Court entered the Judgment in favor of Far West of more than \$18,000,000.00 against Petitioner Michael J. Mona, Jr., and the Mona Family Trust, various claims, including fraud. 1 Pet. App. 174-93. With

interest, the Judgment currently exceeds \$24,000,000.00.

B. Initial Judgment Debtor Examination Proceedings

On October 18, 2012, Far West domesticated the Judgment in Nevada. 1 FW App. 1-7. On January 30, 2013, the District Court entered its original order for the judgment debtor examination of Mr. Mona (“First JDE Order”). 1 FW App. 8-15. The First JDE Order required Mr. Mona to produce all of his financial records and any contracts to which he was a party. Id. After months of delays by Mr. Mona, the Court entered another order requiring that that Mr. Mona complete his production of the documents by September 25, 2013 (“Second JDE Order”).² 1 Pet. App. 19-21. Rather than comply with the First and Second JDE Orders, in September of 2013, Mr. Mona inundated Far West with approximately 33,000 pages of documents, which can only be characterized as a document dump. 2 Pet. App. 351.

Unbeknownst to Far West at the time, Petitioners recently sold community property shares of Medical Marijuana, Inc. for approximately \$6,800,000.00. 1 Pet. App. 145-56. The sale of these shares occurred from March 2013 through August 2013, just two months after the Court entered the First JDE Order and one month prior to the deadline for Mr. Mona to complete production of the required documents. Id. Sitting on \$6,800,000.00 with Mr. Mona’s judgment debtor

² Mr. Mona’s delay tactics went so far as refusing to appear at a duly noticed hearing.

examination looming, the Petitioners devised a plan to turn themselves from millionaires to paupers in just a few weeks.

First, the Petitioners executed a Post-Marital Property Settlement Agreement on September 13, 2013, just 12 days prior to the September 25, 2013 deadline to complete the production of documents. 1 Pet. App. 19-21, 145-56. The Post-Marital Property Settlement Agreement purports to divide the \$6,800,000.00 proceeds equally between the Petitioners as their separate property, with each receiving approximately \$3,400,000.00. 1 Pet. App. 145-56. Second, Mr. Mona transferred his portion of the funds to his commercial entities in the form of loans and other contributions.³

In sum, Mr. Mona disposed of approximately \$6,800,000.00 within two months of the scheduled judgment debtor examination. This sequence of events demonstrates that Mr. Mona intentionally delayed the judgment debtor examination for months in order to unlawfully dissipate his assets without interference or oversight.

At his November 25, 2013 judgment debtor examination, when asked what he did with the \$6,800,000.00 in stock sale proceeds, Mr. Mona perjured himself, refusing to disclose the \$3,400,000.00 transfer to his wife. 1 FW App. 105. Instead, Mr. Mona testified that he paid some “personal bills” and loaned the rest

³ These transfers to Roen Ventures, LLC were the subject of a fraudulent transfer action, Case No. A-14-695786-B, which the parties recently settled.

to Roen Ventures, LLC, a company for which he was 50% owner. Id. Notably, Mr. Mona also failed to produce the Post-Marital Property Settlement Agreement, despite the First and Second JDE Orders requiring him to produce all of his financial records and contracts to which he was a party. 2 Pet. App. 350-51.

C. Recent Judgment Debtor Examination Proceedings

On May 13, 2015, the District Court entered orders scheduling the judgment debtor examinations of Mr. and Mrs. Mona (“Third JDE Order” and “Fourth JDE Order,” respectively). 1 FW App. 161-78. Mrs. Mona was a trustee of the Mona Family Trust, one of the judgment debtors, and the District Court ordered her to appear in that capacity. 1 FW App. 170-78. The Third and Fourth JDE Orders set forth a list of documents that Mr. and Mrs. Mona were required to produce, including all bank records and documents evidencing any of their assets. 1 FW App. 161-78.

Among the documents produced by the Petitioners in conjunction with the Third and Fourth JDE Orders was the Post-Marital Property Settlement Agreement that Mr. Mona failed to produce almost two years earlier. 1 Pet. App. 145-56. Mr. Mona conceded at his June 30, 2015 judgment debtor examination that he “definitely” should have produced the Post-Marital Property Settlement Agreement back in 2013 and “definitely” should have testified about the transfer of \$3,4000,000.00 to his wife at his 2013 judgment debtor examination. 3 FW App.

208-10. Moreover, the Petitioners still continued to withhold bank records in the name of Mrs. Mona, despite the fact that the accounts contained community property. 2 Pet. App. 353.

Mrs. Mona begrudgingly testified at her examination that she has three different bank accounts in her name, which hold approximately \$190,000.00 in earnings from design projects performed by Mrs. Mona during the marriage, and approximately \$300,000.00 – the only money remaining from the \$6,800,000.00 purportedly split between Mr. and Mrs. Mona. 2 FW App.207-208, 218-219. To date, the Petitioners still failed to produce any records related to these accounts, despite the fact that they contain community property subject to execution to satisfy Far West’s Judgment.

After the judgment debtor examination and upon Far West’s application, the District Court entered an order to show cause why the accounts of Mrs. Mona should not be subject to execution and why the Petitioners should not be sanctioned. 1 Pet. App. 127-193 (the “Order to Show Cause”). The Order to Show Cause set a briefing schedule and a hearing date. 1 Pet. App. 194-96. After considering the parties’ briefs and lengthy oral argument, the District Court sanctioned Petitioners based upon the their repeated failure to produce the required documents pursuant to District Court orders and the fact that Mr. Mona lied at his judgment debtor examination. 2 Pet. App. 348-58. Emphasizing the severity of

Petitioners' misconduct, the District Court found that said conduct resulted in the dissipation of millions of dollars in assets that otherwise should have gone towards satisfaction of the Judgment. 2 Pet. App. 356.

As part of the sanctions, after a thorough analysis of the undisputed facts before it, the District Court found the Post-Martial Property Settlement Agreement was a fraudulent transfer and the facts establishing the fraudulent transfer were deemed established, pursuant to NRCP 37(b)(2)(A).⁴ 2 Pet. App. 357. The District Court also determined that the previously undisclosed bank accounts in Mrs. Mona's name contained community property, subject to execution by Far West pursuant to Randono, 86 Nev. at 131, 466 P.2d at 223.⁵ 2 Pet. App. 356-57. Considering that Petitioners' misconduct resulted in the dissipation of millions of dollars that should have otherwise gone towards satisfying the Judgment, the District Court also prohibited Petitioners from claiming that the comparably small amount money remaining in the previously undisclosed bank accounts is exempt from execution, pursuant to NRCP 37(b)(2)(B). 2 Pet. App. 356-57. Finally, the District Court awarded Far West its fees and costs incurred as a result of the

⁴ In order to reduce this finding to a judgment against Mrs. Mona, and to address other fraudulent transfers discovered during the recent judgment debtor examinations, Far West filed a new complaint against Petitioners and others. 4 FW App. 980-97.

⁵ Notably, Petitioners do not dispute that the Bank of George checking account contains community property.

violations of the District Court's orders and, to preserve the status quo, ordered that Petitioners may not dispose of any non-exempt assets until the money in the undisclosed bank accounts is applied towards the Judgment. 2 Pet. App. 357.

While these sanctions are serious, they are justified by the serious misconduct by Petitioners, which resulted in the dissipation of millions of dollars that should have otherwise gone towards satisfying the Judgment. When Petitioners decided to lie under oath and violate the District Court's orders, they put themselves at risk of these sanctions. Therefore, the Court should affirm the Sanction Order.

IV.

STATEMENT OF THE STANDARD OF REVIEW

This Court, "in reviewing sanctions, [does] not consider whether [it], as an original matter, would have imposed the sanctions . . . [T]he standard of review is whether the District Court abused its discretion in doing so." Bahena v. Goodyear Tire & Rubber Co., 126 Nev. Adv. Op. 26, 235 P.3d 592, 596 (2010). Additionally, this Court does not impose a "heightened standard of review," where the sanction does not result in dismissal of a case or the striking of a pleading. See id. In the underlying Bahena case, this Court determined that were the District Court to strike all of the parties' affirmative defenses, or even were the District

Court to strike the parties' answer on the issue of liability, those would not be case concluding sanctions and do not require a heightened standard of review. Id. In this case, the sanctions are monetary. No pleadings have been stricken. As a result, an abuse of discretion remains the standard of review.

Additionally, "in the appellate context, [the Supreme] Court will not disturb a district court's findings of fact unless they are clearly erroneous and not based on substantial evidence." Int'l Fid. Ins. Co. ex. rel. Blackjack Bonding v. State, 122 Nev. 39, 42, 126 P.3d 1133, 1134-35 (2006). Therefore, the Court should apply its abuse of discretion standard to analyzing the District Court's decision regarding the sanctions against Appellants, and should further not disturb the District Court's findings of fact.

V.

SUMMARY OF THE ARGUMENT

The District Court had jurisdiction to sanction Mrs. Mona where she had been served with the Order requiring her to appear for a judgment debtor examination. While this in and of itself is sufficient to confer jurisdiction to sanction Mrs. Mona for failure to comply with that same Order with which she was served, the Court further had jurisdiction to sanction Mrs. Mona after she appeared at the judgment debtor exam without raising any objection as to her personal

jurisdiction. Jurisdiction to sanction Mrs. Mona was further conferred when she and her counsel participated in a hearing before the District Court and again failed to raise the issue of personal jurisdiction.

Petitioners' accusation that Far West added Mrs. Mona as a party to the Judgment is simply inaccurate. The Judgment has always been against Mr. Mona and the Mona Family Trust. The issue before the District Court was not whether to add Mrs. Mona as a party to the Judgment so that Far West could collect against her separate property, but instead the issue was whether Far West could collect its Judgment against the community property of Mr. Mona, held in bank accounts in Mrs. Mona's name.

This Court should disregard the Petitioners' efforts to make the Court overrule its long standing decision in the Randono case, that expressly holds, consistent with several states, that all community property was subject to a judgment against a tortfeasor's spouse, regardless of whether the other spouse was a party to the underlying litigation. 86 Nev. at, 131, 466 P.2d at 223. As a result, no additional proceeding against Mrs. Mona is required.

Public policy is served by allowing Far West to collect its Judgment against Mrs. Mona without instituting an additional action. To require a creditor to name a debtor's spouse whenever it seeks to collect against community property would simply encourage the same type of fraudulent conduct which occurred in this case

where one spouse can transfer assets to another spouse in an effort to force the creditor to undertake further legal action. Requiring a separate action to be instituted whenever community property is implicated would greatly increase the costs to all parties in litigation as well as infiltrate the courts' dockets with duplicative and unnecessary litigation.

Petitioners' due process rights were satisfied in that they had notice and an opportunity to be heard. Not only were Petitioners served with an Order to Show Cause which set forth the briefing schedule and a hearing, but Far West specifically offered to continue the briefing schedule and hearing date to afford Petitioners additional time and the Petitioners declined. At the hearing on the Order to Show Cause, both Petitioners appeared and were represented by counsel. The District Court further offered to continue the hearing to give Petitioners additional time but again, the Petitioners refused. The hearing included lengthy oral argument from all parties. Petitioners were clearly given notice and substantial opportunity to be heard and as a result their due process rights were satisfied.

The District Court properly applied Nevada law for the proceeding supplement to the execution of the Judgment. This Sanction Order was made pursuant to NRCP 37 and the inherent powers of the Court. NRS 21.280 and 21.330 are only implicated to prevent the Petitioners from disposing of their assets.

Despite the Petitioners contentions to the contrary, there were no meet and confer requirements since NRCP 37(a)(2)(A) was inapplicable to the sanctions at issue in this case. The Motion for Sanctions was made pursuant to NRCP 37(b) and did not implicate the meet and confer requirement or NRCP 37(a)(2)(A) in that it was not addressing the failure to disclose required under NRCP 16.1(a) or 16.2(a) and likewise since it was not a discovery motion, EDCR 2.34 did not apply.

The District Court was not required to hold an evidentiary hearing where there was no material factual question, and the sanctions do not involve dismissal with prejudice. The District Court likewise considered and made explicit findings of the relevant factors in issuing its Order regarding the sanctions. While the Order did not expressly cite to the Young case, the factors in the underlying decision were addressed within the Order. A review of these undisputed facts demonstrate that the District Court did not abuse its discretion in determining that the Post-Martial Settlement Agreement was a fraudulent transfer.

For these reasons, it is respectfully submitted that this Court should affirm the District Court's Sanction Order.

VI.

ARGUMENT

A. The District Court Had Jurisdiction Over Mrs. Mona

Petitioners take the bizarre position that the District Court had the power to order Mrs. Mona to produce records and appear at a judgment debtor examination, but that the District Court was powerless to sanction Mrs. Mona for violating that same order. This argument defies logic. If the District Court can order Mrs. Mona to appear for a judgment debtor examination, which she did without objection, the District Court must also have the authority to sanction Mrs. Mona for violating that order.

The District Court acquired jurisdiction over Mrs. Mona when Far West duly served the order requiring her to appear for the judgment debtor examination. 1 Pet. App. 75-77. It is undisputed that the Mona Family Trust is a judgment debtor and that Mrs. Mona was a trustee of the Mona Family Trust. 1 Pet. App. 173-93; 2 FW App. 237 (59:2-6). The order requiring Mrs. Mona to appear for the judgment debtor examination identified Mrs. Mona as the trustee of the Mona Family Trust. 1 FW App. 170-78.

Consistent with the Petitioners' conduct throughout this action, Mrs. Mona attempted to avoid service of the Fourth JDE Order. Pursuant to NRS

14.090(1)(b), which provides alternative methods of service for “any legal process,” Far West requested to serve Mrs. Mona by certified or registered mail because Petitioners’ residence was gated and entry through the locked gate was not reasonably available. 1 Pet. App. 62-69. On May 26, 2015, the District Court entered an order permitting service upon Mrs. Mona by certified or registered mail. 1 Pet. App. 70-74. That same day, Far West served the Fourth JDE Order upon Mrs. Mona via certified and registered mail. 1 Pet. App. 75-77.⁶

Without citing to any authority to support their position, it appears Petitioners are asking this Court to invalidate NRS 14.090 and declare that service by mail pursuant to NRS 14.090 is a violation of due process. Although this Court has not addressed in a written opinion whether service by mail comports with due process requirements, both the U.S. Supreme Court and the Ninth Circuit have found that service by mail does comply with due process requirements. Int’l Shoe Co. v. State of Wash., 326 U.S. 310, 320, 66 S. Ct. 154, 160 (1945) (holding that mailing of the notice of suit by registered mail was reasonably calculated to apprise

⁶ To the extent Mrs. Mona argues that she avoided service of the Fourth JDO Order by not picking up her mail, that argument is frivolous and her attempt to avoid service is ineffective. See Broad. Music, Inc. v. Blueberry Hill Family Rests., Inc., 899 F. Supp. 474, 476 (D. Nev. 1995) (in case where defendant refused certified mailing, “This court will not accept Blueberry Hill’s implicit, but unsupported, argument that nine letters went undelivered. The argument approaches the frivolous given that Blueberry Hill recognized and refused to accept mail from BMI that required a return receipt. Simply stated, Blueberry Hill cannot claim innocence after actively, though ineffectively, attempting to ignore BMI.”).

the party of the suit); Travelers Health Ass'n v. Com. of Va. ex rel. State Corp. Comm'n, 339 U.S. 643, 650-51, 70 S. Ct. 927, 931 (1950) (confirming that service by mail complies with due process requirements because it provides adequate and reasonable notice as held in Int'l Shoe); Rio Properties, Inc. v. Rio Int'l Interlink, 284 F.3d 1007, 1016-17 (9th Cir. 2002) (holding that service by mail and email complied with due process requirements, stating: "Without hesitation, we conclude that each alternative method of service of process ordered by the district court was constitutionally acceptable."). Therefore, service by registered and certified mail, in compliance with NRS 14.090(1)(b) and pursuant to order of the District Court, complies with due process requirements and confers jurisdiction over Mrs. Mona.⁷

When Mrs. Mona was served via certified and registered mail with the Fourth JDE Order on May 26, 2015, Mrs. Mona was a trustee of judgment debtor Mona Family Trust, which was necessarily a party to the collection proceeding before the District Court. Therefore, Petitioners' attempt to equate the judgment debtor examination order to a third-party subpoena is not supported by the facts or any case law, and this Court should completely disregard it. See Edwards v. Emperor's Garden Rest., 122 Nev. 317, 330 n. 38, 130 P.3d 1280, 1288 n. 38 (2006) ("Edwards neglected his responsibility to cogently argue, and present

⁷ Notably, NRS 21.270, which authorizes judgment debtor examinations, simply requires that the order be "regularly served" and does not provide for a specific type of service, nor does it suggest that service methods pursuant to NRS 14.090 would be invalid.

relevant authority, in support of his appellate concerns. Thus, we need not consider these claims.”) (citations omitted).

At her judgment debtor examination, Mrs. Mona testified that she ceased to be a trustee of the Mona Family Trust the week of June 15, 2015, but refused to testify why she resigned. 2 FW App. 237-238.⁸ Mrs. Mona’s later resignation as trustee is irrelevant to the question of personal jurisdiction, as the District Court obtained personal jurisdiction over Mrs. Mona upon service of the Fourth JDE Order on May 26, 2015. 1 Pet. App. 75-77.

To the extent there was any question about the Court’s jurisdiction over Mrs. Mona, Mrs. Mona appeared pursuant to the Fourth JDE Order on June 26, 2015, without raising any objection as to personal jurisdiction. 2 FW App. 179-365. Moreover, Mrs. Mona and her counsel participated in a telephonic hearing with the District Court to address the scope of Mrs. Mona’s examination. 2 FW App. 183-198. At no time prior to or during the telephonic hearing or judgment debtor examination did Mrs. Mona object on the basis of personal jurisdiction. 2 FW App. 19-365. Therefore, any objection on the basis of personal jurisdiction (were it even to have a basis) has been waived. Hansen v. Eighth Judicial Dist. Court ex rel. Cnty. of Clark, 116 Nev. 650, 656, 6 P.3d 982, 986 (2000) (objection to personal jurisdiction is waived if not timely raised in motion or responsive

⁸ Mrs. Mona did not take any action to quash the subpoena or inform Far West or the Court she was no longer the trustee prior to the exam.

pleading). Counsel for Petitioners subsequently argued at a July 9, 2015 hearing that Mrs. Mona was not a party. 2 Pet. App. 345. Even if that subsequent argument could liberally be construed as a personal jurisdiction objection, Mrs. Mona had already waived any personal jurisdiction objection by appearing at the judgment debtor examination and participating in a telephonic hearing on June 26, 2015 without raising any personal jurisdiction objection. Hansen, 116 Nev. at 656, 6 P.3d at 986.

Petitioners argue that although the District Court had jurisdiction over Mrs. Mona in her representative capacity as trustee of the Mona Family Trust, it did not have jurisdiction over Mrs. Mona individually. To support this argument, Petitioners cite to the single case of Salman v Newell, 110 Nev. 1333, 1335, 885 P.2d 607, 608 (1994). However Salman had nothing to do with personal jurisdiction. Id. Rather, in Salman, the Court simply confirmed that a non-attorney cannot represent a corporation or trust, even if the non-attorney claimed to be a trustee. Id. Therefore, Salman does not support Petitioners' argument and this Court should completely disregard it. See Edwards, 122 Nev. at 330 n. 38, 130 P.3d at 1288 n. 38.

In any event, NRCP 37(b)(2) expressly permits sanctions against a "managing agent of a party," which would necessarily include Mrs. Mona as trustee of the Mona Family Trust. Moreover, the District Court has the broad and

inherent power to sanction anybody that appears before it. See Emerson v. Eighth Judicial Dist. Court of the State, ex. rel. Cnty. of Clark, 127 Nev. Adv. Op. 61, 263 P.3d 224, 229 (2011). As Mrs. Mona appeared before the District Court, the District Court had authority to issue sanctions against her.

The District Court ordered Mrs. Mona to appear for a judgment debtor examination and produce related documents. Far West properly served Mrs. Mona with that order via registered and certified mail in compliance with NRS 14.090(1)(b). Recognizing the District Court's jurisdiction over her, she appeared at the judgment debtor examination and participated in a telephonic hearing without raising any personal jurisdiction argument. The District Court subsequently determined that Mrs. Mona failed to comply with the District Court's order, warranting sanctions under NRCP 37 and the District Court's broad and inherent powers. For these reasons, the District Court had personal jurisdiction over Mrs. Mona and the authority to sanction her, such that the Court should affirm the Sanction Order.

B. The District Court Did Not "Add New Parties" to the Judgment and No Separate Action is Necessary to Issue Sanctions

Petitioners falsely accuse Far West of adding Mrs. Mona as a party to the Judgment. The Judgment has always been against Mr. Mona and the Mona Family Trust and Far West has never asked to add Mrs. Mona to the Judgment nor has it attempted in the District Court proceeding to collect against Mrs. Mona's separate

property. Petitioners are improperly attempting to conflate the addition of parties to a judgment, which is not allowed under Nevada law, with the ability of a judgment creditor to execute upon community property, which is allowed under Nevada law.

It is well-established Nevada law that a judgment creditor can execute against community property in its entirety regardless of whether the judgment is only against one spouse for tortious conduct. In Randono, the Nevada Supreme Court held that all community property was subject to a judgment against a tortfeasor husband, regardless of whether the non-tortfeasor wife was not party to the underlying litigation. 86 Nev. at 131, 466 P.2d at 223. In Randono, a case with facts analogous to the current matter, the judgment creditors obtained a judgment against the husband based on the husband's fraudulent inducement and fraudulent misrepresentations and the lower court made the husband's community property and wife liable for the judgment against the husband.⁹ Id. at 129-30. This Court stated, "If community property can be given away by the husband and is subject to his debts upon his death (NRS 123.260), we see no reason why it is

⁹ The Nevada Supreme Court has since clarified that a spouse cannot be held personally liable for the wrongdoing of a spouse simply by virtue of being married. Jewett v. Patt, 95 Nev. 246, 247-48, 591 P.2d 1151, 1152 (1979). However, in that decision, the Court cited to Randono and indicated whether community property is subject to the judgment against the wrongdoing spouse is a separate consideration. Id. In this case Far West is not suggesting Mrs. Mona is personally liable, only that Far West should be able to execute its judgment against community property.

not subject to his debts, whether arising out of tort or contract, during his lifetime.”
Id. at 132 (internal citations omitted).¹⁰

The Nevada Supreme Court and other courts have repeatedly recognized the principle that a judgment against one spouse can be enforced against all community property, including the non-judgment debtor spouse’s portion. See Cirac v. Lander Cnty., 95 Nev. 723, 731, 602 P.2d 1012, 1017 (1979) (“this court has recognized the fact that community property of spouses may be subject to liability of judgments whether or not the wife was a party to the suit.”); Nelson v. United States, 53 F.3d 339, 339, 1995 WL 257884, *1 (9th Cir. 1995) (unpublished) (“It does not matter which spouse incurred the debt. It is a community debt and can be collected from the whole of the community, not just the actor’s one-half.”); F.T.C. v. Neiswonger, 580 F.3d 769, 776 (8th Cir. 2009) (affirming court order for turnover of Nevada real property despite contemnor’s wife claim that she had marital interest in the property) (citing Jones v. Swanson,

¹⁰ Consistent with the Court’s holding in Randono, NRS 123.050 provides that the spouse’s share of the community property is not liable for the debts of the other spouse contracted *before* the marriage, which necessarily implies that community property is liable for debts incurred *during* the marriage. Likewise, NRS 123.225(1) provides that “the respective interests of the husband and wife in community property during continuance of the marriage relation are present, existing and equal interests,” such that there is no reason to exempt community property from the execution upon a judgment entered during the marriage. Petitioners’ argument that Randono is somehow not supported by Nevada statutes is not adequately explained or supported, such that this Court should completely disregard it. See Edwards, 122 Nev. at 330 n.38, 130 P.3d at 1288 n.38.

341 F.3d 723, 738 n. 6 (8th Cir. 2003), Randono, 86 Nev. at 123, 466 P.2d at 224, and Cirac, 95 Nev. at 723, 602 P.2d at 1017 (1979)).

In its analysis of Nevada's community property law with respect to judgment collection, the federal district court for the District of Nevada explained:

[A] spouse is not personally liable for his or her spouse's intentional torts committed during marriage merely by virtue of being married. Jewett v. Patt, 591 P.2d 1151, 1152 (Nev. 1979). Consequently, the non-tortfeasor spouse's separate property is not subject to a judgment against the tortfeasor spouse. See id. **However, a tort committed during the marriage by one spouse is considered a community debt, and the entirety of the community property is subject to a judgment against the tortfeasor spouse, even if the other spouse was not a named party to the suit.** Randono v. Turk, 466 P.2d 218, 223–24 (Nev. 1970); see also F.T.C. v. Neiswonger, 580 F.3d 769, 776 (8th Cir. 2009) (analyzing Nevada law).

Here, Kirk Henry was injured in September 2001, Plaintiffs filed suit against Rick Rizzolo in October 2001, and the Rizzolos divorced in June 2005. **Because the conduct giving rise to Plaintiffs' claim against Rick Rizzolo occurred during the marriage, Plaintiffs' claim against Rick Rizzolo is a community debt. Lisa Rizzolo's separate property is not subject to the judgment, but the entire community is subject to a judgment, even though Lisa Rizzolo was not a named party to the lawsuit Plaintiffs filed against Rick Rizzolo. Accordingly, Lisa Rizzolo's share of the community property is "subject to process by a creditor holding a claim against only one tenant" as set forth in NUFTA § 112.150(2)(c), and therefore falls within the definition of an "asset" that can be fraudulently transferred.**

Henry v. Rizzolo, 2012 WL 1376967, *2-3 (D. Nev. April 19, 2012) (unpublished) (emphasis added). Therefore, it is clear under Nevada law that a judgment arising from conduct that occurred during the marriage is a community debt and that the

judgment creditor is entitled to collect against the entirety of the community property. As the Judgment arose from conduct during the Petitioners' thirty two-year marriage, it is a community debt and Far West may collect against the entirety of the community property. 1 Pet. App. 173-93; 2 FW App. 212. In a case factually similar to this one, the United States District Court of the Northern District of California, specifically addressed whether the tax debts of one's spouse could be collected against community property. Seidel v. United States, No. C07-3141 JF, 2007 WL 2070328, at *2 (N.D. Cal. July 16, 2007) (unpublished). In the Seidel case, the government attempted to collect a tax debt against one spouse against the wages of the other spouse without instituting an additional action. Id. at *1. The non-debtor spouse filed a complaint seeking to enjoin the government from levying against her assets to satisfy the tax debt owed by her husband. Id. The Court in reviewing non-debtor spouse's request for a temporary restraining order found that:

Her arguments appeared to be based upon a misunderstanding of the community property principles that apply to marriages between residents of California and of the federal policy that directs the IRS to look to state property regimes in making levies.

While Plaintiff may view the levies as being directed against her personally, **as a legal matter, the government is levying against assets that clearly are treated as community property under California law.** Because the community is liable for either spouses' separate tax liabilities during marriage, a spouses' wages may be levied in their entirety to satisfy the liability of the community property caused by the other spouse.

Id. (Emphasis added). The Court in Seidel further determined that an evidentiary hearing was unnecessary in making its determination. Id. at *1 n.3.

Petitions rely exclusively upon Callie v Bowling, 123 Nev. 181, 160 P.3d 878 (2007), to argue that the District Court was not allowed to add Mrs. Mona to the Judgment. In Callie, the Court held that a judgment creditor may not file a motion to amend a judgment based upon an alter ego claim. 123 Nev. at 185, 160 P.3d at 880. However, Callie is not applicable to this case because: (1) Far West never sought to amend the Judgment; (2) Far West never asserted an alter ego claim against Mrs. Mona; (3) the District Court never added Mrs. Mona to the Judgment; (4) Callie does not address collection of a judgment against community property; and (5) Callie does not address the issue of sanctions.

As soon as Petitioners decided to violate District Court orders and lie under oath, they put themselves at risk of being sanctioned. There is no requirement under Nevada law to file a separate action to obtain sanctions. The District Court had ample authority to sanction Petitioners without the filing of a separate action.

C. Public Policy is Served by Allowing Far West to Collect Its Judgment Against Mrs. Mona Without Instituting an Additional Action

There is a strong public policy in favor of allowing creditors to collect against community property. As stated by the Arizona Court of Appeals in the case of State ex. rel. Indus. Comm'n of Arizona v. Wright, 202 Ariz. 255, 256, 43

P.3d 203, 204 Ct. App. 2002), there is “no public policy favoring the use of community property laws to circumvent the legitimate collection of the debt by a creditor.” The United States Bankruptcy Court has likewise found public policy is not served by allowing a debtor to “hide,” behind their spouse. See In re LeSueur, 53 B.R. 414, 416 (Bankr. D. Ariz. 1985).

No public policy in this case is served by requiring the creditor to institute an additional action to collect on a judgment he has already received against the community property of the debtor subject to the judgment. In fact, requiring a debtor to institute a separate action whenever it seeks to collect on community property encourages the exact type of surreptitious conduct that has gone on in this case where one spouse transfers assets to another spouse in an attempt to frustrate the creditors’ efforts. Furthermore, a rule such as that which the Appellants are proposing in this instance would require a creditor to virtually always institute an additional action against the debtor’s spouse in any collection action against a married individual because all income and property acquired during the course of the marriage are presumed to be community property. Northwest Fin. v. Lawver, 109 Nev. 242, 245, 849 P.2d 324, 326 (1993). For example, wages generated during the course of the marriage is considered community property. Id. Consequently, to garnish a debtor’s wages, under Appellants’ suggested application of the law, would require that the creditor bring the spouse into the

garnishment proceeding, or any other effort to collect against the debtor in which community property may be implicated. Such result would lead to significant additional costs to all parties, numerous additional legal actions which would tie up the courts' dockets, and be duplicative. Public policy requires the Court to allow collection of a judgment against the debtor's community property without instituting a duplicative and unnecessary subsequent action against the debtor's spouse.

D. Petitioners Had Notice and an Opportunity to be Heard

Petitioners argue that the Sanction Order violated Petitioners' procedural due process rights as articulated in Callie. Callie "recognized that procedural due process 'requires notice and an opportunity to be heard.'" 123 Nev. at, 183, 160 P.3d at 879 (quoting Maiola v. State, 120 Nev. 671, 675, 99 P.2d 227, 229 (2004)). Petitioners cannot credibly deny that they had notice and an opportunity to be heard prior to the issuance of the Sanction Order.

Far West served counsel for Petitioners with the Order to Show Cause, along with the underlying application, on June 30, 2015 via hand delivery.¹¹ 2 Pet. App. 197-99. The Order to Show Cause set a briefing schedule and a hearing for July 8, 2015. 2 Pet. App. 194-96. Prior to the hearing, counsel for Far West offered to

¹¹ Terry Coffing, Esq., appeared as counsel for Mrs. Mona during the June 26, 2015 telephonic hearing and judgment debtor examination. 2 FW App. 183. Accordingly, subsequent service upon Mrs. Mona through Attorney Coffing's office complies with NRCP 5(b)(1).

continue the briefing schedule and hearing date, but Petitioners refused. 2 Pet. App. 317. Counsel for Petitioners filed a response to the Order to Show Cause on July 7, 2015 and a supplement to the response on July 8, 2015.¹² 2 Pet. App. 206-52, 292-97.

Attorney Coffing appeared at the July 9, 2015 hearing on behalf of both Petitioners. 2 Pet. App. 303 (“Mr. Coffing: Terry Coffing on behalf of Mike Mona, and for the purposes of this motion, on behalf of Rhonda Mona”). Even divorce counsel for Mrs. Mona appeared at the hearing. Id. (“Andrew Kynaston and Ed Kainen. We’re not appearing officially in this case, but we represent Rhonda Mona in the divorce case that’s been filed in Family Court. And she asked us to be present today for this hearing.”). The hearing lasted for over an hour. 2 Pet. App. 302-346. The District Court even offered to continue the hearing to give the Petitioners additional time, but Petitioners refused. 2 Pet. App. 316-17.

The Petitioners had notice of the July 9, 2015 hearing, as evidenced by the Receipt of Copy of the Order to Show Cause (2 Pet. App. 197-99), and the fact that Petitioners were represented by counsel at the hearing. 2 Pet. App. 303. The Petitioners also had an opportunity to be heard during the lengthy oral argument allowed by the District Court. 2 Pet. App. 302-346. Only after providing

¹² Despite the fact that Attorney Coffing’s office previously appeared on behalf of Mrs. Mona, the response and supplement to the response purported to only have been filed on behalf of Mr. Mona, despite raising arguments on behalf of both Petitioners.

Petitioners both notice and an opportunity to be heard (and even offering additional time), the District Court entered the Sanction Order. Therefore, the Sanction Order did not violate the Petitioners' procedural due process rights and the Court should affirm the Sanction Order.

E. The District Court Properly Applied Nevada Law for Proceedings Supplementary to Execution

Petitioners misrepresent the Sanction Order when they say that the District Court relied upon NRS 21.330 to sanction Petitioners. The District Court sanctioned Petitioners under NRCP 37 and the District Court's broad and inherent powers. The only citation to NRS 21.330 in the Sanction Order relates to the District Court ordering that Petitioners not dispose of or transfer their assets, which was not a sanction, but rather an act expressly permitted by statute.

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

2 Pet. App. 357.

NRS 21.330 expressly provides that "the court or judge may, by order, forbid a transfer or other disposition of such interest or debt until an action can be commenced and prosecuted to judgment." Therefore, the District Court's citation to NRS 21.330 as the basis for ordering Petitioners not to dispose of their assets is entirely appropriate. Moreover, there is nothing in NRS 21.330 that requires a

separate action before the District Court can freeze the assets. Instead, NRS 21.330 provides for the freeze of assets *before* any action is filed.

As for the District Court's additional order that "[t]he funds in Mrs. Mona's three (3) bank accounts shall be applied towards satisfaction of the Judgment pursuant to NRS 21.320," that order is provided for by statute. 2 Pet. App. 356. NRS 21.320 provides that "[t]he judge or master may order any property of the judgment debtor not exempt from execution, in the hands of such debtor or any other person, or due to the judgment debtor, to be applied toward the satisfaction of the judgment."¹³ Petitioners fail to explain how the Sanction Order, which mirrors the authority granted by NRS 21.320 to order that certain assets be applied to the Judgment, is somehow inappropriate. Therefore, the District Court properly applied Nevada law for proceedings supplementary to execution and the Court should affirm the Sanction Order.

F. There Was No "Meet and Confer" Requirement

In an apparent attempt to minimize their misconduct, Petitioners suggest that the sanctions were the result of a motion to compel discovery. That is untrue. At the 2015 judgment debtor examinations, Far West discovered Petitioners' lies and concealment of critical records in violation of the orders for the judgment debtor

¹³ NRCP 37(b)(2) allows the District Court to enter an "order refusing to allow the disobedient party to support or oppose designated claims or defenses." Therefore, the District Court had the authority to prohibit the Petitioners from claiming the money in the accounts was exempt from execution.

examinations. Those lies and concealment of records prohibited Far West from timely executing upon the \$3,400,000.00 transferred to Mrs. Mona in 2012 and cost Far West millions of dollars as only \$490,000.00 of the \$4,300,000.00 remains available for execution. Accordingly, Far West asked the District Court to enter an order to show cause why Petitioners should not be sanctioned and why Far West should not be allowed to execute upon the community property hidden in Mrs. Mona's bank accounts. This cannot be reasonably characterized as a discovery motion. The District Court entered the Order to Show Cause, set a briefing schedule and set a hearing date giving Petitioners notice and an opportunity to respond. 2 Pet. App. 194-96.¹⁴

The meet and confer requirement of NRCP 37(a)(2)(A), upon which Petitioners' rely, only applies "[i]f a party fails to make a disclosure required by Rule 16.1(a) or 16.2(a)." In this judgment enforcement action, neither NRCP 16.1(a) or 16.2(a) is applicable, such that the meet and confer requirement is likewise not applicable. Petitioners' failed to produce documents in violation of court orders, not in violation of NRCP 16.1(a) or 16.2(a). Likewise, EDCR 2.34

¹⁴ Petitioners also take issue with the issuance of the Order to Show Cause ex parte, despite the fact that the District Court did not issue any sanctions until Petitioners had notice and an opportunity to be heard at the scheduled hearing. Advance notice of the request to temporarily freeze Petitioners' non-exempt assets pursuant to NRS 21.280 and 21.330 pending the hearing just nine (9) days later would have allowed Petitioners to transfer away their few remaining assets, rendering the request and the collection proceedings moot.

14. **WAIVER:** LANDLORD'S failure to require compliance with the conditions of this Agreement, or to exercise any right provided herein, shall not be deemed a waiver by LANDLORD of such condition or right. LANDLORD'S acceptance of rent with knowledge of any default under agreement by TENANT shall not be deemed a waiver of such default, nor shall it limit LANDLORD'S rights with respect to that or any subsequent right. If is further agreed between the parties that the payment of rent at any time shall not be a waiver to any UNLAWFUL DETAINER action unless LANDLORD in writing specifically acknowledges that this constitutes a waiver to the UNLAWFUL DETAINER action.

15. **VALIDITY/SEVERABILITY:** If any provision of this agreement is held to be invalid, such invalidity shall not affect the validity or enforceability of any other provision of this Agreement.

16. **ATTORNEY FEES:** In the event action is brought by any party to enforce any terms of this agreement or to recover possession of the premises, the prevailing party shall recover from the other party reasonable attorney fees. It is acknowledged, between the parties, that jury trials significantly increase the costs of any litigation between the parties. It is also acknowledged that jury trials require a longer length of time to adjudicate the controversy. On this basis, all parties waive their rights to have any matter settled by jury trial.

17. **NOTICES:** All notices to the tenant shall be deemed served upon mailing by first class mail, addressed to the tenant, at the subject premises or upon personal delivery to the premises whether or not TENANT is actually present at the time of said delivery. All notices to LANDLORD shall be served by mailing first class mail or by personal delivery to such address as LANDLORD may designate in writing to TENANT.

18. **PERSONAL PROPERTY OF TENANT:** Once TENANT vacates the premises, all personal property left on the premises shall be stored by the LANDLORD for 18 days. If within that time period, TENANT does not claim said property, LANDLORD may dispose of said items in any manner LANDLORD chooses.

19. **ENTIRE AGREEMENT:** The foregoing Agreement constitutes the entire agreement between the parties and supersedes any oral or written representations or agreements that may have been made by either party. Further, TENANT represents that TENANT has relied solely on TENANT'S judgment in entering into this agreement. TENANT acknowledges having been advised to consult with independent legal counsel before entering into this Agreement and has decided to waive such representation and advice. TENANT acknowledges that TENANT has read and understood this agreement and has been furnished a duplicate original.

EXECUTED on the date set forth hereafter.

Hamburgh Holdings LLC

Nicolas Filardo, Manager

Date: 10/15/2014

TENANTS:

Michael Mona

Rhonda Mona

Date: 10/15/14

0855

MONA 2nd JDE - 01149

LUNDENE ENTERPRISES LLC

Business Entity Information	
Status:	Default
Type:	Domestic Limited-Liability Company
Qualifying State:	NV
Managed By:	Managers
NV Business ID:	NV20141482255
File Date:	7/25/2014
Entity Number:	E0386702014-9
List of Officers Due:	8/31/2014
Expiration Date:	7/22/2064
Business License Exp:	

Registered Agent Information	
Name:	MICHAEL MONA III
Address 1:	2753 RED ARROW DR
Address 2:	LAS VEGAS
State:	NV
Zip Code:	89135
Phone:	
Mailing Address 1:	
Mailing Address 2:	
Mailing City:	
Mailing State:	NV
Mailing Zip Code:	
Agent Type:	Noncommercial Registered Agent

Financial Information	
No Par Share Count:	0
Capital Amount:	\$ 0
No stock records found for this company	

Officers	
<input type="checkbox"/> Include Inactive Officers	
No active officers found for this company	

Actions/Amendments	
Action Type:	Articles of Organization
Document Number:	20140534124-16
File Date:	7/25/2014
# of Pages:	2
Effective Date:	
(No notes for this action)	



RECORDING REQUESTED BY

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME *Dunholm Limited LLC*
STREET ADDRESS *6725 Via Austi*
Parkway, Suite 380
CITY, STATE &
ZIP CODE *LAS VEGAS, NV*
89119

Recorded in Official Records, County of San Bernardino

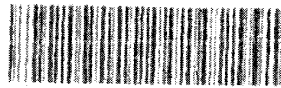


DENNIS DRAEGER
ASSESSOR - RECORDER - CLERK

C Priority Mail

12/29/2011
11:36 AM
SG

Doc#: 2011-0552506



Title:	1	Pages:	6
Fees:			33.00
Taxes:			6.00
Other:			6.00
PAID:			\$45.00

SPACE ABOVE FOR RECORDER'S USE ONLY

DEED OF TRUST
Title of Document

THIS AREA FOR
RECORDER'S
USE ONLY

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)



0857

Filed for Record at Request of:

Dunholm Limited, LLC
6725 Via Austi Parkway, Suite 380
Las Vegas, NV 89119

DEED OF TRUST

THIS DEED OF TRUST made this 16th day of December, 2011, between Dunholm Limited, LLC, a Nevada limited liability company (hereafter referred to as the "GRANTOR"), and First American Title, (hereafter the "TRUSTEE"), whose address is 323 W Court St, San Bernardino, CA 92401, and Scarlet Properties, LLC Ironwood Series, a Nevada Series limited liability company (hereafter referred to as the "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 Bernardino, State of California, bounded and described as follows (hereafter the "Real Property"):

PARCEL ONE (1):

LOT 68, TRACT NO. 12166, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 168 OF MAPS, PAGE 88, RECORDS OF SAID COUNTY.

Parcel Number: 0308-121-33

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, water rights, 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 amount of Sixty-Five Thousand (\$65,000) dated December 16, 2011, made by 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 laws 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"

Dunholm Limited, LLC

By: _____

Christopher Bentley, Manager

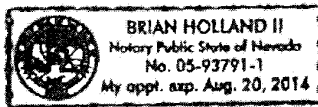
STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 16 day of December, 2011, before me, the undersigned, a Notary Public in and for the State of Nevada, duly commissioned and sworn, personally appeared Christopher Bentley, to me known to be the manager of Dunholm Limited LLC, who acknowledged that he executed the foregoing instrument on behalf of said entity for the uses and purposes therein mentioned.

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



Notary Public in and for the State of Nevada



LOAN AGREEMENT

Payer: Michael Monr, Jr.
2688 S. Rainbow Boulevard - Suite B
Las Vegas, NV 89146

Holder: Michael J. Monr III
877 Island Avenue Unit 603
San Diego, CA 92101-7151

Date: November 18, 2013

Principal Amount: \$ 2,000.00

For value received Michael Monr, Jr., individually and on behalf of his marital community, successors or assigns ("Payer") promises to pay to Michael J. Monr III ("Holder"), or order, the principal sum of Two Thousand Dollars (\$ 2,000.00), in accordance with and on the terms set forth below. This Note shall bear interest at a rate of 3% per annum and shall be repaid as set forth below in this Section 1:

A. Maturity Date; Interest Payment. The Note shall be repaid in full, including principal and accrued but unpaid interest on the demand of Holder at any time after June 30, 2013 but no later than the 31st day of October, 2023 (the "Maturity Date") unless extended an additional term by the mutual agreement of the Parties. Holder's demand for payment in full prior to the Maturity Date shall be given by written notice to Payer at least ten (10) days prior to the required payment date. Prior to the Maturity Date, Payer shall make quarterly payments to Holder equal to the accrued but unpaid interest on the outstanding principal balance of the Note. Said quarterly interest payment shall be paid on or before the 1st day of the months of January, April, July and October with the initial payment made on or before April 1, 2014. All payments of principal, interest and sums payable hereunder to be paid in lawful money of the United States of America and shall be delivered to such banking institution as Holder may designate from time to time.

B. Payment Prior to Maturity. The Note may be paid in full prior to the Maturity Date without penalty.

2. Events of Default. The following shall constitute events of default (hereafter referred to individually or collectively as an "Event of Default"), the occurrence of one or more of which shall entitle Holder, at its option, without notice or presentment or demand, to declare the entire indebtedness evidenced hereby as immediately due and payable regardless of the Maturity Date:

A. Payer's failure to make any payment when due hereunder;

B. The termination or breach of any agreement, including agreements other than this Note Agreement, in existence or hereafter entered into between Payer and Holder (or any affiliate of Holder), or the nullification of any such agreement by legal process or otherwise; or

C. The (i) insolvency of Payer, or (ii) the commencement of any proceedings under any bankruptcy or insolvency laws relating to the relief of debtors; or (iii) the appointment of a receiver over some or a substantial portion of the assets of Payer, the occurrence of which causes Holder in good faith to deem itself insecure.

Upon the occurrence and during the continuance of a Default, the Holder may, by written notice to Payer, accelerate the due date of the principal amount owing under the Notes. Such accelerated amounts shall become immediately due and payable upon receipt of such notice by Payer. If the Holder accelerates the amounts due under the Notes, the Holder shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Notes.

3. Waiver. Payer hereby waives any and all presentment, notice of presentment, demand, notice of demand, protest, notice of protest, notice of dishonor or non-payment of the Note. The failure of Holder to exercise its rights hereunder upon the occurrence of an Event of Default shall not be deemed a waiver of such right by Holder.

4. Collection Costs and Fees. In the event the Note is placed with an attorney for collection, or a legal proceeding is commenced to enforce the provision hereof, Payer shall pay all costs of suit and collection, including any and all attorney's fees and costs actually incurred Holder in any such legal action, regardless of whether or not



MTM
MONA 2nd JDH - 00046

0863

actual litigation is initiated and specifically until such time all post-judgment collection actions have concluded. Payor acknowledges and agrees that Holder's attorney's normal hourly rates shall be deemed reasonable.

5. Governing Law: This Note has been made and delivered in the State of Nevada, with reference to the laws of the State of Nevada, and the legality, enforceability and construction of this Note shall be governed by the laws of the State of Nevada and all legal proceedings arising herefrom shall be brought in the courts of the State of Nevada, located in Clark County. The undersigned consents to the jurisdiction of said courts for this purpose.

IN WITNESS WHEREOF, these presents are executed as of the date written below.

Payor:

Holder:

By:

Name: Michael J. Mona, Jr. individually and on
Behalf of his marital community

Date:

By:

Name: Michael J. Mona III

Date:

MICHAEL J. MONA JR.
677 ISLAND AVE., UNIT 606
SAN DIEGO, CA 92101-7181

41230 1158
DATE 11/13/13

Michael Mona \$ 2000.^{00/1000}
Two thousand and 00/100

CHASE
JPMorgan Chase Bank, N.A.
www.Chase.com

NOV Loan

Michael Mona

MONA 2nd JDE - 00048

0865

LOAN AGREEMENT

Payor: Michael Mona, Jr.
2688 S. Rainbow Boulevard - Suite B
Las Vegas, NV 89146

Holder: Shannon Filardo
9905 Pinnacle Pass Drive
Las Vegas, NV 89117

Date: November 20, 2013

Principal Amount: \$1,200.00

For value received Michael Mona, Jr., individually and on behalf of his marital community, successors or assigns ("Payor") promises to pay to Shannon Filardo ("Holder"), or order, the principal sum of One Thousand Two Hundred Dollars (\$1,200.00), in accordance with and on the terms set forth below. This Note shall bear interest at a rate of 5% per annum and shall be repaid as set forth below in this Section 1:

A. Maturity Date; Interest Payment: The Note shall be repaid in full, including principal and accrued but unpaid interest on the demand of Holder at any time after June 30, 2013 but no later than the 31st day of October, 2023 (the "Maturity Date") unless extended an additional term by the mutual agreement of the Parties. Holder's demand for payment in full prior to the Maturity Date shall be given by written notice to Payor at least ten (10) days prior to the required payment date. Prior to the Maturity Date, Payor shall make quarterly payments to Holder equal to the accrued but unpaid interest on the outstanding principal balance of the Note. Said quarterly interest payment shall be paid on or before the 1st day of the months of January, April, July and October with the initial payment made on or before April 1, 2014. All payments of principal, interest and sums payable hereunder to be paid in lawful money of the United States of America and shall be delivered in such banking institution as Holder may designate from time to time.

B. Payment Prior to Maturity: The Note may be paid in full prior to the Maturity Date without penalty.

2. Events of Default: The following shall constitute events of default (hereafter referred to individually or collectively as an "Event of Default"), the occurrence of one or more of which shall entitle Holder, at its option, without notice or presentment or demand, to declare the entire indebtedness evidenced hereby as immediately due and payable regardless of the Maturity Date:

A. Payor's failure to make any payment when due hereunder;

B. The termination or breach of any agreement, including agreements other than this Note Agreement, in existence or hereafter entered into between Payor and Holder (or any affiliate of Holder), or the nullification of any such agreement by legal process or otherwise; or

C. The (i) insolvency of Payor, or (ii) the commencement of any proceedings under any bankruptcy or insolvency laws relating to the relief of debtors, or (iii) the appointment of a receiver over some or a substantial portion of the assets of Payor, the occurrence of which causes Holder in good faith to deem itself insecure.

Upon the occurrence and during the continuance of a Default, the Holder may, by written notice to Payor, accelerate the due date of the principal amounts owing under the Notes. Such accelerated amounts shall become immediately due and payable upon receipt of such notice by Payor. If the Holder accelerates the amounts due under the Notes, the Holder shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Notes.

3. Waiver: Payor hereby waives any and all presentment, notice of presentment, demand, notice of demand, protest, notice of protest, notice of dishonor or non-payment of the Note. The failure of Holder to exercise its rights hereunder upon the occurrence of an Event of Default shall not be deemed a waiver of such right by Holder.


4. Collection Costs and Fees: In the event the Note is placed with an attorney for collection, or a legal proceeding is commenced to enforce the provision hereof, Payor shall pay all costs of suit and collection, including any and all attorney's fees and costs actually incurred Holder in any such legal action, regardless of whether or not

actual litigation is initiated and specifically until such time all post-judgment collection actions have concluded. Payor acknowledges and agrees that Holder's attorney's normal hourly rates shall be deemed reasonable.


5. Governing Law: This Note has been made and delivered in the State of Nevada, with reference to the laws of the State of Nevada, and the legality, enforceability and construction of this Note shall be governed by the laws of the State of Nevada and all legal proceedings arising herefrom shall be brought in the courts of the State of Nevada, located in Clark County. The undersigned consents to the jurisdiction of said courts for this purpose.

IN WITNESS WHEREOF, these presents are executed as of the date written below.

Payor:

By 
Name: Michael Mona, Jr. Individually and on
Behalf of his marital community
Date: 11/22/13

Holder:

By 
Name: Shannon Filardo
Date: 11/22/13



MONA 2nd JDE - 0868
00051

LOAN AGREEMENT

Payor: Michael Mons, Jr.
2688 S. Rainbow Boulevard - Suite B
Las Vegas, NV 89146

Holder: Chris Moreo
1730 Thomas Avenue-Unit2
San Diego, CA 92117

Date: November 20, 2013

Principal Amount: \$ 1,000.00

For value received Michael Mons, Jr., individually and on behalf of his marital community, successors or assigns ("Payor") promises to pay to Chris Moreo ("Holder"), or order, the principal sum of One Thousand Dollars (\$1,000.00), in accordance with and on the terms set forth below. This Note shall bear interest at a rate of 3% per annum and shall be repaid as set forth below in this Section 1:

A. Maturity Date; Interest Payment. The Note shall be repaid in full, including principal and accrued but unpaid interest on the demand of Holder at any time after June 30, 2013 but no later than the 31st day of October, 2023 (the "Maturity Date") unless extended an additional term by the mutual agreement of the Parties. Holder's demand for payment in full prior to the Maturity Date shall be given by written notice to Payor at least ten (10) days prior to the required payment date. Prior to the Maturity Date, Payor shall make quarterly payments to Holder equal to the accrued but unpaid interest on the outstanding principal balance of the Note. Said quarterly interest payment shall be paid on or before the 1st day of the months of January, April, July and October with the initial payment made on or before April 1, 2014. All payments of principal, interest and sums payable hereunder to be paid in lawful money of the United States of America and shall be delivered to such banking institution as Holder may designate from time to time.

B. Payment Prior to Maturity. The Note may be paid in full prior to the Maturity Date without penalty.

2. Events of Default: The following shall constitute events of default (hereafter referred to individually or collectively as an "Event of Default"), the occurrence of one or more of which shall entitle Holder, at its option, without notice or presentment or demand, to declare the entire indebtedness evidenced hereby as immediately due and payable regardless of the Maturity Date:

A. Payor's failure to make any payment when due hereunder;

B. The termination or breach of any agreement, including agreements other than this Note Agreement, in existence or hereafter entered into between Payor and Holder (or any affiliate of Holder), or the nullification of any such agreement by legal process or otherwise; or

C. The (i) insolvency of Payor, or (ii) the commencement of any proceedings under any bankruptcy or insolvency laws relating to the relief of debtors; or (iii) the appointment of a receiver over some or a substantial portion of the assets of Payor, the occurrence of which causes Holder in good faith to deem itself insecure.

Upon the occurrence and during the continuance of a Default, the Holder may, by written notice to Payor, accelerate the due date of the principal amount owing under the Notes. Such accelerated amounts shall become immediately due and payable upon receipt of such notice by Payor. If the Holder accelerates the amounts due under the Notes, the Holder shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Notes.

3. Waiver: Payor hereby waives any and all presentment, notice of presentment, demand, notice of demand, protest, notice of dishonor or non-payment of the Note. The failure of Holder to exercise its rights hereunder upon the occurrence of an Event of Default shall not be deemed a waiver of such right by Holder.

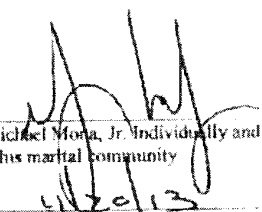
4. Collection Costs and Fees: In the event the Note is placed with an attorney for collection, or a legal proceeding is commenced to enforce the provision hereof, Payor shall pay all costs of suit and collection, including any and all attorney's fees and costs actually incurred Holder in any such legal action, regardless of whether or not

actual litigation is initiated and specifically until such time all post-judgment collection actions have concluded. Payor acknowledges and agrees that Holder's attorney's normal hourly rates shall be deemed reasonable.

5. Governing Law: This Note has been made and delivered in the State of Nevada, with reference to the laws of the State of Nevada, and the legality, enforceability and construction of this Note shall be governed by the laws of the State of Nevada and all legal proceedings arising herefrom shall be brought in the courts of the State of Nevada, located in Clark County. The undersigned consents to the jurisdiction of said courts for this purpose.

IN WITNESS WHEREOF, these presents are executed as of the date written below.

Payor:

By: 
Name: Michael Monia, Jr. Individually and on
Behalf of his marital community

Date: 11/20/13

Holder:

By: 
Name: Chris Merco

Date: 11/20/13

WELLS FARGO BANK 2500
MEMBER FDIC
 PAY TO THE ORDER OF Michael Mona Jr \$ 1,000.00
one thousand dollars 1000/100
 CHRISTOPHER MONROE
 1701 THOMAS AVE UNIT 2
 SAN DIEGO CA 92108-4028
 LEAN [REDACTED]

MONA 2nd JDE - 0871
 00034

LOAN AGREEMENT

Payor: Michael Moná, Jr.
2688 S. Rainbow Blvd-Suite B
Las Vegas, NV 89146

Holder: Soaring Peak LLC
10624 So Eastern
Henderson, NV 89052

Date: November 21, 2013

Principal Amount: \$ 3,500.00

For value received Michael Moná, Jr., individually and on behalf of his marital community, successors or assigns ("Payor") promises to pay to SOARING PEAK LLC ("Holder"), or order, the principal sum of **Three Thousand Five Hundred Dollars (\$3,500.00)**, in accordance with and on the terms set forth below. This Note shall bear interest at a rate of 3% per annum and shall be repaid as set forth below in this Section 1.

A. Maturity Date; Interest Payment. The Note shall be repaid in full, including principal and accrued but unpaid interest on the demand of Holder at any time after June 30, 2013 but no later than the 31st day of October, 2023 (the "Maturity Date") unless extended an additional term by the mutual agreement of the Parties. Holder's demand for payment in full prior to the Maturity Date shall be given by written notice to Payor at least ten (10) days prior to the required payment date. Prior to the Maturity Date, Payor shall make quarterly payments to Holder equal to the accrued but unpaid interest on the outstanding principal balance of the Note. Said quarterly interest payment shall be paid on or before the 1st day of the months of January, April, July and October with the initial payment made on or before April 1, 2014. All payments of principal, interest and sums payable hereunder to be paid in lawful money of the United States of America and shall be delivered to such banking institution as Holder may designate from time to time.

B. Payment Prior to Maturity. The Note may be paid in full prior to the Maturity Date without penalty.

2. Events of Default. The following shall constitute events of default (hereafter referred to individually or collectively as an "Event of Default"), the occurrence of one or more of which shall entitle Holder, at its option, without notice or presentment or demand, to declare the entire indebtedness evidenced hereby as immediately due and payable regardless of the Maturity Date:

A. Payor's failure to make any payment when due hereunder;

B. The termination or breach of any agreement, including agreements other than this Note Agreement, in existence or hereafter entered into between Payor and Holder (or any affiliate of Holder), or the nullification of any such agreement by legal process or otherwise; or

C. The (i) insolvency of Payor, or (ii) the commencement of any proceedings under any bankruptcy or insolvency laws relating to the relief of debtors; or (iii) the appointment of a receiver over some or a substantial portion of the assets of Payor, the occurrence of which causes Holder in good faith to deem itself insecure.

Upon the occurrence and during the continuance of a Default, the Holder may, by written notice to Payor, accelerate the due date of the principal amount owing under the Notes. Such accelerated amounts shall become immediately due and payable upon receipt of such notice by Payor. If the Holder accelerates the amounts due under the Notes, the Holder shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Notes.

3. Waiver. Payor hereby waives any and all presentment, notice of presentment, demand, notice of demand, protest, notice of protest, notice of dishonor or non-payment of the Note. The failure of Holder to exercise its rights hereunder upon the occurrence of an Event of Default shall not be deemed a waiver of such right by Holder.

4. Collection Costs and Fees. In the event the Note is placed with an attorney for collection, or a legal proceeding is commenced to enforce the provision hereof, Payor shall pay all costs of suit and collection, including

4. Collection Costs and Fees: In the event the Note is placed with an attorney for collection, or a legal proceeding is commenced to enforce the provision hereof, Payor shall pay all costs of suit and collection, including any and all attorney's fees and costs actually incurred Holder in any such legal action, regardless of whether or not actual litigation is initiated and specifically until such time all post-judgment collection actions have concluded. Payor acknowledges and agrees that Holder's attorney's normal hourly rates shall be deemed reasonable.

5. Governing Law: This Note has been made and delivered in the State of Nevada, with reference to the laws of the State of Nevada, and the legality, enforceability and construction of this Note shall be governed by the laws of the State of Nevada and all legal proceedings arising herefrom shall be brought in the courts of the State of Nevada, located in Clark County. The undersigned consents to the jurisdiction of said courts for this purpose.

IN WITNESS WHEREOF, these presents are executed as of the date written below

Payor:

Holder:

By: 
Name: Michael Mepka, Jr. Individually and on
Behalf of his judicial community

Date: 11/21/13


Scott S. Penk, LLC

Date: 11-21-13

AUTO BOUTIQUE
10824 S EASTERN AVE STE A-302
HENDERSON, NV 89053

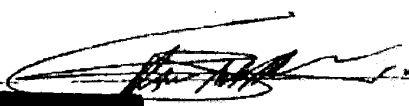
1095
04-171/128
11

11.25.13 Date

Pay to the Order of Michael J. Moya Jr. \$3,500⁰⁰

Three thousand five hundred and no/100 Dollars ☒ ☐

BANK OF NEVADA
200 N. BRUNNEN ST. LAS VEGAS, NV 89101

For cash 

MONA 2nd JDE - 00057
0874

LOAN AGREEMENT

Payor: Michael Mona, Jr.
2688 S. Rainbow Boulevard - Suite B
Las Vegas, NV 89146

Holder: Michael Minetti
1755 E. Hallandale Beach Blvd
Hallandale, FL 33009

Date: November 15, 2013

Principal Amount: \$ 1,500.00

For value received Michael Mona, Jr., individually and on behalf of his marital community, successors or assigns ("Payor") promises to pay to Michael Minetti ("Holder"), or order, the principal sum of One Thousand Five Hundred Dollars (\$ 1,500.00), in accordance with and on the terms set forth below. This Note shall bear interest at a rate of 3% per annum and shall be repaid as set forth below in this Section 1:

A. Maturity Date; Interest Payment. The Note shall be repaid in full, including principal and accrued but unpaid interest on the demand of Holder at any time after June 30, 2013 but no later than the 31st day of October, 2023 (the "Maturity Date") unless extended an additional term by the mutual agreement of the Parties. Holder's demand for payment in full prior to the Maturity Date shall be given by written notice to Payor at least ten (10) days prior to the required payment date. Prior to the Maturity Date, Payor shall make quarterly payments to Holder equal to the accrued but unpaid interest on the outstanding principal balance of the Note. Said quarterly interest payment shall be paid on or before the 1st day of the months of January, April, July and October with the initial payment made on or before April 1, 2014. All payments of principal, interest and sums payable hereunder to be paid in lawful money of the United States of America and shall be delivered to such banking institution as Holder may designate from time to time.

B. Payment Prior to Maturity. The Note may be paid in full prior to the Maturity Date without penalty.

2. Events of Default: The following shall constitute events of default (hereafter referred to individually or collectively as an "Event of Default"), the occurrence of one or more of which shall entitle Holder, at its option, without notice or presentment or demand, to declare the entire indebtedness evidenced hereby as immediately due and payable regardless of the Maturity Date:

A. Payor's failure to make any payment when due hereunder;

B. The termination or breach of any agreement, including agreements other than this Note Agreement, in existence or hereafter entered into between Payor and Holder (or any affiliate of Holder), or the nullification of any such agreement by legal process or otherwise; or

C. The (i) insolvency of Payor, or (ii) the commencement of any proceedings under any bankruptcy or insolvency laws relating to the relief of debtors; or (iii) the appointment of a receiver over some or a substantial portion of the assets of Payor, the occurrence of which causes Holder in good faith to deem itself insecure.

Upon the occurrence and during the continuance of a Default, the Holder may, by written notice to Payor, accelerate the due date of the principal amount owing under the Notes. Such accelerated amounts shall become immediately due and payable upon receipt of such notice by Payor. If the Holder accelerates the amounts due under the Notes, the Holder shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Notes.

3. Waiver: Payor hereby waives any and all presentment, notice of presentment, demand, notice of demand, protest, notice of protest, notice of dishonor or non-payment of the Note. The failure of Holder to exercise its rights hereunder upon the occurrence of an Event of Default shall not be deemed a waiver of such right by Holder.

4. Collection Costs and Fees: In the event the Note is placed with an attorney for collection, or a legal proceeding is commenced to enforce the provision hereof, Payor shall pay all costs of suit and collection, including any and all attorney's fees and costs actually incurred Holder in any such legal action, regardless of whether or not

actual litigation is initiated and specifically until such time all post-judgment collection actions have concluded. Payor acknowledges and agrees that Holder's attorney's normal hourly rates shall be deemed reasonable.

5. Governing Law: This Note has been made and delivered in the State of Nevada, with reference to the laws of the State of Nevada, and the legality, enforceability and construction of this Note shall be governed by the laws of the State of Nevada and all legal proceedings arising herefrom shall be brought in the courts of the State of Nevada, located in Clark County. The undersigned consents to the jurisdiction of said courts for this purpose.

IN WITNESS WHEREOF, these presents are executed as of the date written below.

Payor:

Holder:

By:

Name: Michael Mona, Jr. Individually and on
Behalf of his marital community

By:

Name: Michael Minetti

Date:

Date:

MR. MICHAEL MINETTI 08-10 41728 156
DATE NOVEMBER 15, 2013
MICHAEL MONA \$ 1500.00
FIFTEEN HUNDRED AND 00/100
CHASE
111 Madison Avenue, New York, N.Y. 10017
www.chase.com
LOAN

0877

MONA 2nd JDE - 00063

NON REVOLVING LOAN AGREEMENT

Payer: Michael Monn Jr. and Rhonda Monn
3793 Red Arrow Dr.
Las Vegas, NV 89133

Holder: Adam Curtis
4561 Wyno Rd.
Las Vegas, NV 89103

For value received Michael Monn Jr. and Rhonda Monn, husband and wife, jointly and severally, of their own free will and volition, promise to pay to Adam Curtis ("Holder"), or order the principal sum of eight Hundred Thousand Dollars (\$800,000) on the terms set forth below.

1. Series of Notes. This note (the "Note") may be issued as part of a series of similar notes (collectively, the "Notes") to be issued for loans made to Payer by Holder. The balance of the Notes hereby issued may increase by additional loans from Holder to Payer without the need for amended, additional or supplementary Promissory Note, to be executed. Such additional loans will be added to Schedule 'A' attached hereto and each shall be deemed a Note payable under terms identical to those set forth in this Note. All Notes shall be deemed issued under terms identical to those set forth in this Note. A balance of each Note will be maintained by the Payer showing loans received, interest accrued and repayments made by Payer. The Notes shall bear interest at a rate of 5% per annum and shall be repaid as set forth below in this Section 1:

A. Maturity Date Interest Payment. The Note shall be repaid in full, including principal and accrued but unpaid interest on or before the 9th day of June, 2016 (the "Maturity Date") unless extended an additional term by the mutual agreement of the Parties. Prior to the Maturity Date, Payer shall make quarterly payments to Holder equal to the accrued but unpaid interest on the outstanding principal balance of the Note. Said quarterly interest payment shall be paid on or before the 1st day of the months of January, April, July and October with the initial payment made on or before October 1, 2014. All payments of principal, interest and sums payable hereunder to be paid in lawful money of the United States of America and shall be delivered to such banking institution as Holder may designate from time to time.

B. Payment Prior to Maturity. This Note may be paid in full prior to the Maturity Date, provided Payer shall give Holder fifteen (15) days prior written notice of Payer's intent to pay the Note in full.

2. Events of Default. The following shall constitute events of default (hereafter referred to individually or collectively as an "Event of Default"), the occurrence of one or more of which shall entitle Holder, at its option, without notice or presentment or demand, to declare the entire indebtedness evidenced hereby as immediately due and payable regardless of the Maturity Date:

A. Payer's failure to make any payment when due hereunder;

B. The termination or breach of any agreement, including agreements other than this Note Agreement, in existence or hereafter entered into between Payer and Holder (or any affiliate of Holder), or the nullification of any such agreement by legal process or otherwise; or

C. The (i) insolvency of Payer, or (ii) the commencement of any proceedings under any bankruptcy or insolvency laws relating to the relief of debtors; or (iii) the appointment of a receiver over some or a substantial portion of the assets of Payer, the occurrence of which causes Holder in good faith to deem itself insecure.

Upon the occurrence and during the continuance of a Default, the Holder may, by written notice to Payer, accelerate the due date of the principal amount owing under the Notes. Such accelerated amounts shall become immediately due and payable upon receipt of such notice by Payer. If the Holder accelerates the amounts due under the Notes,



RHM
0878
MONA 2nd JDB - 00058

the Holder shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Notes.

3. Waiver: Payor hereby waives any and all presentment, notice of presentment, demand, notice of demand, protest, notice of protest, notice of dishonor or non-payment of the Note. The failure of Holder to exercise its rights hereunder upon the occurrence of an Event of Default shall not be deemed a waiver of such right by Holder.

4. Collection Costs and Fees: In the event the Note is placed with an attorney for collection, or a legal proceeding is commenced to enforce the provision hereof, Payor shall pay all costs of suit and collection, including any and all attorney's fees and costs actually incurred Holder in any such legal action, regardless of whether or not actual litigation is initiated and specifically until such time all post-judgment collection actions have concluded. Payor acknowledges and agrees that Holder's attorney's normal hourly rates shall be deemed reasonable.

5. Governing Law: This Note has been made and delivered in the State of Nevada, with reference to the laws of the State of Nevada, and the legality, enforceability and construction of this Note shall be governed by the laws of the State of Nevada and all legal proceedings arising herefrom shall be brought in the courts of the State of Nevada, located in Clark County. The undersigned consents to the jurisdiction of said courts for this purpose.

IN WITNESS WHEREOF, these presents are executed as of the date written below.

Payor:

Holder:

By: 
Name: Michael Mona Jr. Individually

By: 
Name: Adam Curtis, Individually

Date: 6-9-14

Date: 6-9-14

By: 
Name: Rhonda Mona, Individually

Schedule 'A'

Loan Schedule

Date of Loan	Loan Amount	Maturity Date
June 10, 2014	\$800,000	June 9, 2014 <i>2016</i>

RTM
u



CASHIER'S CHECK

No. 7107505741

91.34
929

DATE: NOVEMBER 25, 2013

PAY FIVE HUNDRED THOUSAND DOLLARS AND 00 CENTS

\$ 500,000.00

TO THE
ORDER OF: MICHAEL J MONA

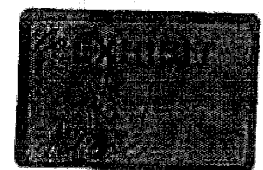
PURPOSE/REMITTER: MICHAEL MONA

Location: 7107 Rainbow & Sahara

U.S. Bank National Association
Member FDIC

AUTHORIZED SIGNATURE

[REDACTED]



0881

MONA 2nd JDE - 00275

1040 U.S. Individual Income Tax Return 2014

For the year (or, if Dec. 31, 2014, or other tax year beginning) 2014, ending 12/31/2014

Your first name and initial: **MICHAEL J.** Last name: **MONA JR.**

If a joint return, spouse's first name and initial: **RHONDA H.** Last name: **MONA**

Home address (number and street). If you have a P.O. box, see instructions: **2793 RED ARROW DRIVE** Apt. no. _____

City, town or post office, state and ZIP code. If you have a foreign address, also complete states below: **LAS VEGAS, NV 89135**

Foreign country name: _____ Foreign province/state/county: _____ Foreign postal code: _____

Check here if you are a: ☐ You ☐ Spouse

Filing Status

1 ☐ Single

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here: _____

4 ☐ Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter the child's name here: _____

5 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a

6b ☒ Spouse

6c ☐ Dependents

Dependent's name	Dependent's social security number	Dependent's relationship to you	Dependent's age

If more than four dependents, see instructions and check here: ☐

7 ☐ Total number of exemptions claimed: **2**

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2: **219,521.**

8a Taxable interest. Attach Schedule B if required: **21,256.**

8b Tax-exempt interest. Do not include on line 8a

9a Ordinary dividends. Attach Schedule D if required: **3,027.**

9b Qualified dividends

10 Taxable refunds, credits, or offsets of state and local income taxes

11 Alimony received

12 Business income or (loss). Attach Schedule C or C-EZ

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here: ☐

14 Other gains or (losses). Attach Form 4797

15a IRA distributions: **15a** Taxable amount: **15b**

16a Pensions and annuities: **16a** Taxable amount: **16b**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E: **17** Taxable amount: **18**

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Social security benefits: **20a** Taxable amount: **20b**

21 Other income. List type and amount

22 **Combining the amounts in the far right column for lines 7 through 21, this is your total income: 77,706.**

Adjusted Gross Income

23 Educator expenses

24 Certain business expenses of taxpayers performing a trade or business. Attach Form 1120 or 1120-EZ

25 Health savings account deduction. Attach Form 8889

26 Moving expenses. Attach Form 3903

27 Deductible part of self-employment tax. Attach Schedule SE

28 Self-employed SEP, SIMPLE, and qualified plans

29 Self-employed health insurance deduction

30 Penalty on early withdrawal of savings

31a Alimony paid. Recipient's SSN: _____

32 IRA deduction

33 Student loan interest deduction

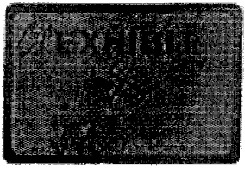
34 Tuition and fees. Attach Form 8917

35 Domestic production activities deduction. Attach Form 8803

36 Add lines 23 through 35

37 **Subtract line 36 from line 22. This is your adjusted gross income: 77,706.**

LHA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form 1040 (2014)



0882
MONA 2nd JDE - 00393

SCHEDULE A
(Form 1040)

Department of the Treasury
Internal Revenue Service

Itemized Deductions

Information about Schedule A and its separate instructions is at www.irs.gov/schedulea.
Attach to Form 1040.

OMB No. 1545-0047

2014

Attachment
Sequence No. 07

Your social security number

MICHAEL J. MONA JR & RHONDA H. MONA

Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.		
1	Medical and dental expenses (see instructions) SEE STATEMENT 7	1	10,283.
2	Enter amount from Form 1040, line 38 77,706.	2	77,706.
3	Multiply line 2 by 10% (.10). But if other you or your spouse was born before January 2, 1950, multiply line 2 by 7.5% (.075) instead	3	7,771.
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter 0	4	2,512.
Taxes You Paid	5 State and local (check only one box): a <input type="checkbox"/> Income taxes, or b <input checked="" type="checkbox"/> General sales taxes SEE STATEMENT 8	5	6,357.
	6 Real estate taxes (see instructions)	6	19,675.
	7 Personal property taxes	7	
	8 Other taxes. List type and amount	8	
	9 Add lines 5 through 8	9	26,032.
Interest You Paid	10 Home mortgage interest and points reported to you on Form 1098	10	
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address SEE STATEMENT 4	11	50,878.
	12 Points not reported to you on Form 1098. See instructions for special rules	12	1,500. STMT 5
	13 Mortgage insurance premiums (see instructions)	13	
	14 Investment interest. Attach Form 4962 if required. (See instructions.)	14	
	15 Add lines 10 through 14	15	52,378.
Gifts to Charity	16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	16	5,750.
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500 SEE STATEMENT 6	17	475.
	18 Carryover from prior year	18	
	19 Add lines 16 through 18	19	6,225.
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4654. (See instructions.)	20	
Job Expenses and Certain Miscellaneous Deductions	21 Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.)	21	
	22 Tax preparation fees	22	
	23 Other expenses - investment, safe deposit box, etc. List type and amount	23	
	24 Add lines 21 through 23	24	
	25 Enter amount from Form 1040, line 38 25	25	
	26 Multiply line 25 by 2% (.02)	26	
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter 0	27	
Other Miscellaneous Deductions	28 Other - from list in instructions. List type and amount	28	
Total Itemized Deductions	29 Is Form 1040, line 38, over \$152,525? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.	29	87,147.
	30 If you elect to itemize deductions even though they are less than your standard deduction check here <input type="checkbox"/>		

LHA 418001 01-30-18 For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule A (Form 1040) 2014

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MONA, MICHAEL

MONAM 1

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MONA 2nd JDE - 00395

SCHEDULE B
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service

Interest and Ordinary Dividends

▶ Attach to Form 1040A or 1040.

▶ Information about Schedule B and its instructions is at www.irs.gov/scheduleb.

OMB No. 1545-0047

2014

Attachment
Sequence No. 08

Your social security number

MICHAEL J. MONA JR & RHONDA H. MONA

Part I
Interest

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address ▶

BANK OF GEORGE
ROEN VENTURES, LLC

Amount

5,338.
15,918.

Note. If you received a Form 1099-INT, Form 1099-DIV, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 2 Add the amounts on line 1.
3 Excludable interest on series EE and U.S. savings bonds issued after 1989. Attach Form 8815.
4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a.

Note. If line 4 is over \$1,500, you must complete Part III.

21,256.
21,256.

Part II
Ordinary Dividends

- 5 List name of payer ▶
EMPLOYERS HOLDINGS INC

3,027.

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 8a.

Note. If line 6 is over \$1,500, you must complete Part III.

3,027.

Part III
Foreign Accounts and Trusts

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a At any time during 2014, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions. If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements.
b If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located.
8 During 2014, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions.

Yes	No
	X
	X

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11-07-14

LHA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule B (Form 1040A or 1040) 2014

5

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MONA, MICHAEL

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MONA 2nd JDB - 00396

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (IRS)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR.

▶ Information about Schedule D and its separate instructions is at www.irs.gov/schedule.
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0047

2014

Attachment
Schedule No. 12

Name(s) shown on return

Your social security number

MICHAEL J. MONA JR & RHONDA H. MONA

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Total for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b.				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term gain from Form 5252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on page 2.				7

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Total for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b.				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked	101,125.	10,467.		90,658.
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Gain from Form 4797, Part I, long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12 <590,911.>
13 Capital gain distributions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then go to Part III on page 2.				15 <500,253.>

LHA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule D (Form 1040) 2014

432511
1-24-14

Part III Summary**16** Combine lines 7 and 15 and enter the result**16** **<500,253.>**

- If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.
- If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.
- If line 16 is zero, skip lines 17 through 21 below and enter 0 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.

17 Are lines 15 and 16 both gains?

- ☐ Yes. Go to line 18.
☐ No. Skip lines 18 through 21, and go to line 22.

18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions**18****19** Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions**19****20** Are lines 18 and 19 both zero or blank?

- ☐ Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below.
- ☐ No. Complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.

21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:

- The loss on line 16 or
- (\$3,000), or if married filing separately, (\$1,500)

} **SEE STATEMENT 11****21** **3,000.**

Note. When figuring which amount is smaller, treat both amounts as positive numbers.

22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?

- ☒ Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).
- ☐ No. Complete the rest of Form 1040 or Form 1040NR.

Schedule D (Form 1040) 2014

ALTERNATIVE MINIMUM TAX

SCHEDULE D (Form 1040)

Department of the Treasury
Internal Revenue Service (904)

Capital Gains and Losses

► Attach to Form 1040 or Form 1040NR.

► Information about Schedule D and its separate instructions is at www.irs.gov/scheduled.

► Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0047

2014

Attachment
Sequence No. **12**

Name(s) shown on return

Your social security number

MICHAEL J. MONA JR & RHONDA H. MONA

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form(s) 8949 for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b.				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on page 2.				7

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1040-NR for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b.				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked	101,125.	10,467.		90,658.
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 5252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12 <590,911.>
13 Capital gain distributions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then go to Part III on page 2.				15 <500,253.>

LHA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule D (Form 1040) 2014

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11-24-14

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MONA, MICHAEL

MONAM 1

0889

MONA 2nd JDE - 00400

Part III Summary

16	Combine lines 7 and 15 and enter the result	16	<500,253>
<ul style="list-style-type: none">If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.			
17	Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.	18	
18	Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions	18	
19	Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions	19	
20	Are lines 18 and 19 both zero or blank? <input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.	21	
21	If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of: <ul style="list-style-type: none">The loss on line 16 or(\$3,000), or if married filing separately, (\$1,500) <p>SEE STATEMENT 13</p> <p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>	21	3,000
22	Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10c? <input checked="" type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2014

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10-24-14

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MONA, MICHAEL

MONAM 1

0890

MONA 2nd JDE - 00401

ALTERNATIVE MINIMUM TAX

Form 8949 (2014)

Attachment Sequence No. 12A

Page 2

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

Social security number or taxpayer identification no.

MICHAEL J. MONA JR & RHONDA H. MONA

Before you check Box D or e below, see whether you received any Foreign 1099-B or subsidiary master entry from your broker. A subtitle-a statement will have the same reference as Form 1099-B.

If they show your basis less than your cost even if your broker did not report it to the IRS, Broker's must report basis to the IRS for most stock you bought in 2011 or later (and for certain debt instruments you bought in 2014 or later).

Part II Long-Term. Transactions involving capital assets you held more than 1 year are long term. For short-term transactions, see page 1. Note. You may aggregate all long-term transactions reported on Form(s) 1099-D showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the total directly on Schedule D, line 6a. You are not required to report these transactions on Form 5549 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term investments, complete a separate Form 990-B, page 2, for each applicable box. If you have more long-term investments than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ (D) Long-term transactions reported on Forms 1099-B showing basis was reported to the IRS (see Note above)

☒ (F) Long-term transactions reported on Form(s) 1099-E showing basis was not reported to the IRS

☐ (F) Long-term transactions not reported to you on Form 1099-B

[illegible]

Notes. If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (g) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See Column (g) in the separate instructions for how to figure the amount of the adjustment.

42073 12-24-14

Form 8849 (2014)

11

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MONA, MICHAEL

MONAM 1

0891

MONA 2nd JDE - 00402

Name(s) shown on return. Do not enter name and social security number if shown on page 1.

Your social security number

MICHAEL J. MONA JR & RHONDA H. MONA

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedules K-1.

Part II: Income or Loss From Partnerships and S Corporations Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check column (e) on line 28 and attach Form 6199. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
- If you answered "Yes," see instructions before completing this section.

	(a) Name	(b) Enter P-1 if reported on Form 990-B	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any interest is not at risk
28					
A	SEE STATEMENT 14				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss	
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562
A			
B			
C			
D			
29a Totals			
b Totals		163,098.	
30 Add columns (g) and (i) of line 29a			30
31 Add columns (f), (h), and (i) of line 29b			31 (163,098.)
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below			32 -163,098.

Part III: Income or Loss From Estates and Trusts

	(a) Name	(b) Employer identification number
33		
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a			35
36 Add columns (c) and (e) of line 34b			36 ()
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below			37

Part IV: Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
38					
39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below					39

Part V: Summary * ENTIRE DISPOSITION OF NONPASSIVE ACTIVITY

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41 Total income or (loss). Combine lines 28, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 38	41	-163,098.
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code V; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42	
43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you received anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity rules	43	STATEMENT: 15 -590,911.

Schedule E (Form 1040) 2014

INCOME FROM PASSTHROUGH STATEMENT, PAGE 1

2014

SCHEDULE E

Name MICHAEL J. MONA JR

Passthrough KONA CO DEVELOPMENT, LLC - KONA CO

PARTNERSHIP

SSN/EIN

TAXPAYER

ID

NONTAXABLE SCHEDULE E, PAGE 2	K-1 Profit	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Disallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
Ordinary business income (loss)	-161.005							
Rental real estate income (loss)								
Other net rental income (loss)								
Intangible drilling costs/other intangible costs								
Self-charged passive interest expense								
Guaranteed payments								
Section 179 and carryover								
Disallowed section 179 expense								
Excess farm loss								
Net income (loss)	-161.005							-161.005
First passive other								
Second passive other								
Cost depletion								
Percentage depletion								
Depletion carryover								
Disallowed due to 65% limitation								
Unreimbursed expenses (non-passive)								
Nonpassive other								
Total Schedule E (Page 2)	-161.005							-161.005
Section 1231 gain (loss)								
Section 179 recapture on disposition								
SCHEDULE D								
Net short-term cap. gain (loss)								
Net long-term cap. gain (loss)								
Section 1256 contracts & straddles								
FORM 4962								
Investment interest expense Sch A								
Other net investment income								
ITEMIZED DEDUCTIONS								
Charitable contributions								
Deductions related to portfolio income								
Other								

2014

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

SCHEDULE E

Name: MICHAEL J. MONA JR.

Passthrough MONA CO DEVELOPMENT LLC - MONACO

PARTNERSHIP

SSN/EIN

XXXXXXXXXX

SOLE MEMBER

ID

XXXXXXXXXX

	K-1 Input	Prior Year Unallocated Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallocated At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax-exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/99								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (loss)/Wages								
Gross farming & fishing inc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for unrelated tax								
Cancellation of debt								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified pension/annuity income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/recapture of credits								
Credits								
Casualty and theft loss								

419630
04/07/14

SCHEDULE E

Name: MICHAEL J. MONA JR.
 Passthrough REAL VENTURES LLC - KSA FEATURES
 PARTNERSHIP

SSN/EIN: [REDACTED]

TAXPAYER: [REDACTED]

ID: [REDACTED]

MATERIAL PARTICIPATING REAL EST. INVESTMENT	K-1 Input	Prior Year Unallowed Losses	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Pass-Through Losses	Tax Return
SCHEDULE E, PAGE 2							
Ordinary business income (loss)							
Rental real estate income (loss)							
Other net rental income (loss)							
Intangible drilling costs/dry hole costs							
Self-charged passive interest expenses							
Guaranteed payments							
Section 179 and carryover							
Disallowed section 179 expense							
Excess farm loss							
Net income (loss)							
First passive other							
Second passive other							
Cost depletion							
Percentage depletion							
Depletion carryover							
Disallowed due to 50% limitation							
Unreimbursed expenses (non-passive)							
Nonpassive other							
Total Schedule E (Page 2)							
FORM 4797							
Section 1201 gain (loss)							
Section 179 recapture or disposition							
SCHEDULE D							
Net short-term cap. gain (loss)							
Net long-term cap. gain (loss)							
Section 1256 contracts & alternatives							
FORM 4852							
Investment interest expense - Sch. A							
Other net investment income							
ITEMIZED DEDUCTIONS							
Charitable contributions							
Deductions related to portfolio income							
Other							

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

SCHEDULE E

Name MICHAEL J. MONA JR
Passthrough VEH VENTURES LLC NEW VENTURES
PARTNER/REIT

SSN/EIN [REDACTED]

TAXPAYER

ID [REDACTED]

	K-1 Income	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Excess interest income								
FORM 6251								
Depreciation adjustment after 12/31/86								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (loss)/Wages								
Gross farming & fishing inc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Capital gain of loss								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty or early withdrawal of savings								
NOL								
Other taxes/recapture of credits								
Credits								
Casualty and theft loss								

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05-01-14

SCHEDULE E

Name MICHAEL J. MONA JR

Passthrough REE ACQUISITION LLC

FAIRMENASH,22

SSN EIN

ID

SSN EIN

TAXPAYER

Material, Participating Real Sec. 1256 Professions	K-1 Code	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Disallowed Due to At-Risk Loss	Disallowed Due to Prior Year Passive Loss	Tax Return
SCHEDULE E, PAGE 2						
Ordinary business income (loss)						
Rental real estate income (loss)						
Other net rental income (loss)						
Intangible drilling costs/other hole costs						
Self-charged passive interest expense						
Guaranteed payments						
Section 179 and carryover						
Disallowed section 179 expense						
Excess farm loss						
Net income (loss)						
First passive one						
Second passive other						
Cost depletion						
Percentage depletion						
Depletion carryover						
Disallowed due to 55% limitation						
Unreimbursed expenses (nonpassive)						
Nonpassive other						
Total Schedule E (page 2)						
FORM 4787						
Section 1231 gain (loss)						
Section 179 recapture on disposition						
SCHEDULE D						
Net short-term cap. gain (loss)						
Net long-term cap. gain (loss)		381,834				-381,834
Section 1256 contracts & straddles						
FORM 4982						
Investment interest expense Sch. A						
Other net investment income						
ITEMIZED DEDUCTIONS						
Charitable contributions						
Deductions related to portfolio income						
Other						

SCHEDULE E

Name MICHAEL J. MONA JR

Passthrough Year ACQUISITION LINE HER

PARTNERSHIP

SSN/EIN

TAXPAYER

ID

	4-1 Input	Prior Year Unadjusted Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unadjusted At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax-exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/86								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (less/wages)								
Gross farming & fishing net								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Recovery withholding								
Credit for estimated tax								
Cancellation of debt								
Medical Insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/capture of credits								
Credits								
Casualty and theft loss								

SCHEDULE E

Name MICHAEL J. MONA JR.

Passthrough AZ 12, LLC, AZ 12

PARTNERSHIP

MATERIAL PARTICIPATING REAL

EST. INTERESTS

SCHEDULE E, PAGE 2

Culinary business income (loss)

Rental real estate income (loss)

Other net rental income (loss)

Initial and drilling costs/dry hole costs

Self-charged passive interest expense

Guaranteed payments

Section 179 and carryover

Disallowed section 179 expense

Excess farm loss

Net income (loss)

First passive other

Second passive other

Charitable depletion

Percentage depletion

Depletion carryover

Disallowed due to 25% limitation

Unreimbursed expenses (nonpassive)

Nonpassive other

Total Schedule E (Page 2)

FORM 4797

Section 1231 gain (loss)

Section 179 recapture on depreciable

SCHEDULE D

Net short-term cap gain (loss)

Net long-term cap gain (loss)

Section 1256 contracts & straddles

FORM 4852

Investment interest expense: Short A

Other net investment income

ITEMIZED DEDUCTIONS

Charitable contributions

Deductions related to short-term trading

Other

SSN/EIN

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ID

Tax Return

Disallowed Passive Loss

Prior Year Passive Loss

Disallowed Due to At-Risk

Prior Year Unallowed At-Risk

Disallowed Due to Basis Limitation

Prior Year Unallowed Basis Loss

Net Income

Section 179 and carryover

Disallowed section 179 expense

Excess farm loss

Net income (loss)

First passive other

Second passive other

Charitable depletion

Percentage depletion

Depletion carryover

Disallowed due to 25% limitation

Unreimbursed expenses (nonpassive)

Nonpassive other

Total Schedule E (Page 2)

FORM 4797

Section 1231 gain (loss)

Section 179 recapture on depreciable

SCHEDULE D

Net short-term cap gain (loss)

Net long-term cap gain (loss)

Section 1256 contracts & straddles

FORM 4852

Investment interest expense: Short A

Other net investment income

ITEMIZED DEDUCTIONS

Charitable contributions

Deductions related to short-term trading

Other

PART E

PART E

2014

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

SCHEDULE E

Name MICHAEL J. MONA JR.
Passthrough AZ, LLC, LLC, AZ, LLC

SSN/EIN

TAXPAYER

ID

	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk Limitation	Prior Year Passive Loss	Disallowed Passive Loss	Tax Reflected
PARTNERSHIP								
MATERIAL PARTICIPATING REAL								
EST. PROFESSIONAL								
INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/95								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depreciation (other than 64)								
Other								
MISCELLANEOUS								
Self-employment earnings/losses/Wages								
Gross farming & fishing etc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Charitable deduction								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/capture of credits								
Credits								
Casualty and theft loss								

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2014

INCOME FROM PASSTHROUGH STATEMENT, PAGE 1

SCHEDULE E

Name MICHAEL J. MONA JR
 Passthrough STRANGER TEAM FICION, LLC STRANGER TEAM FICION
 PARTNER/SELF

SSN/EIN

CARZATER

ID

	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
SCHEDULE E, PAGE 2								
Ordinary business income (loss)	91							
Rental real estate income (loss)								
Other net rental income (loss)								
Intangible drilling costs/dry hole costs								
Self-charged passive interest expense								
Guaranteed payments								
Section 179 and carryover								
Disallowed section 179 expense								
Excess farm loss								
Net income (loss)	91							
First passive other								
Second passive other								
Cost depletion								
Percentage depletion								
Depletion carryover								
Disallowed due to 65% limitation								
Unreimbursed expenses (not passive)								
Nonpassive other								
Total Schedule E (page 2)	91							91
FORM 4797								
Section 1231 gain (loss)								
Section 179 recapture or disposition								
SCHEDULE D								
Net short-term cap. gain (loss)								
Net long-term cap. gain (loss)								
Section 1256 contracts & straddles								
FORM 4950								
Investment interest expense Sch. A								
Other net investment earnings								
ITEMIZED DEDUCTIONS								
Charitable contributions								
Deductions related to portfolio income								
Other								

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

2014

SCHEDULE E
 Name MICHAEL J. MONA JR
 Passthrough STRANGER THAN FICTION LLC STRANGER THAN FICTION LLC
 Partnership ID [REDACTED]
 SSN/EIN [REDACTED] TAXPAYER

	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed Capital Loss	Disallowed Due to At Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
NONPASSIVE INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/86								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self employment earnings (loss)/Wages								
Gross farming & fishing, etc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Cancellation of debt								
Medical insurance 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/rectitude of credits								
Credits								
Casualty and theft loss								

2014 09-01-14

Form **6251**Department of the Treasury
Internal Revenue Service (99)

DOES NOT APPLY

Alternative Minimum Tax - Individuals► Information about Form 6251 and its separate instructions is at www.irs.gov/form6251.

► Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0047

2014Attachment
Sequence No. 32

Name(s) shown on Form 1040 or Form 1040NR

Your social security number

MICHAEL J. MONA JR & RHONDA H. MONA**Part I Alternative Minimum Taxable Income**

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41, and go to line 2. Otherwise, enter the amount from Form 1040, line 39, and go to line 7. (If less than zero, enter as a negative amount.)	1	9,441.
2	Medical and dental. If you or your spouse was 65 or older, enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter 0.	2	
3	Taxes from Schedule A (Form 1040), line 9	3	26,032.
4	Enter the home mortgage interest adjustment. If any, from line 6 of the worksheet in the instructions for this line	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	If Form 1040, line 38, is \$152,525 or less, enter 0. Otherwise, see instructions	6	0.
7	Tax refund from Form 1040, line 10 or line 21	7	
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box G)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	-3,253.
18	Depreciation on assets placed in service after 1966 (difference between regular tax and AMT) STMT 16	18	-1,044.
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$242,450, see instructions.)	28	12,294.

Part II Alternative Minimum Tax (AMT)

29	Exemption. (If you were under age 24 at the end of 2014, see instructions.)		
<p>IF your filing status is... AND line 28 is not over... THEN enter on line 29...</p> <p>Single or head of household \$117,000 \$52,800</p> <p>Married (filing jointly or qualifying widow(er)) 156,500 82,100</p> <p>Married filing separately 78,250 41,050</p>			
29		29	82,100.
30	If line 28 is over the amount shown above for your filing status, see instructions.	30	0.
31	<p>31 • If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.</p> <p>• If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9c; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as required for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 64 here.</p> <p>• All others: If line 30 is \$182,500 or less, \$91,250 or less if married filing separately, multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,650 (\$1,825 if married filing separately) from the result.</p>	31	0.
32	Alternative minimum tax foreign tax credit (see instructions)	32	
33	Tentative minimum tax. Subtract line 32 from line 31	33	0.
34	Add Form 1040, line 44 (minus any tax from Form 4972), and Form 1040, line 46. Subtract from the result any foreign tax credit from Form 1040, line 48. If you used Sch. J to figure your tax on Form 1040, line 44, figure that tax without using Schedule J before completing this line (see instructions).	34	
35	AMT. Subtract line 34 from line 33. If zero or less, enter 0. Enter here and on Form 1040, line 45.	35	0.

4044-10A For Paperwork Reduction Act Notice, see your tax return instructions.

Form 6251 (2014)

23

MONAM

MONA, MICHAEL

MONAM 1

0903

MONA 2nd JDB- 00414

Part III Tax Computation Using Maximum Capital Gains Rates

Complete Part III only if you are required to do so by line 31 or by the Foreign Earned Income Tax Worksheet in the instructions.

36	Enter the amount from Form 6251, line 30. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet in the instructions for line 31.	36
37	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as required for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.	37
38	Enter the amount from Schedule D (Form 1040), line 19 (as required for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.	38
39	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as required for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.	39
40	Enter the smaller of line 36 or line 39.	40
41	Subtract line 40 from line 36.	41
42	If line 41 is \$182,500 or less (\$91,250 or less if married filing separately), multiply line 41 by 28% (.28). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,650 (\$1,825 if married filing separately) from the result.	42
43	Enter: <ul style="list-style-type: none"> \$73,800 if married filing jointly or qualifying widow(er), \$36,900 if single or married filing separately, or \$49,400 if head of household. 	43
44	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter the amount from Form 1040, line 43, if zero or less, enter 0. If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.	44
45	Subtract line 44 from line 43, if zero or less, enter 0.	45
46	Enter the smaller of line 36 or line 37.	46
47	Enter the smaller of line 45 or line 46. This amount is taxed at 0%.	47
48	Subtract line 47 from line 46.	48
49	Enter: <ul style="list-style-type: none"> \$436,750 if single \$228,800 if married filing separately \$457,600 if married filing jointly or qualifying widow(er) \$432,200 if head of household 	49
50	Enter the amount from line 45.	50
51	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 19 of the Schedule D Tax Worksheet, whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter the amount from Form 1040, line 43, if zero or less, enter 0. If you are filing Form 2555 or Form 2555-EZ, see instructions for the amount to enter.	51
52	Add line 50 and line 51.	52
53	Subtract line 52 from line 49. If zero or less, enter 0.	53
54	Enter the smaller of line 48 or line 53.	54
55	Multiply line 54 by 15% (.15).	55
56	Add lines 47 and 54.	56
57	If lines 56 and 36 are the same, skip lines 57 through 61 and go to line 62. Otherwise, go to line 57.	57
58	Subtract line 56 from line 46.	58
59	Multiply line 57 by 20% (.20).	59
60	If line 38 is zero or blank, skip lines 59 through 61 and go to line 62. Otherwise, go to line 59.	60
61	Add lines 41, 56, and 57.	61
62	Subtract line 59 from line 36.	62
63	Multiply line 60 by 25% (.25).	63
64	Add lines 42, 55, 58, and 61.	64
65	If line 36 is \$182,500 or less (\$91,250 or less if married filing separately), multiply line 36 by 28% (.28). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,650 (\$1,825 if married filing separately) from the result.	65
66	Enter the smaller of line 62 or line 63 here and on line 31. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 31. Instead, enter it on line 4 of the worksheet in the instructions for line 31.	66

ALTERNATIVE MINIMUM TAX RECONCILIATION REPORT						
Name(s)		Social Security Number				
MICHAEL J. MONA JR & RHONDA H. MONA		[REDACTED]				
Form Name	Description	Income	Form 6251, Line 16	Form 6251, Line 19	Form 6251, Line 20	Form 6251 Other Adjustment
K1- MONACO						
	* REGULAR INCOME	163,005.				
	DEPR ADJ	1,044.	-1,044.			
	ADJ GAIN/LOSS, LN	-3,253.	-3,253.			
	* AMT NET INCOME	-167,302.	-1,044.			
	** TOTAL ADJ & PREP **		-3,253.	-1,044.		

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26-01-11

0905
MONA 2nd JDE - 00416

Form **8959****Additional Medicare Tax**

OMB No. 1545-0046

2014Department of the Treasury
Internal Revenue Service

▶ If any line does not apply to you, leave it blank. See separate instructions.

▶ Attach to Form 1040, 1040NR, 1040-PF, or 1040-SS.

▶ Information about Form 8959 and its instructions is at www.irs.gov/form8959.Attachment
Sequence No. 71

Name(s) shown on return

MICHAEL J. MONA JR & RHONDA H. MONA

Your social security number

Part I Additional Medicare Tax on Medicare Wages

1	Medicare wages and tips from Form W-2, box 5. If you have more than one Form W-2, enter the total of the amounts from box 5.	1	219,521.	
2	Unreported tips from Form 4137, line 6.	2		
3	Wages from Form 8919, line 6.	3		
4	Add lines 1 through 3.	4	219,521.	
5	Enter the following amount for your filing status: Married filing jointly \$250,000 Married filing separately \$125,000 Single, Head of household, or Qualifying widow(er) \$200,000	5	250,000.	
6	Subtract line 5 from line 4. If zero or less, enter 0.	6		0.
7	Additional Medicare Tax on Medicare wages. Multiply line 6 by 0.9% (.009). Enter here and go to Part II.	7		

Part II Additional Medicare Tax on Self-Employment Income

8	Self-employment income from Schedule SE (Form 1040), Section A, line 4, or Section B, line 6. If you had a loss, enter 0 (Form 1040-PF and Form 1040-SS filers, see instructions).	8		
9	Enter the following amount for your filing status: Married filing jointly \$250,000 Married filing separately \$125,000 Single, Head of household, or Qualifying widow(er) \$200,000	9		
10	Enter the amount from line 4.	10		
11	Subtract line 10 from line 9. If zero or less, enter 0.	11		
12	Subtract line 11 from line 8. If zero or less, enter 0.	12		
13	Additional Medicare Tax on self-employment income. Multiply line 12 by 0.9% (.009). Enter here and go to Part III.	13		

Part III Additional Medicare Tax on Railroad Retirement Tax Act (RRTA) Compensation

14	Railroad retirement (RRTA) compensation and tips from Form(s) W-2, box 14 (see instructions).	14		
15	Enter the following amount for your filing status: Married filing jointly \$250,000 Married filing separately \$125,000 Single, Head of household, or Qualifying widow(er) \$200,000	15		
16	Subtract line 15 from line 14. If zero or less, enter 0.	16		
17	Additional Medicare Tax on railroad retirement (RRTA) compensation. Multiply line 16 by 0.9% (.009). Enter here and go to Part IV.	17		

Part IV Total Additional Medicare Tax

18	Add lines 7, 13, and 17. Also include this amount on Form 1040, line 62, (Form 1040NR, 1040-PF, and 1040-SS filers, see instructions) and go to Part V.	18		
----	---	----	--	--

Part V Withholding Reconciliation

19	Medicare tax withheld from Form W-2, box 6. If you have more than one Form W-2, enter the total of the amounts from box 6.	19	3,359.	
20	Enter the amount from line 1.	20	219,521.	
21	Multiply line 20 by 1.45% (.0145). This is your regular Medicare tax withholding on Medicare wages.	21	3,183.	
22	Subtract line 21 from line 19. If zero or less, enter 0. This is your Additional Medicare Tax withholding on Medicare wages.	22		176.
23	Additional Medicare Tax withholding on railroad retirement (RRTA) compensation from Form W-2, box 14 (see instructions).	23		
24	Total Additional Medicare Tax withholding. Add lines 22 and 23. Also include this amount with federal income tax withholding on Form 1040, line 64 (Form 1040NR, 1040-PF, and 1040-SS filers, see instructions).	24		176.

OMB 1545-0046 LHA For Paperwork Reduction Act Notice, see your tax return instructions.

Form 8959 (2014)

26

MONAM

MONA, MICHAEL

MONAM 1

0906

MONA 2nd JDE - 00417

MICHAEL J. MONA JR & RHONDA H. MONA

TABLE 1 (Keep for your records.)

Part I Qualified Loan Limit

1	Enter the average balance of all your grandfathered debt. See line 1 instructions.	1	
2	Enter the average balance of all your home acquisition debt. See line 2 instructions.	2	1,178,640.
3	Enter \$1,000,000 (\$500,000 if married filing separately).	3	1,000,000.
4	Enter the larger of the amount on line 1 or the amount on line 3.	4	1,000,000.
5	Add the amounts on lines 1 and 2. Enter the total here.	5	1,178,640.
6	Enter the smaller of the amount on line 4 or the amount on line 5.	6	1,000,000.
7	Enter \$100,000 (\$50,000 if married filing separately) or your lender's amount. See line 7 instructions for a limit that may apply.	7	100,000.
8	Add the amounts on lines 6 and 7. Enter the total. This is your qualified loan limit.	8	1,100,000.

Part II Deductible Home Mortgage Interest

9	Enter the total of the average balances of all mortgages on all qualified homes. See line 9 instructions. • If line 8 is less than line 9, go on to line 10. • If line 8 is equal to or more than line 9, stop here. All of your interest on all the mortgages included on line 9 is deductible as home mortgage interest on Schedule A (Form 1040).	9	1,178,640.
10	Enter the total amount of interest that you paid. See line 10 instructions.	10	54,532.
11	Divide the amount on line 8 by the amount on line 9. Enter the result as a decimal amount (rounded to three places).	11	.933
12	Multiply the amount on line 10 by the decimal amount on line 11. Enter the result. This is your deductible home mortgage interest. Enter this amount on Schedule A (Form 1040).	12	50,878.
13	Subtract the amount on line 12 from the amount on line 10. Enter the result. This is not home mortgage interest. See line 13 instructions.	13	3,654.

4-9951
15-01-14

26.1

MONA

MONA, MICHAEL

MONA 1

0907

MONA 2nd JDE - 00418

MICHAEL J. MONA JR & RHONDA H. MONA

FORM 1040	WAGES RECEIVED AND TAXES WITHHELD					STATEMENT 1
T S EMPLOYER'S NAME	AMOUNT PAID	FEDERAL TAX WITHHELD	STATE TAX WITHHELD	CITY SDI TAX W/H	FICA TAX	MEDICARE TAX
T CANNAVEST CORP	219,521.	55,365.			7,254.	3,359.
TOTALS	219,521.	55,365.			7,254.	3,359.

FORM 1040	QUALIFIED DIVIDENDS		STATEMENT 2
NAME OF PAYER	ORDINARY DIVIDENDS	QUALIFIED DIVIDENDS	
EMPLOYERS HOLDINGS INC	3,027.	3,027.	
TOTAL INCLUDED IN FORM 1040, LINE 9B		3,027.	

FORM 1040	FEDERAL INCOME TAX WITHHELD	STATEMENT 3
T S DESCRIPTION	AMOUNT	
T CANNAVEST CORP	55,365.	
FORM 8959, LINE 24	176.	
TOTAL TO FORM 1040, LINE 64	55,541.	

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MONA, MICHAEL
STATEMENT(S) 1, 2, 3
MONA 1
0908
MONA 2nd JDE - 00419

MICHAEL J. MONA JR & RHONDA H. MONA

SCHEDULE A HOME MORTGAGE INTEREST PAID TO INDIVIDUALS/
FORM 1098 RECEIVED BY OTHER THAN TAXPAYER STATEMENT 4

NAME AND ADDRESS OF PAYEE/FORM 1098 RECIPIENT	AMOUNT
ID# 94-1687665 BANK OF AMERICA, PO BOX 5170, SIMI VALLEY, CA 93062	50,878.
TOTAL TO SCHEDULE A, LINE 11	50,878.

SCHEDULE A POINTS NOT REPORTED ON FORM 1098 STATEMENT 5

DESCRIPTION	DATE RE- FINANCED	TOTAL POINTS	AMORT. PERIOD /MOS.	AMORTIZATION THIS YEAR
REFINANCING	04/03/06	15,000.	120	1,500.
TOTAL TO SCHEDULE A, LINE 12				1,500.

SCHEDULE A CONTRIBUTIONS OTHER THAN CASH OR CHECK STATEMENT 6

DESCRIPTION	AMOUNT 100% LIMIT	AMOUNT 50% LIMIT	AMOUNT 30% LIMIT	AMOUNT 20% LIMIT
SHADE TREE - CLOTHING & MISC		475.		
SUBTOTALS		475.		
TOTAL TO SCHEDULE A, LINE 17				475.

SCHEDULE A MEDICAL AND DENTAL EXPENSES STATEMENT 7

DESCRIPTION	AMOUNT
DOCTORS, DENTISTS, ETC.	4,518.
SELF-EMPLOYED HEALTH INSURANCE	5,765.
TOTAL TO SCHEDULE A, LINE 1	10,283.

28

STATEMENT(S) 4, 5, 6, 7

MONAM

MONA, MICHAEL

MONAM 1

0909

MONA 2nd JDE - 00420

MICHAEL J. MONA JR & RHONDA H. MONA

SCHEDULE A	STATE AND LOCAL GENERAL SALES TAXES	STATEMENT 8
DESCRIPTION	AMOUNT	
STATE SALES TAX	802.	
LOCAL SALES TAX	146.	
SALES TAX PAID ON SPECIFIED ITEMS	5,409.	
TOTAL TO SCHEDULE A, LINE 5	6,357.	

[REDACTED] MONAM

29

MONA, MICHAEL

STATEMENT(S) 8

MONAM-1 0910

MONA 2nd JDE - 00421

MICHAEL J. MONA JR & RHONDA H. MONA

SCHEDULE A

GENERAL SALES TAX DEDUCTION WORKSHEET

STATEMENT 9

1	ENTER YOUR STATE GENERAL SALES TAXES FROM THE APPLICABLE TABLE.	802.
	NEVADA	
	IF, FOR ALL OF 2014, YOU LIVED ONLY IN CONNECTICUT, THE DISTRICT OF COLUMBIA, INDIANA, KENTUCKY, MAINE, MARYLAND, MASSACHUSETTS, MICHIGAN, NEW JERSEY, OR RHODE ISLAND, SKIP LINES 2 THROUGH 5, ENTER -0- ON LINE 6, AND GO TO LINE 7.	
	OTHERWISE, GO TO LINE 2.	
2	DID YOU LIVE IN ALASKA, ARIZONA, ARKANSAS, COLORADO, GEORGIA, ILLINOIS, LOUISIANA, MISSOURI, NEW YORK, NORTH CAROLINA, SOUTH CAROLINA, TENNESSEE, UTAH, VIRGINIA, OR WEST VIRGINIA IN 2014?	
	IF NO, ENTER -0-.	
	IF YES, ENTER YOUR LOCAL GENERAL SALES TAXES FROM THE APPLICABLE TABLE.	0.
3	DID YOUR LOCALITY IMPOSE A LOCAL GENERAL SALES TAX IN 2014? RESIDENTS OF CALIFORNIA AND NEVADA SEE INSTRUCTIONS.	
	IF NO, SKIP LINES 3 THROUGH 5, ENTER -0- ON LINE 6 AND GO TO LINE 7.	
	IF YES, ENTER YOUR LOCAL GENERAL SALES TAX RATE, BUT OMIT THE PERCENTAGE SIGN.	1.2500
	LAS VEGAS	
4	DID YOU ENTER -0- ON LINE 2 ABOVE?	
	IF NO, SKIP LINES 4 AND 5 AND GO TO LINE 6.	
	IF YES, ENTER YOUR STATE GENERAL SALES TAX RATE, BUT OMIT THE PERCENTAGE SIGN.	6.8500
5	DIVIDE LINE 3 BY LINE 4. ENTER THE RESULT AS A DECIMAL (ROUNDED TO AT LEAST THREE PLACES).	.1820
6	DID YOU ENTER -0- ON LINE 2 ABOVE?	
	IF NO, MULTIPLY LINE 2 BY LINE 3.	
	IF YES, MULTIPLY LINE 1 BY LINE 5.	146.
6A	ADD LINE 1 AND LINE 5.	948.
6B	PART-YEAR DAYS RATE.	1.000000
6C	MULTIPLY LINE 6A BY LINE 6B.	948.
7	ENTER YOUR GENERAL SALES TAXES PAID ON SPECIFIED ITEMS, IF ANY.	5,409.
8	DEDUCTION FOR GENERAL SALES TAXES. ADD LINES 6C AND 7. ENTER THE RESULT HERE AND ON SCHEDULE A, LINE 5 AND CHECK BOX "B" ON THAT LINE.	6,357.

MICHAEL J. MONA JR & RHONDA H. MCNA

SCHEDULE D NET LONG-TERM GAIN OR LOSS FROM STATEMENT 10
PARTNERSHIPS, S CORPORATIONS, AND FIDUCIARIES

DESCRIPTION OF ACTIVITY	GAIN OR LOSS	28% GAIN
M&M VENTURES	209,077.	
H&R	381,834.	
TOTAL TO SCHEDULE D, PART II, LINE 12	590,911.	

MONAM

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MONA, MICHAEL

STATEMENT(S) 10
MONAM 1

0912

MONA 2nd JDE - 00423

MICHAEL J. MONA JR & RHONDA H. MONA

SCHEDULE D	CAPITAL LOSS CARRYOVER	STATEMENT 11
1. ENTER THE AMOUNT FROM FORM 1040, LINE 41		9,441.
2. ENTER THE LOSS FROM SCHEDULE D, LINE 21, AS A POSITIVE AMOUNT		3,000.
3. COMBINE LINES 1 AND 2. IF ZERO OR LESS, ENTER -0-		0.
4. ENTER THE SMALLER OF LINE 2 OR LINE 3		0.
5. ENTER THE LOSS FROM SCHEDULE D, LINE 7, AS A POSITIVE AMOUNT		
6. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 15		
7. ADD LINES 4 AND 6		
8. SHORT-TERM CAPITAL LOSS CARRYOVER TO NEXT YEAR. SUBTRACT LINE 7 FROM LINE 5. IF ZERO OR LESS, ENTER -0-		
9. ENTER THE LOSS FROM SCHEDULE D, LINE 15, AS A POSITIVE AMOUNT		500,253.
10. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 7		
11. SUBTRACT LINE 5 FROM LINE 4. IF ZERO OR LESS, ENTER 0		
12. ADD LINES 10 AND 11		
13. LONG-TERM CAPITAL LOSS CARRYOVER TO NEXT YEAR. SUBTRACT LINE 12 FROM LINE 9. IF ZERO OR LESS, ENTER -0-		500,253.

SCHEDULE D	ALTERNATIVE MINIMUM TAX NET LONG-TERM GAIN OR LOSS FROM PARTNERSHIPS, S CORPORATIONS, ESTATES AND TRUSTS	STATEMENT 12
DESCRIPTION OF ACTIVITY	GAIN OR LOSS	28% GAIN
M&M VENTURES	-209,077.	
H&R	-381,834.	
TOTAL TO SCHEDULE D, PART II, LINE 12	-590,911.	

MONAM

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MONA, MICHAEL

STATEMENT(S) 11, 12
MONAM 1

0913

MONA 2nd JDE - 00424

MICHAEL J. MONA JR & RHONDA H. MONA

SCHEDULE D

ALTERNATIVE MINIMUM TAX
CAPITAL LOSS CARRYOVER

STATEMENT 13

1. ENTER THE AMOUNT FROM FORM 6251, LINE 28	12,294.
2. ENTER THE LOSS FROM SCH D, LINE 21, AS A POSITIVE AMOUNT	3,000.
3. COMBINE LINES 1 AND 2. IF ZERO OR LESS, ENTER -0-	15,294.
4. ENTER THE SMALLER OF LINE 2 OR LINE 3	3,000.
5. ENTER THE LOSS FROM SCH D, LINE 7, AS A POSITIVE AMOUNT	
6. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 15	
7. ADD LINES 4 AND 6	
8. SHORT-TERM CAPITAL LOSS CARRYOVER TO NEXT YEAR. SUBTRACT LINE 7 FROM LINE 5. IF ZERO OR LESS, ENTER -0-	
9. ENTER THE LOSS FROM SCH D, LINE 15, AS A POSITIVE AMOUNT	500,253.
10. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 7	
11. SUBTRACT LINE 5 FROM LINE 4. IF ZERO OR LESS, ENTER -0-	3,000.
12. ADD LINES 10 AND 11	3,000.
13. LONG-TERM CAPITAL LOSS CARRYOVER TO NEXT YEAR. SUBTRACT LINE 12 FROM LINE 9. IF ZERO OR LESS, ENTER -0-	497,253.

SCHEDULE E

INCOME OR (LOSS) FROM PARTNERSHIPS AND S CORPS

STATEMENT 14

NAME

EMPLOYER ID NO.	ANY NOT X AT IF RISK PRN CODE	PASSIVE LOSS	PASSIVE INCOME	NONPASSIVE LOSS	SEC. 179 DEDUCTION	NONPASSIVE INCOME
MONA CO DEVELOPMENT, LLC						
88-0464692	P			163,005.		
M&M VENTURES LLC						
20-1994776	P *			0.		
H&R ACQUISITION LLC						
10-0293708	P *			0.		
AZ 12, LLC						
20-2989920	P			0.		
STRANGER THAN FICTION, LLC						
20-5503879	P			93.		
TOTALS TO SCH. E, LN. 29				163,098.		

* ENTIRE DISPOSITION OF NONPASSIVE ACTIVITY

33

STATEMENT(S) 13, 14

MONAM

MONA, MICHAEL

MONAM 1

0914

MONA 2nd JDE - 00425

MICHAEL J. MONA JR & RHONDA H. MONA

SCHEDULE E RECONCILIATION FOR REAL ESTATE PROFESSIONALS STATEMENT 15

FORM	DESCRIPTION	AMOUNT
SCH D/4797	M&M VENTURES	-209,077.
SCH D/4797	H&R	381,834.
TOTAL TO SCHEDULE E, LINE 43		590,911.

FORM 6251 DEPRECIATION ON ASSETS PLACED IN SERVICE AFTER 1986 STATEMENT 16

DESCRIPTION	AMOUNT
FROM K-1 - MONACO	-1,044.
TOTAL TO FORM 6251, LINE 18	-1,044.

MONAM

34

MONA, MICHAEL

STATEMENT(S) 15, 16
MONAM 1

0915

MONA 2nd JDE - 00426

022

DO NOT MAIL THIS FORM TO THE FTB

TAXABLE YEAR

2014

California e-file Signature Authorization for Individuals

FORM

8879

Your name

MICHAEL J. MONA JR

Your SSN or ITIN

Spouse's/RDP's SSN or ITIN

RHONDA H. MONA

Part I Tax Return Information (whole dollars only)

- 1 California Adjusted Gross Income (Form 540, line 17; Form 540 2EZ, line 16; Long Form 540NR, line 32; or Short Form 540NR, line 32) 1 -146,605.
- 2 Amount You Owe (Form 540, line 111; Form 540 2EZ, line 27; Long Form 540NR, line 121; or Short Form 540NR, line 121) 2 0.
- 3 Refund or No Amount Due (Form 540, line 116; Form 540 2EZ, line 28; Long Form 540NR, line 125; or Short Form 540NR, line 125) 3 0.

Part II Taxpayer Declaration and Signature Authorization (Be sure you obtain and keep a copy of your return.)

Under penalties of perjury, I declare that I have examined a copy of my individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2014, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider (including my name, address, and social security number or individual tax identification number) and the amounts shown in Part I above agree with the information and amounts shown on the corresponding lines of my electronic income tax return. If applicable, I authorize an electronic funds withdrawal of the amount on line 2 and/or the estimated tax payments as shown on my return and on form FTB 8455, California e-file Payment Record for Individuals, or a comparable form. If applicable, I declare that direct deposit refund amount on line 3 agrees with the direct deposit authorization stated on my return. If I have filed a joint return, this is an irrevocable appointment of the other spouse/RDP as an agent to authorize an electronic funds withdrawal or direct deposit. I authorize my ERO, transmitter, or intermediate service provider to transmit my complete return to the Franchise Tax Board (FTB). If the processing of my return or refund is delayed, I authorize the FTB to disclose to my ERO, intermediate service provider, and/or transmitter the reason(s) for the delay or the date when the refund was sent. If I am filing a balance due return, I understand that if the FTB does not receive full and timely payment of my tax liability, I remain liable for the tax liability and all applicable interest and penalties. I acknowledge that I have read and consent to the Electronic Funds Withdrawal Consent included on the copy of my electronic income tax return. I have selected a personal identification number (PIN) as my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

Taxpayer's PIN: check one box only

☒ I authorize WILSON & COMPANY, CPA'S to enter my PIN [redacted] Do not enter all zeros

ERO firm name

as my signature on my 2014 e-filed California individual income tax return.

☐ I will enter my PIN as my signature on my 2014 e-filed California individual income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature Date 04/02/2015

Spouse's/RDP's PIN: check one box only

☒ I authorize WILSON & COMPANY, CPA'S to enter my PIN [redacted] Do not enter all zeros

ERO firm name

as my signature on my 2014 e-filed California individual income tax return.

☐ I will enter my PIN as my signature on my 2014 e-filed California individual income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's/RDP's signature Date 04/02/2015

Practitioner PIN Method Returns Only - continue below

Part III Certification and Authentication - Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the 2014 California individual income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and FTB Pub. 1345, 2014 e-file Handbook for Authorized e-file Providers.

ERO's signature Date

For Privacy Notice, get FTB 1131 ENG/SP.

FTB 8879 C2 2014

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11-08-14

MONAM

MONA, MICHAEL

MONAM 1

0916

MONA 2nd JDE - 00427

TAXABLE YEAR
2014
APR

California Nonresident or Part-Year
Resident Income Tax Return

Long Form

FORM
540NR

MICHAEL J MONA
RHONDA H MONA
2793 RED ARROW DRIVE
LAS VEGAS NV 89135
08-02-1954 05-13-1959

14

JR

A
R
RP

- Filing Status
- 1 ☐ Single
2 ☒ Married/RDP filing jointly. See inst.
3 ☐ Married/RDP filing separately. Enter spouse's SSN or ITIN above and full name here if your California filing status is different from your federal filing status, check the box here.
4 ☐ Head of household (with qualifying person). See instructions.
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse/RDP died.

- 6 If someone can claim you (or your spouse/RDP) as a dependent, check the box here. See instructions.

- 7 For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line. Whole dollars only.
- 7 Personal: If you checked box 1, 3, or 4 above, enter 1 in the box. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see instructions. ☐ 7 ☐ 2 X \$106 = \$ 216
- 8 Blind: If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2. ☐ 8 ☐ 2 X \$106 = \$
- 9 Senior: If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2. ☐ 9 ☐ 2 X \$106 = \$
- 10 Dependents: Do not include yourself or your spouse/RDP.
- | First name | Last name | Relationship (as claimed on federal return) |
|------------|-----------|---|
| | | |
| | | |
| | | |
| | | |
- Total dependent exemptions ☐ 10 ☐ 333 X \$33 = \$
- 11 Exemption amount: Add line 7 through line 10. ☐ 11 \$ 216

- Total Taxable Income
- 12 Total California wages from your Form(s) W-2, box 16. ☐ 12 00
- 13 Enter federal AGI from Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 36; or 1040NR-EZ, line 10. ☐ 13 77,706.00
- 14 California adjustments - subtractions. Enter the amount from Schedule CA (540NR), line 37, column B. ☐ 14 00
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions. ☐ 15 77,706.00
- 16 California adjustments - additions. Enter the amount from Schedule CA (540NR), line 37, column C. ☐ 16 00
- 17 Adjusted gross income from all sources. Combine line 15 and line 16. ☐ 17 77,706.00
- 18 Enter the larger of: Your California itemized deductions from Schedule CA (540NR), line 44; OR Your California standard deduction. See instructions. ☐ 18 82,733.00
- 19 Subtract line 18 from line 17. This is your total taxable income. If less than zero, enter -0-. ☐ 19 0.00

For Privacy Notice, see FTB 1131ENGSP.

022

3131144

Long Form 540NR-C1 2014 Side 1

0917
MONA 2nd JDE - 00428

Your name: **MICHAEL J. MONA JR**

Your SSN or ITIN: **[REDACTED]**

CA Taxable Income	31	Tax. Check the box if from: <input checked="" type="checkbox"/> Tax Table <input type="checkbox"/> Tax Rate Sch. <input type="checkbox"/> F1B 3800 <input type="checkbox"/> F1B 3803	• 31	0.00
	32	CA adjusted gross income from Schedule CA (540NR), Part IV, line 45	• 32	146,605.00
	35	CA Taxable Income from Schedule CA (540NR), Part IV, line 49	• 35	0.00
	36	CA Tax Rate. Divide line 31 by line 19	• 36	.0000
	37	CA Tax Before Exemption Credits. Multiply line 35 by line 36	• 37	0.00
	38	CA Exemption Credit Percentage. Divide line 35 by line 19. If more than 1, enter 1.0000	• 38	.0000
	39	CA Prorated Exemption Credits. Multiply line 11 by line 38. If the amount on line 13 is more than \$176,413, see instructions.	• 39	0.00
	40	CA Regular Tax Before Credits. Subtract line 39 from line 37. If less than zero, enter -0-	• 40	0.00
41	Tax. See instructions. Check the box if from: <input type="checkbox"/> Schedule G-1 <input type="checkbox"/> F1B 5870A	• 41	00	
42	Add line 40 and line 41	• 42	0.00	

Special Credits	50	Nonrefundable Child and Dependent Care Expenses Credit. See instructions. Attach form ETE 3506	• 50	00
	51	Credit for joint custody head of household	• 51	00
	52	Credit for dependent parent. See instructions	• 52	00
	53	Credit for senior head of household. See instructions	• 53	00
	54	Credit percentage. Divide line 35 by line 19. If more than 1, enter 1.0000. See instructions	• 54	
	55	Credit amount. See instructions	• 55	00
	58	Enter credit name code and amount	• 58	00
	59	Enter credit name code and amount	• 59	00
	60	No claim more than two credits. See instructions	• 60	00
	61	Nonrefundable renter's credit. See instructions	• 61	00
62	Add line 50, line 55, and line 58 through line 61. These are your total credits	• 62	00	
63	Subtract line 62 from line 42. If less than zero, enter -0-	• 63	0.00	

Other Taxes	71	Alternative minimum tax. Attach Schedule P (540NR)	• 71	00
	72	Mental Health Services Tax. See instructions	• 72	00
	73	Other taxes and credit recapture. See instructions	• 73	00
	74	Add line 63, line 71, line 72, and line 73. This is your total tax	• 74	0.00

Payments	81	California income tax withheld. See instructions	• 81	00
	82	2014 CA estimated tax and other payments. See instructions	• 82	0.00
	83	Real estate and other withholding. See instructions	• 83	00
	84	Excess SDI (or VPOI) withheld. See instructions	• 84	00
	85	Add line 81, line 82, line 83, and line 84. These are your total payments	• 85	0.00

Overpaid Tax/Tax Due	101	Overpaid tax. If line 85 is more than line 74, subtract line 74 from line 85	• 101	00
	102	Amount of line 101 you want applied to your 2015 estimated tax	• 102	00
	103	Overpaid tax available this year. Subtract line 102 from line 101	• 103	00
	104	Tax due. If line 85 is less than line 74, subtract line 85 from line 74	• 104	0.00

Your name: **MICHAEL J. MONA JR**Your SSN or ITIN: XXXXXXXXXX

Code	Amount	Code	Amount	
• 400	00	California Cancer Research Fund	• 419	00
• 401	00	Child Victims of Human Trafficking Fund	• 419	00
• 403	00	School Supplies for Homeless Children Fund	• 422	00
• 406	00	State Parks Protection Fund/Parks Pass Purchase	• 423	00
• 408	00	Protect Our Coast and Oceans Fund	• 424	00
• 407	00	Keep Arts in Schools Fund	• 425	00
• 408	00	American Red Cross, California Chapters Fund	• 426	00
• 410	00	California Senior Legislature Fund	• 427	00
		Habitat for Humanity Fund	• 428	00
		California Sexual Violence Victim Services Fund	• 429	00
120 Add code 400 through code 429. This is your total contribution		• 120	00	
121 AMOUNT YOU OWE. Add line 104 and line 120. See instructions. Do not send cash. Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94287-0001		• 121	00	
Pay Online - Go to ftb.ca.gov for more information.				
122 Interest, late return penalties, and late payment penalties		122	00	
123 Underpayment of estimated tax. Check the box: <input type="checkbox"/> FTB 5805 attached <input type="checkbox"/> FTB 5805F attached		• 123	0.00	
124 Total amount due. See instructions. Enclose, but do not staple, any payment		124	0.00	
125 REFUND OR NO AMOUNT DUE. Subtract line 120 from line 103. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0001		• 125	0.00	
Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip. See instructions. Have you verified the routing and account numbers? Use whole dollars only. All or the following amount of my refund (line 125) is authorized for direct deposit into the account shown below:				
<input type="checkbox"/> Checking				
<input type="checkbox"/> Savings				
• Routing number	• Type	• Account number	• 126 Direct deposit amount	
The remaining amount of my refund (line 125) is authorized for direct deposit into the account shown below:				
<input type="checkbox"/> Checking				
<input type="checkbox"/> Savings				
• Routing number	• Type	• Account number	• 127 Direct deposit amount	

IMPORTANT: Attach a copy of your complete federal return.

Under penalties of perjury, I declare that I have examined this tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature _____ Date _____ Spouse or JOF's signature (if a joint tax return, both must sign) _____

X Your email address (optional). Enter only one email address. _____ Daytime phone number (optional) _____

Sign Here

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)

Firm's name (or yours, if self-employed)	• PTIN
WILSON & COMPANY, CPA'S	P01227966
Firm's address	• EIN
2688 S. RAINBOW BLVD, STE LAS VEGAS, NV 89146	88-0340469
Do you want to allow another person to discuss this tax return with us? (See instructions)	• <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Print Third Party Designee's Name	Telephone Number
EDWARD A WILSON	

TAXABLE YEAR
2014

California Adjustments -
Nonresidents or Part-Year Residents

APR 15, 2014
SCHEDULE
CA (540NR)

Important: Attach this schedule behind your Form 540NR, Side 3 as a supporting California schedule.

Name(s) as shown on tax return

SSN or ITIN

MICHAEL J. MONA JR & RHONDA H. MONA

Part I Residency Information. Complete all lines that apply to you and your spouse/RDP.

During 2014:

	Youself	Spouse/RDP
1 a. I was domiciled in (enter state or country):	<input checked="" type="radio"/> NEVADA	<input checked="" type="radio"/> NEVADA
b. I was in the military and stationed in (enter state or country):	<input checked="" type="radio"/> N/A	<input checked="" type="radio"/> N/A
2 I became a California resident (enter the state or country of your residence and date of move):	<input checked="" type="radio"/> N/A	<input checked="" type="radio"/> N/A
3 I became a nonresident (enter new state or country of residence and date of move):	<input checked="" type="radio"/> N/A	<input checked="" type="radio"/> N/A
4 I was a nonresident of California the entire year (enter state or country of residence):	<input checked="" type="radio"/> NV	<input checked="" type="radio"/> NV
5 The number of days I spent in California (for any purpose) is:	<input checked="" type="radio"/> N/A	<input checked="" type="radio"/> N/A
6 I owned a home property in California (enter "Yes" or "No"):	<input checked="" type="radio"/> NO	<input checked="" type="radio"/> NO

Before 2014:

7 I was a California resident for the period of (enter dates as mm/dd/yyyy):	<input checked="" type="radio"/> N/A	<input checked="" type="radio"/> N/A
8 I entered California on (enter date as mm/dd/yyyy):	<input checked="" type="radio"/> N/A	<input checked="" type="radio"/> N/A
9 I left California on (enter date as mm/dd/yyyy):	<input checked="" type="radio"/> N/A	<input checked="" type="radio"/> N/A

Part II Income Adjustment Schedule

Section A - Income	A Federal Amounts (taxable amounts from your federal tax return)	B Subtractions (See instructions (difference between CA & federal law))	C Additions (See instructions (difference between CA & federal law))	D Total Amounts Using CA Law As If You Were a CA Resident (multiply col. B from col. A; add col. C to the result)	E CA Amounts (Income earned or received as a CA resident and income earned if received from CA sources as a nonresident)
7 Wages, salaries, tips, etc. See instructions before making an entry in col. B or C	7 <input checked="" type="radio"/> 219,521.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/> 219,521.	<input checked="" type="radio"/>
8 Taxable interest	8(a) <input checked="" type="radio"/> 21,256.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/> 21,256.	<input checked="" type="radio"/>
9 Ordinary dividends	9(a) <input checked="" type="radio"/> 3,027.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/> 3,027.	<input checked="" type="radio"/>
10 Taxable refunds, credits, or offsets of state and local income taxes	10 <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
11 Alimony received	11 <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
12 Business income or (loss)	12 <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
13 Capital gain or (loss)	13 <input checked="" type="radio"/> -3,000.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/> -3,000.	<input checked="" type="radio"/>
14 Other gains or (losses)	14 <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
15 IRA distributions	15(a) <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
16 Pensions and annuities	16(b) <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
17 Annuity income, rental income, partnerships, S corporations, trusts, etc.	17 <input checked="" type="radio"/> -163,098.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/> -163,098.	<input checked="" type="radio"/>
18 Farm income or (loss)	18 <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
19 Unemployment compensation	19 <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
20 Social security benefits	20(b) <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
21 Other income	21 <input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
a. California lottery winnings		<input checked="" type="radio"/>	<input checked="" type="radio"/>		
b. Interest on California bonds		<input checked="" type="radio"/>	<input checked="" type="radio"/>		
c. Federal AGI (from 1040 line 21)		<input checked="" type="radio"/>	<input checked="" type="radio"/>		
d. NOL carryover from 1040 line 21		<input checked="" type="radio"/>	<input checked="" type="radio"/>		
e. NOL from 1040 line 21		<input checked="" type="radio"/>	<input checked="" type="radio"/>		
f. NOL from 1040 line 21		<input checked="" type="radio"/>	<input checked="" type="radio"/>		
g. Other (describe):		<input checked="" type="radio"/>	<input checked="" type="radio"/>		
22 a. Total: Combine line 7 through line 21	<input checked="" type="radio"/> 77,706.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/> 77,706.	<input checked="" type="radio"/> -146,605.

For Privacy Notice, get FTE 1-31 FNGSP.

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Schedule CA (540NR) 2014 Side 1

0920
MONA 2nd JDE - 00431

California	Schedule D and Capital Loss Carryover Worksheets for Nonresidents and Part-Year Residents	2014
Name(s) as shown on return MICHAEL J. MONA JR & RHONDA H. MONA		Social security number [REDACTED]

Schedule D Worksheet

	A	B	C	D	E
	Enter total amounts as if you were a CA resident for the entire year.	Enter amounts earned or received from CA sources as if you were a nonresident for the entire year.	Enter amounts earned or received during the portion of the year you were a CA resident.	Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	Total Combine columns C and D.
1 Gains	90,658.				
2 Losses	-590,911.				
3 Prior year loss carryover					
4 Combine lines 1 through 3	-500,253.				
5 Enter the smaller of the loss on line 4 or \$3,000 (\$1,500 if married filing separate)	3,000.				

Capital Loss Carryover Worksheet

ALL SOURCES

1 Enter the loss from line 5, Sch. D worksheet (or Schedule D, line 11) as a positive number	3,000.
2 Amount from Form 540NR, line 17	77,706.
3 Amount from Form 540NR, line 18	82,733.
4 Subtract line 3 from line 2. If less than zero, enter as a negative amount	5,027.
5 Combine line 1 and line 4. If less than zero, enter 0	0.
6 Loss from line 4, Sch. D worksheet (or Schedule D, line 8)	500,253.
7 Enter the smaller of line 1 or line 5	0.
8 Subtract line 7 from line 6. This is your capital loss carryover to 2015	500,253.

Capital Loss Carryover Worksheet

1 Enter the loss from line 5, Sch. D worksheet (or Schedule D, line 11) as a positive number	
2 Amount from Form 540NR, line 32	
3 Amount from Schedule CA (540NR), line 48	
4 Subtract line 3 from line 2. If less than zero, enter as a negative amount	
5 Combine line 1 and line 4. If less than zero, enter 0	
6 Loss from line 4, Sch. D worksheet (or Schedule D, line 8)	
7 Enter the smaller of line 1 or line 5	
8 Subtract line 7 from line 6. This is your capital loss carryover to 2015	

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TAXABLE YEAR

2014 Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations - Individuals, Estates, and Trusts

 APR 05 1 12:18:14
 CALIFORNIA FORM
3805V

Attach to your California tax return.

Name(s) as shown on return

SSN or EIN

EIN

MICHAEL J. MONA JR & RHONDA H. MONA

Part I Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.

Section A - California Residents Only (Nonresidents go to Section B.)

1	Adjusted gross income from 2014 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3.	1	00
2	Itemized deductions or standard deduction from 2014 Form 540, line 18.	2	00
3	a. Combine line 1 and line 2. (Estates and Trusts, enter taxable income; see instructions.) If negative, use brackets. If positive, enter -0- here and on line 25. Do not complete the rest of Section A. You do not have a current year NOL. Complete Part II and Part III if you have a carryover from prior years.	3a	00
	b. 2014 designated disaster loss included in line 3a. Enter as a positive number.	3b	00
	c. Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, do not complete the rest of Part I. Enter the amount from line 3b, if any, in Part III, line 3, column (d) and complete Part II and Part III as instructed.	3c	00
Enter amounts on line 4 through line 24 as if they were all positive numbers. See instructions.			
4	Nonbusiness capital losses	4	00
5	Nonbusiness capital gains	5	00
6	If line 4 is more than line 5, enter the difference; otherwise, enter -0-	6	00
7	If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7	00
8	Nonbusiness deductions	8	00
9	Nonbusiness income other than capital gains	9	00
10	Add line 7 and line 9.	10	00
11	If line 8 is more than line 10, enter the difference; otherwise, enter -0-	11	00
12	If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12	00
13	Business capital losses	13	00
14	Business capital gains	14	00
15	Add line 12 and line 14.	15	00
16	If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16	00
17	Add line 6 and line 15.	17	00
18	Enter the loss, if any, from line 8 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line, skip line 18 through line 21 and enter on line 22 the amount from line 17.	18	00
19	Enter the loss, if any, from line 9 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number.	19	00
20	If line 18 is more than line 19, enter the difference; otherwise, enter -0-	20	00
21	If line 19 is more than line 18, enter the difference; otherwise, enter -0-	21	00
22	Subtract line 20 from line 17. If zero or less, enter -0-	22	00
23	NOL and disaster loss carryovers from prior years	23	00
24	Add lines 11, 21, 22, and 23.	24	00
25	Current Year NOL. Combine line 3c and line 24. See instructions. If more than zero, enter -0-. You do not have a current year NOL to carryback or carryover.	25	00
If the individual, Estate, or Trust is using the current year NOL to carryback to offset taxable income for taxable years 2012 and/or 2013, complete Part IV, NOL Carryback, on Side 4 before completing Part I, Section A, lines 26-28 below. Enter lines 26 and 27 as positive numbers.			
26	2014 NOL carryback used to offset 2012 taxable income. Enter the amount from Part IV, line 3, col. (f).	26	00
27	2014 NOL carryback used to offset 2013 taxable income. Enter the amount from Part IV, line 3, col. (f).	27	00
28	2014 NOL carryover to 2015. Combine line 25, line 26, and line 27. See instructions. If more than zero, enter -0-. You do not have a current year NOL to carryover.	28	00

Section B - Nonresidents and Part-Year Residents Only - Computation of Current Year California NOL

	A Enter total amounts as if you were a CA resident for entire year.	B Enter amounts earned or received from CA sources if you were a nonresident for the entire year.	C Enter amounts earned or received during the portion of the year you were a CA resident.	D Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	E Total Combine columns C and D
1 Adjusted gross income. See instructions. If negative, use brackets.	1 77,706.	<146,605.>		<146,605.>	<146,605.>
2 Itemized deductions or standard deduction. See instructions.	2 (82,733.)				
3 a. Combine line 1 and line 2. See instrs.	3a <5,027.>	<146,605.>		<146,605.>	<146,605.>
b. 2014 designated disaster loss included in line 3a. Enter as a positive number.	3b				
c. Combine line 3a and line 3b. If negative, use brackets and continue to line 4.	3c <5,027.>	<146,605.>		<146,605.>	<146,605.>
Enter amounts on line 4 through line 24 as if they were all positive numbers.					
4 Nonbusiness capital losses	4 590,911.				
5 Nonbusiness capital gains	5 90,658.				
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0-	6 500,253.				
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7 0.				
8 Nonbusiness deductions STMT 2	8 82,733.				
9 Add line 8 to line 6.	9 24,283.				
10 Add line 7 and line 9.	10 24,283.				
11 If line 9 is more than line 10, enter the difference; otherwise, enter -0-	11 58,450.				
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12 0.				
13 Business capital losses	13				
14 Business capital gains	14				
15 Add line 12 and line 14.	15				
16 If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16				
17 Add line 6 and line 15.	17 500,253.				
18 Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. See instructions.	18 500,253.				
19 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number.	19 3,000.				
20 If line 18 is more than line 19, enter the difference; otherwise, enter -0-	20 497,253.				
21 If line 19 is more than line 18, enter the difference; otherwise, enter -0-	21 0.				
22 Subtract line 20 from line 17. If zero or less, enter -0-	22 3,000.	0.			
23 NOL & disaster loss carryover from prior years.	23	146,605.		146,605.	146,605.
24 Add lines 11, 21, 22, 23.	24 61,450.	146,605.		146,605.	146,605.
25 Current Year NOL. Combine line 24 and line 23. (See instructions. If more than zero, enter -0-)	25	0.			0.
If the individual, estate, or trust is using the current year NOL to carryback to offset taxable income for taxable years 2012 and/or 2013, complete Part V, NOL Carryback, on Side 4 before completing Part I, Section 6, lines 26-28 below. Enter lines 26 and 27 as positive numbers.					
26 2014 NOL carryback used to offset 2012 taxable income. Enter the amount from Part IV, line 1 col. (b).	26	0.			0.
27 2014 NOL carryback used to offset 2013 taxable income. Enter the amount from Part IV, line 1 col. (b).	27	0.			0.
28 2014 NOL carryover to 2015. Enter the amount from line 25 less lines 26 and 27. If more than zero, enter -0-.	28	0.			0.

Section C - Election to Waive Carryback

- ☒ Check the box if the individual, estate, or trust elects to relinquish the entire carryback period with respect to a 2014 NOL under IRC Section 172(b)(3). By making the election, the individual, estate, or trust is electing to carry an NOL forward instead of carrying it back in the previous two years. Once the election is made, it is irrevocable. See instructions.
- Continue with Part II, Determine 2014 Modified Taxable Income (MTI) and Part III, NOL Carryover and Disaster Loss Carryover Limitations. Do not complete Part IV, NOL Carryback.

Part II Determine 2014 Modified Taxable Income (MTI). Be sure to read the instructions for Part II.

1 Taxable income. See instructions.	1	146,605.00
2 Capital loss deduction included in line 1. Enter amounts on line 2 through line 4 as if they were all positive numbers.	2	00
3 Disaster loss carryover included in line 1.	3	00
4 NOL carryover included in line 1.	4	146,605.00
5 MTI. Combine line 1 through line 4. If line 5 is zero or less, enter -0-	5	0.00

Part III NOL Carryover and Disaster Loss Carryover Limitations. See instructions.

1 NOL from Part II, line 5	(g) Available balance	
----------------------------	-----------------------	--

Prior Year NOLs

(a) Year of loss	(b) Code See instructions	(c) Type of NOL. See instructions	(d) Initial loss	(e) Carryover from 2013	(f) Amount used in 2014	(h) Carryover to 2015 (col (e) - col (f))
2 2007		GEN	3,069.	3,069.	0.	3,069.
2009		GEN	143,536.	143,536.	0.	143,536.
						col (d) - col (f) See instructions

Current Year NOLs

3 2014		DIS				
4 2014						
2014						
2014						

* Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or Disaster (DIS).

5 NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss.	5	146,605.00
6 Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses.	6	00

Part IV NOL Carryback See instructions

- 1 2012 taxable income - Enter the amount from 2012 Form 540, line 15; Form 540NR, line 35; or Form 541, line 20a.
 2 2013 taxable income - Enter the amount from 2013 Form 540, line 15; Form 540NR, line 35; or Form 541, line 20a.

(a) Year of loss	(b) Code - See instructions	(c) Type of NOL - See instructions	(d) Total loss	(e) Carryback limitations 25% of col. (d)	2012		2013		(j) Carryover to 2015 col. (d) minus col. (i) plus col. (h)
					(f) Carryback used - See instructions	(g) After carryback col. (e) minus col. (f)	(h) Carryback used - See instructions	(i) After carryback col. (g) minus col. (h)	
3									
2014									
2014									
2014									
2014									
2014									

*Type of NOL: General (G), Real Business (RB), Eligible Small Business (ESB), or NOL attributable to a qualified disaster loss (QL).

2014 Income from Passthroughs

CA ALL-SOURCES

MONA CO DEVELOPMENT, LLC
I.D. NUMBER: [REDACTED]

TAXABLE INCOME (LOSS) SUMMARY:

NONPASSIVE LOSS ALLOWED	-163,005
NET INCOME (LOSS) FOR ENTITY	<u>-163,005</u>

ACTIVITY INFORMATION:

MONACO

ORDINARY INCOME (LOSS)	-163,005
TOTAL NONPASSIVE GAIN (LOSS)	<u>-163,005</u>

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MONA 2nd JDE - 00438

2014 Income from Passthroughs

CA ALL-SOURCES

STRANGER THAN FICTION, LLC
I.D. NUMBER: [REDACTED]

TAXABLE INCOME (LOSS) SUMMARY:

NONPASSIVE LOSS ALLOWED -93

NET INCOME (LOSS) FOR ENTITY -93

ACTIVITY INFORMATION:

STRANGER THAN FICTION

ORDINARY INCOME (LOSS) 93

TOTAL NONPASSIVE GAIN (LOSS) -93

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MONA 2nd JDE - 00439

MICHAEL J. MONA JR & RHONDA H. MONA

CA SCHEDULE CA OTHER ADJUSTMENTS STATEMENT 1

DESCRIPTION	X IF NOT SUBJECT TO 2% OF AGI LIMIT	AMOUNT
MEDICAL/DENTAL EXPENSE ADJUSTMENT	X	1,943.
TOTAL TO SCHEDULE CA(540NR), LINE 41		1,943.

CA 3805V LINE 8 - NONBUSINESS DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
CALIFORNIA ITEMIZED DEDUCTIONS	82,733.
TOTAL TO 3805V, LINE 8	82,733.

CA 3805V NONBUSINESS INCOME STATEMENT 3

DESCRIPTION	AMOUNT
INTEREST INCOME	21,256.
DIVIDEND INCOME	3,027.
TOTAL TO FORM 3805V, LINE 9	24,283.

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MONA, MICHAEL

STATEMENT(S) 1, 2, 3

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MONA 2nd JDE - 00440

ALTERNATIVE MINIMUM TAX

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CALIFORNIA FORM

3805V

TAXABLE YEAR

2014 Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations - Individuals, Estates, and Trusts

Attach to your California tax return.

Name(s) as shown on return

SSN or ITIN

FFIN

MICHAEL J. MONA JR & RHONDA H. MONA

Part I Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.

Section A - California Residents Only (Nonresidents go to Section 9.)

1	Adjusted gross income from 2014 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3	1	00
2	Identified deductions or standard deduction from 2014 Form 540, line 18	2	00
3	a. Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets. If positive, enter -0- here and on line 25. Do not complete the rest of Section A. You do not have a current year NOL. Complete Part II and Part III if you have a carryover from prior years	3a	00
	b. 2014 designated disaster loss included in line 3a. Enter as a positive number	3b	00
	c. Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, do not complete the rest of Part I. Enter the amount from line 3b, if any, in Part III, line 3, column (d) and complete Part II and Part III as instructed	3c	00
Enter amounts on line 4 through line 24 as if they were all positive numbers. See instructions.			
4	Nonbusiness capital losses	4	00
5	Nonbusiness capital gains	5	00
6	If line 4 is more than line 5, enter the difference; otherwise, enter -0-	6	00
7	If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7	00
8	Nonbusiness deductions	8	00
9	Nonbusiness income other than capital gains	9	00
10	Add line 7 and line 9	10	00
11	If line 8 is more than line 10, enter the difference; otherwise, enter -0-	11	00
12	If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12	00
13	Business capital losses	13	00
14	Business capital gains	14	00
15	Add line 12 and line 14	15	00
16	If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16	00
17	Add line 6 and line 16	17	00
18	Enter the loss, if any, from line 8 of Schedule D (540). (Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line, skip line 18 through line 21 and enter on line 22 the amount from line 17	18	00
19	Enter the loss, if any, from line 9 of Schedule D (540). (Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number	19	00
20	If line 18 is more than line 19, enter the difference; otherwise, enter -0-	20	00
21	If line 19 is more than line 18, enter the difference; otherwise, enter -0-	21	00
22	Subtract: line 20 from line 17. If zero or less, enter -0-	22	00
23	NOL and disaster loss carryovers from prior years	23	00
24	Add lines 11, 21, 22, and 23	24	00
25	Current Year NOL. Combine line 3c and line 24. See instructions. If more than zero, enter -0-. You do not have a current year NOL to carryback or carryover	25	00
If the individual, estate, or trust is using the current year NOL to carryback to offset taxable income for taxable years 2012 and/or 2013, complete Part IV, NOL Carryback, on Side 4 before completing Part I, Section A, lines 26-28 below. Enter lines 26 and 27 as positive numbers.			
26	2014 NOL carryback used to offset 2012 taxable income. Enter the amount from Part V, line 3, col. (f)	26	00
27	2014 NOL carryback used to offset 2013 taxable income. Enter the amount from Part V, line 3, col. (h)	27	00
28	2014 NOL carryover to 2015. Combine line 25, line 25, and line 27. See instructions. If more than zero, enter -0-. You do not have a current year NOL to carryover	28	00

For Privacy Notice, get FTB 1131 ENG/SP.

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FTB 3805V 2014 Side 1

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MONA, MICHAEL

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MONA 2nd JDE - 00441

Section B - Nonresidents and Part-Year Residents Only - Computation of Current Year California NOL

	A Enter total amounts as if you were a CA resident for entire year.	B Enter amounts earned or received from CA sources if you were a nonresident for the entire year.	C Enter amounts earned or received during the portion of the year you were a CA resident.	D Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	E Total (Combine columns C and D)
1 Adjusted gross income. See instructions. If negative, use brackets.	1 77,706.				
2 Itemized deductions or standard deduction. See instructions. STMT 4	2 (63,058)				
3 a Combine line 1 and line 2. See instructions.	3a 0.				
b 2014 designated disaster loss included on line 3a. Enter as a positive number.	3b				
c Combine line 3a and line 3b. If negative, use brackets and combine on line 4.	3c				
Enter amounts on line 4 through line 24 as if they were all positive numbers.					
4 Nonbusiness capital losses	4				
5 Nonbusiness capital gains	5				
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0-	6				
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7				
8 Nonbusiness deductions	8				
9 Nonbusiness income other than capital gains	9				
10 Add line 7 and line 9	10				
11 If line 8 is more than line 10, enter the difference; otherwise, enter -0-	11				
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12				
13 Business capital losses	13				
14 Business capital gains	14				
15 Add line 13 and line 14	15				
16 If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16				
17 Add line 6 and line 16	17				
18 Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. See instructions.	18				
19 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number.	19				
20 If line 18 is more than line 19, enter the difference; otherwise, enter -0-	20 497,253.				
21 If line 19 is more than line 18, enter the difference; otherwise, enter -0-	21 0.				
22 Subtract line 20 from line 17. If zero or less, enter -0-	22 3,000.				
23 NOL. A taxpayer may carryback from prior years.	23				
24 Add lines 1, 21, 22, 23	24				
25 Current Year NOL. Combine line 24 and line 23. For individuals, if more than zero, enter -0-	25 0.				0.
If the individual, estate, or trust is using the current year NOL to carryback to offset taxable income for taxable years 2012 and/or 2013, complete Part IV, NOL Carryback, on Side 4 before completing Part I, Section B, lines 26-28 below. Enter lines 26 and 27 as positive numbers.					
26 2014 NOL carryback amount to offset 2012 taxable income. Line 26 amount from Part II, line 3, col. B.	26				
27 2014 NOL carryback amount to offset 2013 taxable income. Line 27 amount from Part II, line 3, col. B.	27				
28 2014 NOL carryback to 2013. Combine line 26, line 27, and line 27. Enter the total.	28 0.				

Side 2 FTB 0805V 2014
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2014.03050 MONA, MICHAEL

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MONA 2nd JDE - 00442

Section C - Election to Waive Carryback

☒ Check the box if the individual, estate, or trust elects to "relinquish" the entire carryback period with respect to a 2014 NOL under IRC Section 172(b)(3). By making the election, the individual, estate, or trust is electing to carry an NOL forward instead of carrying it back in the previous two years. Once the election is made, it is irrevocable. See instructions.

Continue with Part II, Determine 2014 Modified Taxable Income (MTI) and Part III, NOL Carryover and Disaster Loss Carryover Limitations. Do not complete Part IV, NOL Carryback.

Part II Determine 2014 Modified Taxable Income (MTI). Be sure to read the instructions for Part II.

1 Taxable income. See instructions	1	0.00
Enter amounts on line 2 through line 4 as if they were all positive numbers.		
2 Capital loss deduction included in line 1	2	00
3 Disaster loss carryover included in line 1	3	00
4 NOL carryover included in line 1	4	00
5 MTI. Combine line 1 through line 4. If line 5 is zero or less, enter -0-	5	0.00

Part III NOL Carryover and Disaster Loss Carryover Limitations. See instructions.

	(a) Available balance
1 MTI from Part II, line 5	

Prior Year NOLs

(a) Year of loss	(b) Code See instructions	(c) Type of NOL. See instructions *	(d) Initial loss	(e) Carryover from 2013	(f) Amount used in 2014	(g) Carryover to 2015 col (d) - col (f)
2						
2007	GEN		3,069.	3,069.	0.	3,069.
2009	GEN		143,536.	143,536.	0.	143,536.

col (d) - col (f)
See instructions**Current Year NOLs**

3 2014	DIS					
4 2014						
2014						
2014						

* Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or Disaster (DIS).

5 NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss	5	146,605.00
6 Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses	6	00

Part IV NOL Carryback. See instructions.

1 2012 Taxable Income - Enter the amount from 2012 Form 540, line 19; Form 540NR, line 35; or Form 541, line 20a.

2 2013 Taxable Income - Enter the amount from 2013 Form 540, line 19; Form 540NR, line 35; or Form 541, line 20a.

(a) Year of loss	(b) Code - See instructions	(c) Type of NOL loss	(d) Initial loss	(e) Carryback limitations 75% of col. (d)	2012		2013		(i) Carryover to 2015 col. (d) minus (col. (f) plus col. (h))
					(f) Carryback used - See instructions	(g) After carryback col. (e) minus col. (f)	(h) Carryback used - See instructions	(i) After carryback col. (g) minus col. (h)	
3									
2014									
2014									
2014									
2014									
2014									

*Type of NOL: General (G), New Business (NB), Eligible Small Business (ESB), or NOL attributable to a qualified disaster loss (QL).

Side 4 11/13/2014 2014

022

7534144

11.4

16300402 754170 MONAM

2014.03050 MONA, MICHAEL

MONAM_1 0933

MONA 2nd JDR - 00444

MICHAEL J. MONA JR & RHONDA H. MONA

CA 3805V AMT ALTERNATIVE MINIMUM TAX ITEMIZED DEDUCTIONS STATEMENT 4

DESCRIPTION	AMOUNT
FORM 540NR, LINE 18	82,733.
PERSONAL AND REAL PROPERTY TAXES AMT ADJUSTMENT	-19,675.
TOTAL TO 3805V AMT, LINE 2	63,058.

MONA, MICHAEL

11.5
MONA, MICHAEL

STATEMENT(S) 4
MONA 1 0934
MONA 2nd IDE - 00445

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 04:33 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 10, Bates Nos. 2128-2367)

Marquis Aurbach Coffing

Terry A. Coffing, Esq.

Nevada Bar No. 4949

Tye S. Hanseen, Esq.

Nevada Bar No. 10365

Tom W. Stewart, Esq.

Nevada Bar No. 14280

10001 Park Run Drive

Las Vegas, Nevada 89145

Telephone: (702) 382-0711

Facsimile: (702) 382-5816

tcoffing@maclaw.com

thanseen@maclaw.com

tstewart@maclaw.com

Attorneys for Appellant

INDEX TO APPELLANT'S APPENDIX

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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
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G	Letter from Tye Hanseen re: no longer representing Mr. Mona	Volume 1 Bates Nos. 104–105
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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

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CANNAVEST CORP.

FORM 10-K (Annual Report)

Filed 03/31/15 for the Period Ending 12/31/14

Address 2688 SOUTH RAINBOW AVENUE, SUITE B
LAS VEGAS, NV 89146
Telephone 866-290-2157
CIK 0001510964
Symbol CANV
SIC Code 2833 - Medicinal Chemicals and Botanical Products
Industry Real Estate Operations
Sector Services
Fiscal Year 12/31

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0797

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

- ☒ Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2014
- ☐ Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number: 333-173215

CannaVest Corp.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

80-0944870
(I.R.S. Employer Identification No.)

2688 South Rainbow Avenue, Suite B, Las Vegas, NV 89146
(Address number of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 866-290-2157

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, \$0.0001 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☐

Accelerated filer ☐
Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. As of June 30, 2014, the aggregate market value of the voting and nonvoting common equity held by nonaffiliates of the issuer was \$39,764,250. (need to update the float)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. As of March 31, 2015, the issuer had 34,929,166 shares of issued and outstanding common stock, par value \$0.0001.

DOCUMENTS INCORPORATED BY REFERENCE. None

**CANNAVEST CORP.
FORM 10-K
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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with the Securities and Exchange Commission (the "SEC"). You may read and copy any document we file with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549, U.S.A. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC's internet site at <http://www.sec.gov>.

On our Internet website, <http://www.CannaVest.com>, we post the following recent filings as soon as reasonably practicable after they are electronically filed with or furnished to the SEC: our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act.

When we use the terms "CannaVest", "Company", "we", "our" and "us" we mean CannaVest Corp., a Delaware corporation, and its consolidated subsidiaries, taken as a whole, as well as any predecessor entities, unless the context otherwise indicates.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. To the extent that any statements made in this report contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements can be identified by the use of words such as "expects", "plans", "may", "anticipates", "believes", "should", "intends", "estimates", and other words of similar meaning. These statements are subject to risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, marketability of our products; legal and regulatory risks associated with the share exchange our ability to raise additional capital to finance our activities; the effectiveness, profitability and; the future trading of our common stock; our ability to operate as a public company; our ability to protect our proprietary information; general economic and business conditions; the volatility of our operating results and financial condition; our ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed from time to time in our filings with the SEC, or otherwise.

Information regarding market and industry statistics contained in this report is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not undertake any obligation to publicly update any forward-looking statements. As a result, investors should not place undue reliance on these forward-looking statements.

PART I

ITEM 1. BUSINESS

Overview

We are in the business of developing, producing, marketing and selling end consumer products to the nutraceutical industry containing the hemp plant extract, Cannabidiol ("CBD"), and reselling to third parties raw product acquired by us pursuant to our supply relationships in Europe. We seek to take advantage of an emerging worldwide trend to re-energize the production of industrial hemp and to foster its many uses for consumers. CBD is derived from hemp stalk and seed.

Historically cultivated for industrial and practical purposes, hemp is used today for textiles, paper, auto parts, biofuel, cosmetics, animal feed, supplements and much more. The global hemp market in 2015 is estimated to offer over 25,000 products – an impressive scope for such a historically misunderstood and restricted commodity. The market for hemp-derived products is expected to increase exponentially over the next five years, and CannaVest is well positioned to be a dominant player in the hemp industry.

Our operations initially consisted of supplying our raw product to third parties. However in the third quarter of 2013, we launched our first consumer products, which included tinctures and capsules under our *Cibdex*™ brand, and beauty products under our *Cibaderm*™ brand. During 2014, we launched PlusCBD™, our new brand that includes: oil, capsules, drops, CBD powder, water soluble CBD, various dietary supplements and beauty products. We expect to continue to add new products to our PlusCBD™ portfolio to enhance our line of CBD and hemp-related consumer products.

We expect to realize revenue to fund our working capital needs through the sale of raw and finished products to third parties. However, we cannot be assured that our working capital needs to develop, launch, market and sell our products will be met through the sale of raw and finished products to third parties. If not, we may not be able to maintain profitable operations. If we are unable to maintain profitable operations sufficient to fund our business, we would need to raise additional capital through either the issuance of equity, acquisition of debt or sale of a segment of our operations in the future. In the event we are unable to maintain profitable operations or raise sufficient additional capital, our ability to continue as a going concern would be in jeopardy and investors could lose all of their investment in the Company.

Current Operations

We currently manufacture, market, and sell products containing hemp-derived CBD. Hemp derived CBD is one of at least 80 cannabinoids found in hemp, and is non-psychoactive. It has been shown, in clinical settings, to not only promote overall wellness, but also to potentially treat a wide array of conditions. Dr. Sanjay Gupta's CNN documentary, *WEED*, was just the latest in an explosion of mainstream media attention to the therapeutic potential of CBD. We are already capitalizing on this exposure by offering safe, legal CBD from industrial hemp oil in a variety of consumer products.

Our current product portfolio includes:

1. *PlusCBD*™ – CannaVest branded CBD-rich industrial hemp oil packaged with the highest concentrations available, designed for health and wellness.
2. *Cibdex*™ – Both 25 mg CBD capsules and flavored tinctures packaged in bottles with concentrations of 100mg or 500 mg of CBD.
3. *Cibaderm*™ – Beauty products containing CBD-rich hemp oil including lotion, body wash, salve, shampoo, conditioner and hand cream.

Numerous other products are currently in development and we will continue to scale up our processing capability to accommodate new products in our pipeline.

Description of our Subsidiaries

The Company owns 100% of the issued and outstanding membership interests of three subsidiaries: US Hemp Oil, LLC ("US Hemp Oil"), CannaVest Laboratories, LLC (formerly, PhytoSPHERE Systems, LLC) ("CannaVest Laboratories") and Plus CBD, LLC (formerly, Global Hemp Source, LLC) ("Plus CBD").

US Hemp Oil provides farming, procurement, processing, marketing and distribution services of bulk wholesale hemp seed. In addition, US Hemp Oil is involved with industry advocacy, creating greater public awareness and media exposure for the nutritional profile of hemp seeds and the environmental benefits of growing industrial hemp. CannaVest Laboratories provides processing technology and product development of hemp-based nutraceutical products. Plus CBD is the operating entity for Company sales and expense of CBD oil and end consumer products.

Hemp – an Overview

Hemp is an industrial plant related to marijuana. Fiber from the plant has long been used to make paper, clothing, rope and other products. Hemp oil is found in body-care products such as lotion, soap and cosmetics and in a host of foods, including energy bars, waffles, milk-free cheese, veggie burgers and bread.

Numerous uses exist, including hemp plant extracts that are used as a medicine, nutritional supplements and food sources. Beyond this, applications into textiles, building materials, bio-fuels, paper, bio-plastics, livestock feed/bedding as well as personal care products are readily available.

Hemp is a cousin to marijuana as both are classified under the same biological category of *Cannabis L. Sativa*. The basic difference between the two is that marijuana has significant amounts of tetrahydrocannabinol (THC) (5-20%), a psychoactive ingredient; whereas hemp has virtually no THC (less than 0.3%). This 0.3% THC in hemp is not high enough to provide the colloquial “high” to support recreational usage. Typical marijuana ranges from 5-20% THC for psychoactive usage. Canada, China and the United Kingdom are examples of major industrialized countries that have grown hemp responsibly and thrived from their endeavors.

Inventory and Sales

Currently, we have over 1,000 metric tons of hemp oil inventory on hand or that is being processed. In addition, we have commitments from suppliers overseas for a significant amount of future inventory. Based on expected increasing demand, we have invested significant capital to develop and maintain relationships with growers on a global scale to ensure access to a significant percentage of the worldwide hemp crop. We source our raw materials from well-established and well-recognized hemp growers in Europe. We have contracts with these growers in place to ensure adequate supplies going forward. We have arrangements with some of these growers to have exclusive rights to their supply. Despite this already large footprint, we continue to explore and develop other relationships to ensure that we can meet the expected demand for bulk hemp products well into the future.

Subject to applicable law, the Company plans to initiate growing operations in the U.S., initially on a pilot scale with the goal of becoming a national grower of product.

Changes in the Law and Development Programs

For the first time since 1937, industrial hemp has been decriminalized at the federal level and can be grown legally in the United States, but on a limited basis. A landmark provision passed in the Agricultural Act of 2014 recognizes hemp as distinct from its genetic cousin, marijuana. Federal law now exempts industrial hemp from U.S. drug laws in order to allow for crop research by universities, colleges and state agriculture departments. The new Federal law allows for agricultural pilot programs for industrial hemp “in states that permit the growth or cultivation of hemp.”

In 2014, we entered an agreement with Kentucky’s Murray State University to assist in providing seeds, and also to provide agronomy, processing and quality testing consulting for the University’s hemp research pilot program under the Agricultural Act of 2014. We are working closely with Murray State to optimize hemp cultivars, yields and planting schematics. Additionally, we are pursuing opportunities within Kentucky to evaluate investment in processing equipment and mills.

Product Quality

Our laboratory and production facility is uniquely equipped with qualified industry leaders and state of the art equipment for testing constituents in hemp and extracting CBD from the plant base material. We have developed vigorous Quality Assurance/Quality Control processes and procedures to ensure safety and quality. Each product is tested multiple times for cannabinoid content, pesticide residues, aromatic terpene compounds, heavy metals and biological pathogens that could be harmful to the consumer. These protocols ensure that our products are safe, consistent and the highest quality on the market. In December 2014, we collaborated with *Project CBD*, which is a non-profit educational service dedicated to promoting and publicizing research into the medical utility of CBD. Project CBD’s mission is, in part, to support the efforts of physicians and other researchers to collect and publish data from patients to determine the patterns of CBD efficacy.

In our collaboration, we, together with Project CBD, had samples of our hemp oil tested by an independent analytical lab to determine the safety of our products. Specifically, the independent lab tested for the absence or presence of heavy metals and industrial solvent residues in our products. The testing showed no detectable levels of solvents and only trace elements of heavy metals well below acceptable levels established by the U.S. Pharmacopeia Convention.

Acquisition of PhytoSPHERE Systems, LLC

On December 15, 2012, we entered into an Agreement for Purchase and Sale of Assets (the "Purchase Agreement") with PhytoSPHERE Systems, LLC, a Delaware limited liability company ("PhytoSPHERE"), whereby on January 29, 2013, we acquired certain assets of PhytoSPHERE. Pursuant to the Purchase Agreement, we acquired from PhytoSPHERE tangible equipment, inventory including 460 kg of raw hemp oil, all URLs and domain names of PhytoSPHERE, all landline telephone numbers and postal addresses affiliated with PhytoSPHERE, an exclusive license to use the names "PhytoSPHERE" and "PhytoSPHERE Systems" in the development and commercialization of hemp-based products including CBD, existing bank accounts with a total balance of \$50,775, vendor lists, permits, licenses and other approvals, and all rights and obligations under existing and pending supply contracts.

Under current Federal regulations, hemp may be grown in the United States only under certain conditions. However, it may legally be imported pursuant to Federal and State regulation. Our acquisition of PhytoSPHERE's supply chain contracts allow us to secure raw hemp product from our European suppliers self-contained hemp cultivation and hemp oil processing facilities. Pursuant to the Purchase Agreement, we acquired from PhytoSPHERE all of its rights, and assumed all of its liabilities, under contracts to secure raw hemp products from production and processing facilities in Europe, which allows us to secure raw product for the development and production of our products. We also secured the exclusive license to the name "PhytoSPHERE" and "PhytoSPHERE Systems" for use in the development and commercialization of hemp-based products.

Purchase of the PhytoSPHERE assets has allowed us to develop broadly applicable raw ingredients, incorporate these raw ingredients in our own product lines and sell raw ingredients to third parties. Through our supply relationships, we are expanding our efforts to cultivate thousands of acres of industrial hemp in special microclimates located abroad. As demand for specialty hemp oil products continues to grow, we will develop a broader supply chain beyond those acquired from PhytoSPHERE, and are currently working to establish production in the United States in accordance with federal and state law. With our suppliers, we will manage the entire growth and manufacturing operation starting from the initial planting of specialty cultivars through the monitoring of the growth cycle to harvesting the crops and producing the end products.

In payment under the Purchase Agreement, we issued 5,825,000 shares of our common stock to PhytoSPHERE and paid \$950,000 in cash.

Disposition of investment in KannaLife Sciences, Inc.

On June 2, 2014, the Company sold its 24.97% equity investment in KannaLife Sciences, Inc. ("KannaLife") to PhytoSPHERE in exchange for 500,000 shares of Company common stock held by PhytoSPHERE, an affiliate of KannaLife. Accordingly, the Company recognized a gain on sale of equity investment of \$7,899,306 based on the number of shares of Company common stock received at the closing trading price of Company common stock on June 2, 2014 of \$16.60 per share.

Market, Customers and Distribution Methods

The market, customers and distribution methods for hemp-based products are large and diverse. These markets range from hemp-based bio plastics to textiles. This is an ever-evolving distribution system that today includes early adopter retailers and ecommerce entities, and product development companies that use our PlusCBD oil to develop consumer products for distribution. There are only a few outlets in mainstream commercial and retail stores that currently stock and sell our products. However, we believe that as awareness grows for the "green," environmentally-friendly products derived from hemp/cannabis, the industry will adapt its current product lines to integrate them with hemp-based additives or replace harmful components in their existing products with the components of hemp/cannabis.

To understand the market and consumers as well as distribution methods, we have studied all the uses of hemp/cannabis and its legal structure in the U.S. and abroad, including in the European Union, Africa and Latin America. There are more than 50,000 known uses for hemp/cannabis based products, most of which were used in the past and were replaced by cotton, petroleum/oil, concrete, corn and soybeans. We believe the market potentially represents billions of dollars in worldwide product sales. The Company will focus on products that we believe will have the greatest positive environmental impact, profitability and ease to market. These tend to be new, innovative products as well as the replacement of raw base materials for products that exist today, such as foods and nutritional supplements.

Our target customers are first and foremost end consumers via internet sales, direct-to-consumer health and wellness stores, collectives, cooperatives, affiliate sales and master distributors. Secondly, we are targeting manufacturers of products that can readily replace their raw base materials for our base materials, making the products more environmentally friendly and sustainable. Next, we will target national and regional broker networks and major distribution companies who have preexisting relationships with major retail chain stores. In addition, we are directly pursuing distribution opportunities with national retailers. As we continue to develop our business, these markets may change, be re-prioritized or eliminated as management responds to consumer and regulatory developments.

HempMeds Agreement

On August 11, 2014, we terminated the Non-Exclusive License and Distribution Agreement with HempMeds PX, LLC (the "HempMeds Agreement"). On or about August 13, 2014, HempMeds PX, LLC ("HempMeds") demanded arbitration against us and recommended that the parties engage Private Trials in Las Vegas, Nevada to conduct the arbitration, denying that HempMeds was in breach of the HempMeds Agreement. On August 22, 2014, HempMeds filed a complaint in the Eighth Judicial District, Clark County, Nevada (the "Nevada Complaint") against us for breach of the HempMeds Agreement, unjust enrichment, and interference with prospective business advantage, claiming that it had satisfied all of its obligations under the HempMeds Agreement and that we breached that agreement by terminating it without just cause. Concurrently, HempMeds filed a Motion for Preliminary Injunction, asking the Court to reinstate the HempMeds Agreement, namely the provision that identified HempMeds as the exclusive on-line seller of certain products of the Company. The court denied HempMeds' motion on October 3, 2014. We have not yet answered the Nevada Complaint because the parties have agreed to arbitration and are attempting to resolve the issue of where the arbitration will be held. We deny HempMeds' claims and intend to vigorously defend the allegations and file appropriate counter-claims. Since the action was recently filed and no discovery has been conducted, an estimate of the possible loss or recovery cannot be made at this time.

Competition

There are many developers of hemp-based consumer products, many of which are under-capitalized which we consider to be viable acquisition targets. We routinely evaluate opportunities to purchase existing product lines, sources of CBD and other assets from certain competing companies. There are also large, well-funded companies that currently do not offer hemp-based products but may do so in the future.

Intellectual Property

We have filed trademark applications on our brands, logos and marks including, but not limited to CannaVest, Cibaderm™, Cibdex™, Real Scientific Hemp Oil™ (RSHO), Plus CBD™ and CBD Simple™. We review our intellectual property portfolio on a periodic basis and we will continue to broaden our portfolio in a fiscally prudent manner. We intend to file for patent protection on certain products and methods important to our business, as those processes are developed and patentable. In connection with our purchase of assets from PhytoSPHERE, we acquired all URLs and domain names of PhytoSPHERE and an exclusive license to use the names "PhytoSPHERE" and "PhytoSPHERE Systems" in the development and commercialization of hemp-based products, including CBD.

Research and Development

We opened a laboratory facility in San Diego, California in September 2013. Our lab specializes in process development and product testing. We incurred research and development expenses of \$999,280 and \$524,476, respectively, for the years ended December 31, 2014 and 2013.

Source and Availability of Raw Materials

The Company is a party to a contract for the growth and processing of 2,600 kilograms of product currently being delivered and scheduled to be delivered through August 31, 2015. The total amount left to be paid under this contract is approximately \$7.2 million through December 2015. The Company is party to a second purchasing contract to provide up to 1 million kilograms of raw product to the Company. There is approximately \$1.8 million remaining to be paid under this second contract through December 31, 2015. We have contractual rights for the growth and processing of hemp oil for delivery through October 2018 under both of these contracts. We anticipate the cost under both contracts will remain consistent with current year prices.

Employees

As of March 26, 2015, we have 34 full-time employees and 2 part-time employees. We are currently in discussions with qualified individuals to engage them for positions in sales and marketing, research and development, and operations. Management believes the Company has good relationships with its employees.

ITEM 1A. RISK FACTORS

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K.

ITEM 2. PROPERTIES

The Company leases certain office space in Las Vegas, Nevada pursuant to a month-to-month lease agreement dated April 1, 2013, which provides for a monthly rent of \$1,500. The landlord is a limited liability company of which a former director of the Company is the sole member.

On March 27, 2014, the Company entered into a lease for 5,325 square feet of office space in San Diego, California for a term of 39 months. The monthly base rent under the lease is approximately \$12,250, subject to an increase of 3% annually. The lease allows for rent abatement allowing one month free rent following each 12 month period of paid rent during the term of the lease. The lease commenced on May 7, 2014, the date the Company took possession of the new space. On December 24, 2014, the Company entered into a new lease for a 4,966 square foot expansion of its San Diego office facilities. The term of the office expansion lease extends to August 2017 and includes monthly base rent of \$12,247.

On August 13, 2013, the Company entered into a lease for approximately 2,400 square feet laboratory space in San Diego, California. The monthly base rent was approximately \$4,200 per month for a term of 12 months. On April 1, 2014, the Company entered into an amendment to increase the amount of laboratory space under the lease and extended the term of the lease for one additional year through August 2015. This amendment increased the amount of lab space under lease to 3,276 and added storage space for an additional 887 square feet. The monthly base rent under the lease was increased to approximately \$6,320 per month. On February 23, 2015, the Company entered into another amendment to again increase the amount of laboratory space under the lease and extended the term of the lease through December 31, 2016. This amendment increased the amount of lab space under lease to 4,315 square feet, and increased the monthly base rent under the lease to \$7,798.

On May 13, 2014, the Company entered into a lease for approximately 5,000 square feet of warehouse space in San Diego, California for a term of 3 years. The base rent under this lease is \$5,000 per month.

ITEM 3. LEGAL PROCEEDINGS

On March 8, 2008, Far West Industries ("Far West") sued Michael J. Mona, Jr., President and Chief Executive Officer of the Company and others for damages resulting from fraud arising out of a land transaction in California (the "California Action"). On February 23, 2012, a judgment was entered in the California Action in favor of Far West against Mr. Mona and others in the amount of \$17,777,562. On October 18, 2012, the judgment in the California Action was domesticated in Nevada and enforcement proceedings commenced including, but not limited to an examination of Mr. Mona as a judgment debtor, and garnishments of various accounts belonging to Mr. Mona. During the period, Mr. Mona loaned \$3,000,000 to Roen Ventures, which was subsequently loaned to the Company. The suit alleges that the loan transactions were intended to prejudice creditors like Far West by concealing and wasting assets that would otherwise be available to satisfy the judgment that Far West has against Mr. Mona. Pursuant to a Second Amendment Complaint filed by Far West Industries on February 20, 2014, the Company was added as a defendant to the suit. On March 17, 2014, the Company was served with a complaint from Far West Industries. In summary, Far West alleges that the Company is in possession of funds as a result of an allegedly fraudulent transfer between Mr. Mona, Roen Ventures, LLC, and the Company. On May 13, 2014, a motion to dismiss filed by the Company was granted and thus, the Company will no longer be a defendant in the lawsuit. Although Far West's counsel thereafter filed a Third Amended Complaint which improperly sought to re-name the Company as a defendant, on October 16, 2014, Far West filed a dismissal of the Company after the Company threatened to bring a motion for sanctions for violating the Court order of May 13, 2014. Accordingly, the Company has been formally dismissed from the action.

On April 23, 2014, Tanya Sallustro filed a purported class action complaint (the "Complaint") in the Southern District of New York (the "Court") alleging securities fraud and related claims against the Company and certain of its officers and directors and seeking compensatory damages including litigation costs. Ms. Sallustro alleges that between March 18-31, 2014, she purchased 325 shares of the Company's common stock for a total investment of \$15,791.00. The Complaint refers to Current Reports on Form 8-K and Current Reports on Form 8-K/A filings made by the Company on April 3, 2014 and April 14, 2014, in which the Company amended previously disclosed sales (sales originally stated at \$1,275,000 were restated to \$1,082,375 - reduction of \$192,625) and restated goodwill as \$1,855,512 (previously reported at net zero). Additionally, the Complaint states after the filing of the Company's Current Report on Form 8-K on April 3, 2014 and the following press release, the Company's stock price "fell \$7.30 per share, or more than 20%, to close at \$25.30 per share." Subsequent to the filing of the Complaint, six different individuals have filed a motion asking to be designated the lead plaintiff in the litigation. The Court scheduled a hearing on August 14, 2014 to consider the motions for designation as lead plaintiff. The other individuals seeking lead plaintiff designation are: Wayne Chesner; Anamaria Schelling; Mark Williams; Otilda LaMont; Jane Ish and Steve Schuck. After a hearing held on August 14, 2014, the Court took the matter under submission. On March 19, 2015, the Court issued a ruling appointing Steve Schuck as lead plaintiff and setting an initial pre-trial conference for April 30, 2015. The Company has not yet answered the Complaint but management intends to vigorously defend the allegations.

On March 17, 2015, shareholder Michael Ruth filed a shareholder derivative suit in Nevada District Court alleging two causes of action: 1) Breach of Fiduciary Duty, and 2) "Gross Mismanagement." The claims are premised on the same event as the already-pending securities class action case in New York - it is alleged that the Form 8-K filings misstated goodwill and sales of the Company, which when corrected, lead to a significant drop in stock price. The Company has not been served with the Complaint but intends to vigorously defend the case after service is made.

On August 11, 2014, we terminated the Non-Exclusive License and Distribution Agreement with HempMeds PX, LLC (the "HempMeds Agreement"). On or about August 13, 2014, HempMeds PX, LLC ("HempMeds") demanded arbitration against us and recommended that the parties engage Private Trials in Las Vegas, Nevada to conduct the arbitration, denying that HempMeds was in breach of the HempMeds Agreement. On August 22, 2014, HempMeds filed a complaint in the Eighth Judicial District, Clark County, Nevada (the "Nevada Complaint") against us for breach of the HempMeds Agreement, unjust enrichment, and interference with prospective business advantage, claiming that it had satisfied all of its obligations under the HempMeds Agreement and that we breached that agreement by terminating it without just cause. Concurrently, HempMeds filed a Motion for Preliminary Injunction, asking the Court to reinstate the HempMeds Agreement, namely the provision that identified HempMeds as the exclusive on-line seller of certain products of the Company. The court denied HempMeds' motion on October 3, 2014. We have not yet answered the Nevada Complaint because the parties have agreed to arbitration and are attempting to resolve the issue of where the arbitration will be held. We deny HempMeds' claims and intend to vigorously defend the allegations and file appropriate counter-claims. Since the action was recently filed and no discovery has been conducted, an estimate of the possible loss or recovery cannot be made at this time.

On September 11, 2014, we filed a complaint for trademark infringement against Kannaway, LLC, General Hemp, LLC and HDDC Holdings, LLC (collectively, "defendants") in the United States District Court, Southern District of California, Case No. 14-cv-2160-CAB-BJM, asserting that defendants have infringed on CannaVest's Cannabis Beauty® and Cannabis Beauty Defined trademarks. CannaVest alleges, among other things, that defendant HDDC Holdings, LLC ("HDDC") assigned its rights in the CANNABIS BEAUTY DEFINED® mark to CannaVest (the "HDDC Assignment") which was promptly filed with the USPTO but, despite the foregoing, HDDC's sister company, defendant Kannaway, LLC ("Kannaway"), is improperly using the trademark on personal care products in competition with CannaVest. On February 20, 2015, Defendants filed a counterclaim against CannaVest, asserting that the HDDC Assignment was signed under "duress" and that HDDC licensed the mark to the other defendants for 50 years before it assigned the mark to CannaVest. Lastly, Counterclaimants assert claims for unfair competition against CannaVest, although they do not identify the commercial activity giving rise to the claim. We filed a Motion to Dismiss the counterclaim which will be heard on April 17, 2015. On February 12, 2015, the Court granted our motion for preliminary injunction, enjoining defendants from using the Cannabis Beauty Defined trademark or any confusingly similar mark. CannaVest has posting an undertaking for \$1.2M to secure the preliminary injunction under FRCP 65(c). Management intends to vigorously prosecute this complaint and defend the counterclaims. Since no discovery has been conducted, an estimate of the possible recovery or loss cannot be made at this time.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the OTC Bulletin Board under the symbol "CANV". Trading of securities on the OTC Bulletin Board is often sporadic and investors may have difficulty buying and selling or obtaining market quotations.

The following table sets forth the reported high and low closing bid prices for our common stock as reported on the OTC Bulletin Board for the following periods. These prices do not include retail mark-ups, markdowns or commissions, and may not necessarily represent actual transactions.

Fiscal Year Ended December 31, 2014

	High	Low
First quarter	\$ 201.00	\$ 26.24
Second quarter	\$ 38.60	\$ 12.70
Third quarter	\$ 14.00	\$ 1.94
Fourth quarter	\$ 3.84	\$ 2.25

Fiscal Year Ended December 31, 2013

	High	Low
First quarter	\$ 18.95	\$ 4.50
Second quarter	\$ 20.00	\$ 10.01
Third quarter	\$ 39.00	\$ 12.00
Fourth quarter	\$ 45.00	\$ 0806.90

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No cash dividends have been paid on our common stock for the 2014 and 2013 fiscal years and no change of this policy is under consideration by our Board.

The payment of cash dividends in the future will be determined by our Board in light of conditions then existing, including our earnings, financial requirements, and opportunities for reinvesting earnings, business conditions, and other factors. There are otherwise no restrictions on the payment of dividends. There were more than 8,000 shareholders of record of our common stock on March 31, 2015.

We did not repurchase any shares of our common stock during the fiscal year covered by this report. However, on June 2, 2014, the Company sold its capital stock in Kannalife to PhytoSPHERE in exchange for 500,000 shares of the Company's common stock held by PhytoSPHERE.

See the "Equity Compensation Plan Information" table in Item 12 of this Annual Report on Form 10-K.

Recent Sales of Unregistered Securities

As previously reported on the Company's Current Report on Form 8-K filed with the SEC on April 3, 2014, between April 3, 2014 and April 23, 2014, the Company sold an aggregate of 781,666 shares of its restricted common stock for an aggregate purchase price of \$1,142,500 pursuant to a private placement offering unanimously approved by the Board of Directors to sell up to \$15 million of restricted common stock to accredited investors. On April 23, 2014, the Board of Directors terminated the offering.

On January 28, 2015, we commenced an offering whereby the Company intends to sell up to 12 million shares of its restricted common stock in a private placement to accredited investors at a price per share of \$2.00 (the "Offering"). The issuance of the shares in connection with the Offering was exempt from registration under the Securities Act of 1933, as amended (the "Act"), in reliance on exemptions from the registration requirement of the Act in transaction not involve in a public offering pursuant to Rule 506(b) of Regulation D, as Promulgated by the Securities and Exchange Commission under the Act.

As of March 31, 2015, the Company sold an aggregate of 1,260,000 shares of its restricted common stock pursuant to the Offering to 27 investors for an aggregate purchase price of \$2,520,000.

The shares of common stock referenced herein were issued in reliance upon the exemption from securities registration afforded by the provisions of Section 4(2) of the Securities Act of 1933, as amended, ("Securities Act"), and/or Regulation D, as promulgated by the U.S. Securities and Exchange Commission under the Securities Act, based upon the following: (a) each of the persons to whom the shares of common stock were issued (each such person, an "Investor") confirmed to the Company that it is an "accredited investor," as defined in Rule 501 of Regulation D promulgated under the Securities Act and has such background, education and experience in financial and business matters as to be able to evaluate the merits and risks of an investment in the securities, (b) there was no public offering or general solicitation with respect to the offering of such shares, (c) each investor was provided with certain disclosure materials and all other information requested with respect to the Company, (d) each investor acknowledged that all securities being purchased were being purchased for investment intent and were "restricted securities" for purposes of the Securities Act, and agreed to transfer such securities only in a transaction registered under the Securities Act or exempt from registration under the Securities Act and (e) a legend has been, or will be, placed on the certificates representing each such security stating that it was restricted and could only be transferred if subsequently registered under the Securities Act or transferred in a transaction exempt from registration under the Securities Act.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of SEC Regulation S-K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations for the years ended December 31, 2014 and December 31, 2013 should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this Annual Report on Form 10-K. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under the Risk Factors appearing earlier in this Current Report. We use words such as "anticipate," "estimate," "plan," "project," "continue," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements.

OVERVIEW

Our business focus is to produce, market and distribute hemp-based consumer products as well as supply raw hemp products including CBD to third parties in the industry. We cannot assure you that market conditions or our financial resources will be sufficient to undertake these and other steps that we anticipate will be necessary. The development of products in this highly regulated industry carries significant risks and uncertainties that are beyond our control. As a result, we cannot assure that we will successfully market and sell our planned products or, if we are able to do so, that we can achieve sales volume levels that will allow us to cover our fixed costs.

We expect that we will need to raise approximately \$15 million in the next 12 months to fund our business and have begun raising funds under a private placement. Given the small size of our company and the early stage of our operations, we may find it difficult to raise sufficient capital to meet our needs. We do not have any firm commitments for all of our capital needs, and there are no assurances it will be available to us. If we are unable to access capital as necessary, our ability to generate revenues and to continue as a going concern will be in jeopardy.

Non-GAAP Financial Measures

We currently focus on Adjusted EBITDA to evaluate our business relationships and our resulting operating performance and financial position. Adjusted EBITDA is defined as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash expenses and other adjustments as set forth below. We present Adjusted EBITDA because we consider it an important measure of our performance and it is a meaningful financial metric in assessing our operating performance from period to period by excluding certain items that we believe are not representative of our core business, such as certain non-cash items and other adjustments.

We believe that Adjusted EBITDA, viewed in addition to, and not in lieu of, our reported results in accordance with accounting principles generally accepted in the United States ("GAAP"), provides useful information to investors regarding our performance for the following reasons:

- because non-cash equity grants made to employees and non-employees at a certain price and point in time do not necessarily reflect how our business is performing at any particular time, stock-based compensation expense is not a key measure of our operating performance; and
- revenues and expenses associated with acquisitions, dispositions, equity issuance and related offering costs can vary from period to period and transaction to transaction and are not considered a key measure of our operating performance.

We used Adjusted EBITDA:

- as a measure of operating performance;
- to evaluate the effectiveness of our business strategies; and
- in communication with our board of directors concerning our financial performance

Adjusted EBITDA is a non-GAAP measure and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. The term Adjusted EBITDA is not defined under GAAP, and Adjusted EBITDA is not a measure of net income (loss), operating income or any other performance measure derived in accordance with GAAP.

Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect all cash expenditures, future requirements for capital expenditures or contractual requirements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; and
- Adjusted EBITDA can differ significantly from company to company depending on strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, the level of capital investment, thus, limiting its usefulness as a comparative measure.

Adjusted EBITDA should not be considered as a measure of discretionary cash available to us for investment in our business. We compensate for these limitations by relying primarily on GAAP results and using Adjusted EBITDA as supplemental information.

A reconciliation from our net loss to Adjusted EBITDA, a non-GAAP measure, for the years ended December 31, 2014 and 2013 is detailed below:

	For the Years Ended December 31,	
	2014	2013
Net loss	\$ (1,311,951)	\$ (2,300,196)
Interest income	(30,703)	-
Interest expense	615,344	372,109
Income tax expense	-	-
Amortization of purchased intangible assets	821,500	753,500
Depreciation of property & equipment	112,100	13,754
EBITDA	206,290	(1,160,833)
EBITDA Adjustments:		
Stock-based compensation expense (1)	7,957,988	-
Kannalife Sciences disposition related revenues (2)	(7,899,306)	-
Allocated loss on Kannalife Sciences equity investment (3)	38,552	310,754
Other	34,816	-
Total EBITDA Adjustments	132,050	310,754
Adjusted EBITDA	\$ 338,340	\$ (850,079)

(1) Represents stock-based compensation expense related to stock options awarded to employees, consultants and non-executive directors based on the grant date fair value under the Black-Scholes valuation model.

(2) Represents non-cash revenues related to sale of Kannalife Sciences equity investment.

(3) Represents allocated losses related to Kannalife Sciences investment.

Critical Accounting Policies

The preparation of these financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. On an ongoing basis management evaluates its critical accounting policies and estimates.

A "critical accounting policy" is one which is both important to the understanding of the financial condition and results of operations of the Company and requires management's most difficult, subjective, or complex judgments, and often requires management to make estimates about the effect of matters that are inherently uncertain. Management believes the following accounting policies fit this definition:

Acquisition of PhytoSPHERE Assets - We have accounted for the acquisition of the assets of PhytoSPHERE Systems, LLC in accordance with the Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC Topic 805"). ASC Topic 805 establishes principles and requirements for recognizing and measuring the total consideration transferred to and the assets acquired, liabilities assumed and any non-controlling interests in the acquired target in an asset purchase. ASC Topic 805 also provides guidance for recognizing and measuring goodwill acquired and other tangible and intangible assets.

Accounts receivable - Accounts receivable consists of trade accounts arising in the normal course of business. No interest is charged on past due accounts. Accounts for which no payments have been received after 30 days are considered delinquent and customary collection efforts are initiated. Accounts receivable are carried at original invoice amount less a reserve made for doubtful receivables based on a review of all outstanding amounts on a quarterly basis.

Management has determined the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history, and current economic conditions. As of December 31, 2014 and 2013, we recorded an allowance for doubtful accounts related to our accounts receivable in the amount of \$100,000 and \$400,000, respectively.

Inventory - Inventory is stated at lower of cost or market, with cost being determined on average cost basis. There was no reserve for obsolete inventory as of December 31, 2014 and 2013. Amounts paid to suppliers for inventory not received is classified as prepaid inventory. Once received, the cost of inventory received is reclassified to inventory.

Revenue Recognition - Our revenue recognition policy is consistent with the criteria set forth in Staff Accounting Bulletin 104— *Revenue Recognition* ("SAB 104") for determining when revenue is realized or realizable and earned. We recognize revenue in accordance with the requirements of SAB 104 that:

- persuasive evidence of an arrangement exists including a signed purchase order;
- delivery has occurred;
- the seller's price to the buyer is fixed or determinable; and
- collectability is reasonably assured.

The Company recognizes revenue in accordance with the ASC Topic 605, *Revenue Recognition* ("ASC Topic 605") which requires persuasive evidence of an arrangement, delivery of a product or service, a fixed or determinable price and assurance of collection within a reasonable period of time. The Company records revenue when goods are delivered to customers and the rights of ownership have transferred from the Company to the customer.

Long-Lived Assets - In accordance with ASC Topic 360, "Accounting for the Impairment or Disposal of Long-Lived Assets," the Company reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property and equipment is measured by comparing its carrying value to the undiscounted projected future cash flows that the asset(s) are expected to generate. If the carrying amount of an asset is not recoverable, we recognize an impairment loss based on the excess of the carrying amount of the long-lived asset over its respective fair value, which is generally determined as the present value of estimated future cash flows or at the appraised value. The impairment analysis is based on significant assumptions of future results made by management, including revenue and cash flow projections. Circumstances that may lead to impairment of property and equipment include a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition and a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset including an adverse action or assessment by a regulator.

Goodwill and Intangible Assets - The Company evaluates the carrying value of goodwill during the fourth quarter of each year and between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such circumstances could include, but are not limited to (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. When evaluating whether goodwill is impaired, the Company compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill. The fair value of the reporting unit is estimated using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data. If the carrying amount of a reporting unit exceeds its fair value, then the amount of the impairment loss must be measured. The impairment loss would be calculated by comparing the implied fair value of reporting unit goodwill to its carrying amount. In calculating the implied fair value of reporting unit goodwill, the fair value of the reporting unit is allocated to all of the other assets and liabilities of that unit based on their fair values. The excess of the fair value of a reporting unit over the amount assigned to its other assets and liabilities is the implied fair value of goodwill.

We make critical assumptions and estimates in completing impairment assessments of goodwill and other intangible assets. Our cash flow projections look several years into the future and include assumptions on variables such as future sales and operating margin growth rates, economic conditions, market competition, inflation and discount rates.

We amortize the cost of other intangible assets over their estimated useful lives, which range up to five years, unless such lives are deemed indefinite. Intangible assets with indefinite lives are tested in the fourth quarter of each fiscal year for impairment, or more often if indicators warrant.

Stock-Based Compensation - Certain employees, officers, directors and consultants of the Company participate in various long-term incentive plans that provide for granting stock options and restricted stock awards. Stock options generally vest in equal increments over a two- to four-year period and expire on the tenth anniversary following the date of grant. Restricted stock awards generally vest 100% at the grant date.

The Company recognizes stock-based compensation for equity awards granted to employees, officers, and directors as compensation and benefits expense on the consolidated statements of operations. The fair value of stock options is estimated using a Black-Scholes valuation model on the date of grant. The fair value of restricted stock awards is equal to the closing price of the Company's stock on the date of grant. Stock-based compensation is recognized over the requisite service period of the individual awards, which generally equals the vesting period.

The Company recognizes stock-based compensation for equity awards granted to consultants as selling, general and administrative expense on the consolidated statements of operations. The fair value of stock options is estimated using a Black-Scholes valuation model on the date of grant and unvested shares are revalued at each reporting period. The fair value of restricted stock awards is equal to the closing price of the Company's stock on the date of grant multiplied by the number of shares awarded. Stock-based compensation is recognized over the requisite service period of the individual awards, which generally equals the vesting period.

Recent Accounting Pronouncements

Refer to Note 2 of our consolidated financial statements for a discussion of recent accounting standards and pronouncements.

Results of Operations

Year ended December 31, 2014 vs. December 31, 2013

Revenues

We had sales of \$10,190,667 and gross profit of \$5,803,665, representing a gross profit percentage of 56.9% for the year ended December 31, 2014 versus sales of \$2,154,063 and gross profit of \$1,273,593, representing a gross profit percentage of 59.1% for the year ended December 31, 2013. The sales increase in 2014 over 2013 is the result of the Company's expansion of its existing customer markets.

Selling, general and administrative expenses - For the year ended December 31, 2014, the Company incurred selling, general and administrative (the "SG&A") expenses in the amount of \$13,357,633 compared with \$2,366,450 for the year ended December 31, 2013. This increase is primarily driven by the continued growth of Company operations, increase in our headcount, marketing and legal expense, and stock based compensation. SG&A expense during 2014 includes \$7,851,685 of stock-based compensation, a non-cash expense. Our legal expenses have increased due to various matters that we are vigorously defending. The SG&A expenses include \$821,500 and \$753,500 of amortization expense of intangible assets acquired through the Agreement for Purchase and Sale of Assets (the "PhytoSPHERE Agreement") entered into by the Company with PhytoSPHERE for the years ended December 31, 2014 and 2013, respectively.

Research and development expenses - For the years ended December 31, 2014 and 2013, the Company incurred research and development expenses of \$999,280 and \$524,476, respectively. These expenses are related to the cost of process development, rental of our laboratory facility, payroll expenses, laboratory supplies, product development and testing, and outsourced research personnel for the period. The increase in 2014 over 2013 relates primarily to expansion of our laboratory facility and related expenses. Research and development expense during 2014 includes \$64,148 of stock-based compensation, a non-cash expense.

Interest income/expense - Interest income was \$30,703 and \$0, respectively, for the years ended December 31, 2014 and 2013. Interest expense was \$615,344 for the year ended December 31, 2014 versus interest expense of \$372,109 for the year ended December 31, 2013. Interest for 2014 includes interest accrued under the Roen Ventures Note in the amount of \$25,870 and \$589,474 representing the amortization of the remaining debt discount at the date of conversion. Interest for 2013 includes \$161,583 of interest accrued on the note payable to Roen Ventures plus \$210,526 as amortization of the discount calculated on the note payable to Roen Ventures, LLC related to a beneficial conversion feature.

Gain/Loss on Equity Investment - For the years ended December 31, 2014 and 2013, the Company recognized losses of \$38,552 and \$310,754, respectively, representing its pro rata share (24.97%) of the loss of Kannalife. On June 2, 2014, the Company sold its 24.97% equity investment in Kannalife to PhytoSPHERE in exchange for 500,000 shares of Company common stock held by PhytoSPHERE, an affiliate of Kannalife. Accordingly, the Company recognized a gain on sale of equity investment of \$7,899,306 based on the number of shares of Company common stock received at the closing trading price of Company common stock on June 2, 2014 of \$16.60 per share.

Liquidity and Capital Resources

A summary of our changes in cash flows for the years ended December 31, 2014 and 2013 is provided below:

	For the years ended December 31,	
	2014	2013
Net cash flows provided by (used in):		
Operating activities	\$ (6,711,999)	\$ (4,879,234)
Investing activities	(1,384,384)	(1,875,819)
Financing activities	8,155,131	8,998,292
Net increase in cash	\$8,748	2,243,239
Cash, beginning of year	2,243,670	431
Cash, end of year	\$ 2,302,418	\$ 2,243,670

Cash requirements and liquidity needs are primarily funded through our cash flow from operations and our ability to obtain proceeds from selling Company stock.

Operating Activities

Net cash provided by or used in operating activities includes net loss adjusted for non-cash expenses such as depreciation and amortization, loss on equity investment, gain on sale of equity investment, bad debt expense and stock-based compensation. Operating assets and liabilities primarily include balances related to funding of inventory purchases and customer accounts receivable. Operating assets and liabilities that arise from the funding of inventory purchases and customer accounts receivable can fluctuate significantly from day to day and period to period depending on the timing of inventory purchases and customer behavior.

Net cash used in operating activities for the years ended December 31, 2014 and 2013 totaled \$6,711,999 and \$4,879,234, respectively. Cash used for prepayments of inventory and inventory purchases was approximately \$7,977,718 for the year ended December 31, 2014 compared to \$2,602,166 for the year ended December 31, 2013. Cash provided by accounts receivable collection was \$1,205,952 for the year ended December 31, 2014 compared to \$1,744,064 used to fund accounts receivable for the year ended December 31, 2013. During the year ended December 31, 2014, collection of accounts receivable was greater than anticipated resulting in a \$300,000 reduction of our allowance for doubtful accounts with a corresponding adjustment (credit) to bad debt expense of \$300,000. Cash provided by accounts payable and accrued expenses was \$369,411 for the year ended December 31, 2014 and \$247,325 for the year ended December 31, 2013. Amortization of the debt discount totaled \$589,474 for the year ended December 31, 2014 compared to \$210,526 for the year ended December 31, 2013. Additionally, in June 2014, the Company sold its 24.97% equity investment in KannaLife to PhytoSPHERE in exchange for 500,000 shares of Company common stock held by PhytoSPHERE, an affiliate of KannaLife. Accordingly, the Company recognized a gain on sale of equity investment of \$7,899,306 based on the number of shares of Company common stock received at the closing trading price of Company common stock on June 2, 2014 of \$16.60 per share. This was a non-cash transaction and accordingly is an adjustment to cash used in operating activities for the year ended December 31, 2014. Stock-based compensation totaled \$7,915,833 for the year ended December 31, 2014 while there was no expense in 2013. Depreciation and amortization totaled \$933,600 for the year ended December 31, 2014 compared to \$767,254 for the year ended December 31, 2013.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2014 and 2013 totaled \$1,384,384 and \$1,875,819, respectively. The net cash used in investing activity for the year ended December 31, 2014 consisted of \$449,211 of property and equipment purchases, \$264,827 of principal repayments on note receivable and issuance of a \$1,200,000 note receivable in connection with sale of inventory to a customer. The net cash used in investing activity for the year ended December 31, 2013 consisted primarily of cash paid for the PhytoSPHERE Agreement totaling \$950,000 and the investment in KannaLife totaling \$750,000.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2014 and 2013 totaled \$8,155,131 and \$8,998,292, respectively. Cash flows provided by financing activities in 2014 primarily include \$8,247,500 in proceeds from the sale of common stock. Cash flows provided by financing activities in 2013 primarily include proceeds of \$6,192,069 from the Roen Ventures, LLC loan and \$2,731,423 in proceeds from the sale of common stock.

The Company has yet to attain a level of operations which allows it to meet operating and working capital cash flow needs. Therefore, the Company has commenced an offering and plans to raise an additional amount up to \$24 million through a private placement. We expect to be dependent upon obtaining additional financing in order to adequately fund working capital, infrastructure and expenses in order to execute plans for future operations so that we can achieve a level of revenue adequate to support our cost structure, none of which can be assured.

Off-Balance Sheet Arrangements

The Company has two supply agreements in place with European farmers to supply raw material in future years. These arrangements are critical to Company operations since the worldwide supply of raw hemp is currently limited.

The first contract is for the growth and processing of 2,600 kilograms of product currently being delivered and scheduled to be delivered through August 31, 2015. The total amount left to be paid under this contract is approximately \$7.2 million through December 2015. The second contract provides up to 1 million kilograms of raw product to the Company. There is approximately \$1.8 million remaining to be paid under this second contract. We have contractual rights for the growth and processing of hemp oil for delivery through October 2018 under both of these contracts. We anticipate the cost under both contracts will remain consistent with current year prices.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The full text of the Company's audited consolidated financial statements for the fiscal years ended December 31, 2014 and 2013, begins on page E-1 of this Annual Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

Our management, which is comprised of one person holding the offices of President and Chief Executive Officer and one person holding the offices of Chief Financial Officer and Secretary, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) as of the end of the period covered by this report (the "Evaluation Date"). Based on such evaluation, our management concluded that our disclosure controls and procedures were not effective, at a reasonable assurance level, as of the Evaluation Date, to ensure that information required to be disclosed in reports that we file or submit under that Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management in a manner that allows timely decisions regarding required disclosures.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in rule 13a-15(f) of the Exchange Act. The Company's internal control system is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its *inherent limitation*, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

An evaluation was performed under the supervision and with the participation of the Company's management of the effectiveness of the design and operation of the Company's procedures and internal control over financial reporting as of December 31, 2014. In making this assessment, the Company used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework of 1992 (the "1992 COSO Framework"). The Company is in the process of integrating the updated, 2013 version of the 1992 COSO Framework. Based on that evaluation, the Company's management concluded that the Company's internal controls over financial reporting were not effective in that there were material weaknesses as of December 31, 2014. See *Inherent Limitations of Internal Controls* for discussion of material weaknesses.

The Company has a small Board of Directors (3 members) and does not provide sufficient entity level oversight over financial reporting due to its small size. All three current Board members also function as the Company's audit committee. The Company is evaluating expansion of its current Board, including the addition of an independent Board member with sufficient accounting and financial experience to chair the audit committee.

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls.

Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, wherein non-accelerated filers are exempt from Sarbanes-Oxley internal control audit requirements.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in our internal control over financial reporting identified in connection with our evaluation that occurred during the year ended December 31, 2014, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention and overriding of controls and procedures. A control system, no matter how well conceived and operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of the control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur due to human error or mistake. Additionally, controls, no matter how well designed, could be circumvented by the individual acts of specific persons within the organization. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated objectives under all potential future conditions.

Management is aware that there is a lack of segregation of duties and accounting personnel with appropriate qualifications at the Company due to the small number of employees dealing with general administrative and financial matters. This constitutes a deficiency in the internal controls. Management has taken steps to rectify these deficiencies. The Company hired a full-time Chief Financial Officer in June 2014 who is focused on developing policies and procedures to require proper segregation of duties. In addition, the Company hired a new Controller in November 2014 and an Assistant Controller in February 2015.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

THE DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Our executive officers, key employees and directors are listed in the below table. There are no arrangements, agreements or understandings between non-management security holders and management under which non-management security holders may directly or indirectly participate in or influence the management of our affairs. There are no arrangements or understandings between any director and any other person pursuant to which any director or executive officer was or is to be selected as a director or executive officer, as applicable. There currently are no legal proceedings, and during the past ten years there have been no legal proceedings that are material to the evaluation of the ability or integrity of any of our directors or director nominees.

Name	Age	Position	Director since the below date (1)
Michael Mona, Jr. (1,2)	60	Director, President and Chief Executive Officer	January 28, 2013 (2)
Joseph Dowling (4)	57	Chief Financial Officer, Secretary	
Michael Mona, III (3)	29	Vice President, Operations	
Bart P. Mackay (1)	58	Director	March 14, 2013
Larry Raskin	58	Director	May 7, 2014

(1) Each director serves until the next annual meeting of stockholders.

(2) Elected as President and Chief Executive Officer on November 16, 2012

(3) Appointed as Vice President, Operations on July 25, 2013

(4) Appointed as Secretary on August 25, 2014

Michael Mona, Jr. Mr. Mona possesses over 25 years of experience in the field of construction, investments and project development, holding various senior positions in these fields since 1987. Since 1994, Mr. Mona has served as the President of M&M Development, Inc. and in such role has overseen the construction and operation of various apartment projects, hotels and recreational vehicle parks throughout Las Vegas, Nevada. As our President, Mr. Mona is specially qualified to serve on the Board because of his detailed knowledge of our operations and market.

Joseph Dowling. Mr. Dowling was appointed as Chief Financial Officer of the Company on June 16, 2014 and was appointed Secretary on July 23, 2014. Prior to his appointment as CFO, Mr. Dowling held numerous senior positions including President and Chief Financial Officer of MediVas, LLC, a life science company, and from 1998 to 2005 served as a Managing Director at Citigroup, a global financial services firm. Earlier in his career, Mr. Dowling served in various finance and accounting roles in both public accounting and in the banking industry. Mr. Dowling graduated from University of California, Los Angeles in Economics and is a certified public accountant.

Michael Mona, III. Mr. Mona graduated from the University of San Diego in 2009, with a Bachelor of Arts in Business Administration. Mr. Mona has been since 2009 a managing member of Mona Co. Development, and prior to joining the Company in 2013 was the President and Managing Member of Caps of SD LLC. Prior to joining the Company, Mr. Mona was Vice President, Product Development for Medical Marijuana, Inc., and was responsible for the development and testing of hemp-based products.

Bart P. Mackay. Mr. Mackay is an attorney licensed since 1984 with emphasis in corporate finance, technology and entrepreneurial legal matters. Mr. Mackay has been a principal of Mackay Ventures, Inc. since 2001. Mr. Mackay has extensive experience in establishing and developing new enterprises both from management and operational aspects, including the formation and growth of several of his own ventures. Mr. Mackay's extensive business background makes him a valuable addition to the Board.

Larry Raskin. Mr. Raskin was initially appointed as a director of the Company on May 7, 2014. Mr. Raskin has been the Global Vice President of Leadership Development of ACN Inc., a telecommunications company, since 2012. Mr. Raskin joined ACN Inc. in 1994 and has held various positions in the company, including Vice President of Sales North America from 2001 to 2006 and Senior Vice President in 2012 prior to stepping into his current position. Prior to joining ACN Inc., Mr. Raskin was National Marketing Director at National Safety Associates of Memphis, Tennessee from 1988 to 1994. Mr. Raskin's extensive business background makes him a valuable addition to the Board.

CORPORATE GOVERNANCE

General

We believe that good corporate governance is important to ensure that the Company is managed for the long-term benefit of our stockholders. This section describes key corporate governance practices that we have adopted.

Board of Directors Meetings and Attendance

The Board has responsibility for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. The primary responsibility of the Board is to oversee the management of the Company and, in doing so, serve the best interests of the Company and its stockholders. The Board selects, evaluates and provides for the succession of executive officers and, subject to stockholder election, directors. It reviews and approves corporate objectives and strategies, and evaluates significant policies and proposed major commitments of corporate resources. The Board also participates in decisions that have a potential major economic impact on the Company. Management keeps the directors informed of Company activity through regular communication, including written reports and presentations at Board and committee meetings.

Committees of the Board of Directors

Other than the Compensation Committee, we do not have any committees of the Board, including an Audit Committee or a Nominating Committee, or any other committees performing similar functions. The functions of those committees are being undertaken by the Board of Directors as a whole.

The Compensation Committee consists of Larry Raskin and Bart Mackay, and the Compensation Committee has established a charter that requires all members of the Compensation Committee to be "non-employee directors" for purposes of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and satisfy the requirements of an "outside director" for purposes of Section 16(m) of the Internal Revenue Code. The Compensation Committee is responsible for overseeing and, as appropriate, making recommendations to the Board of Directors regarding the annual salaries and other compensation of our executive officers, our general employee compensation and other policies and providing assistance and recommendations with respect to our compensation policies and practices. The Compensation Committee is authorized to carry out these activities and other actions reasonably related to the Compensation Committee's purposes or assigned by the Board of Directors from time to time. The Compensation Committee's specific responsibilities are delineated in its charter.

We do not have a policy regarding the consideration of any director candidates which may be recommended by our stockholders, including the minimum qualifications for director candidates, nor has our Board established a process for identifying and evaluating director nominees, nor do we have a policy regarding director diversity. We have not adopted a policy regarding the handling of any potential recommendation of director candidates by our stockholders, including the procedures to be followed. Our Board has not considered or adopted any of these policies as we have never received a recommendation from any stockholder for any candidate to serve on our Board. We do not know if any of our stockholders will make a recommendation for any candidate to serve on our Board given the relatively small size of our company.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than 10% of a registered class of our equity securities to file with the SEC initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common shares and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% stockholders are required by the SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based on our review of the copies of such forms received by us, and to the best of our knowledge, all executive officers, directors and persons holding greater than 10% of our issued and outstanding stock have filed the required reports in a timely manner during fiscal 2014 with the exception of the late filing of one Form 3 by each of Michael Mona, Jr., and PhytoSPHERE, the late filing of Form 4 by Michael Mora III and Joseph Dowling and the failure to file a Form 5 by each of PhytoSPHERE, Mercia Holdings LLC, Mai Dun Limited LLC and Bart Mackay.

Other Directorships

Other than as disclosed above, during the last 5 years, none of our directors held any other directorships in any company with a class of securities registered pursuant to section 12 of the Exchange Act or subject to the requirements of section 15(d) of such Act or any company registered as an investment company under the Investment Company Act of 1940.

Code of Ethics

We have adopted a corporate code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code was filed as Exhibit 14.1 to our Annual Report on Form 10-K filed with the SEC on April 16, 2013 and is attached as Exhibit 14.1 to this Annual Report on Form 10-K.

Family Relationships

Our Vice President of Operations, Michael Mona, III, is the son of our President, Chief Executive Officer and Director, Michael Mona, Jr.

Compensation of Directors

Our directors, other than Mr. Mona, have each received compensation for their service as directors in the amount of \$1,000, from inception to the date of this report. We have a formal plan for compensating our directors for their services, whereby each director, other than our Chairman, receives \$500 per meeting of the Board of Directors attended. Each of our directors are expected in the future to receive stock grants as further compensation for their services.

On October 1, 2014, two non-employee Company directors were each granted 25,000 shares of common stock with a value equal to the fair market value of the Company's common stock at the time of the grant.

Conflicts of Interest

Our directors and officers are not obligated to commit their full time and attention to our business and, accordingly, they may encounter a conflict of interest in allocating their time between our operations and those of other businesses. In the course of their other business activities, they may become aware of investment and business opportunities which may be appropriate for presentation to us as well as other entities to which they owe a fiduciary duty. As a result, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. They may also in the future become affiliated with entities that are engaged in business activities similar to those we intend to conduct.

In general, officers and directors of a corporation are required to present business opportunities to the corporation if:

- the corporation could financially undertake the opportunity;
- the opportunity is within the corporation's line of business; and
- it would be unfair to the corporation and its stockholders not to bring the opportunity to the attention of the corporation.

We have adopted a code of ethics that obligates our directors, officers and employees to disclose potential conflicts of interest and prohibits those persons from engaging in such transactions without our consent.

ITEM 11. EXECUTIVE COMPENSATION

The following table summarizes all compensation recorded by us in each of the last two completed fiscal years for our Chief Executive Officer and the two next most highly compensated officers. The value attributable to any option awards is computed in accordance with FASB ASC 718 *Share-Based Payment* ("ASC 718").

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation (\$)	All Other Compensation (\$)	Total Earnings (\$)
Michael Mona, Jr. <i>Chairman, CEO</i>	2014	\$ 209,521	\$ 10,000	\$ --	\$8,323,224	\$ --	\$ --	\$ --	\$8,542,745
	2013	45,923	10,000	--	--	--	--	7,500	63,423
Michael Mona, III <i>VP, Operations</i>	2014	\$ 137,808	\$ 10,000	\$ 705,000	\$1,149,819	\$ --	\$ --	\$ --	\$2,002,627
	2013	44,769	10,000	--	--	--	--	--	\$4,769
Joseph Dowling <i>Chief Financial Officer and Secretary</i>	2014	\$ 100,000	\$ 10,000	\$ --	\$1,506,949	\$ --	\$ --	\$ --	\$1,616,949
	2013	--	--	--	--	--	--	--	--

(1) These amounts reflect the grant date fair value of stock awards as determined by the market price of the Common Stock on the date of grant.

(2) These amounts reflect the grant date fair value of stock options as determined under FASB ASC Topic 718 and using the Black-Scholes model. The underlying valuation assumptions for stock option awards made are further disclosed in Note 11 to our consolidated financial statements filed with our Annual Reports on Form 10-K for the year ended December 31, 2014.

Compensation Arrangements

The Board of Directors approved a salary of \$300,000 for our President and Chief Executive Officer on August 25, 2014. During fiscal year 2014, Mr. Mona was paid an aggregate sum of \$5,939,950. In 2014, the Compensation Committee approved the grant of 4,000,000 stock options to Mr. Mona. The stock option is durational-based, with 67% vested as of the date of grant and the remainder vesting in twelve (12) equal monthly installments measured from January 31, 2015, and was granted with an exercise price equal to the fair market value of the Company's common stock at the time of the grant.

The Board of Directors approved a salary of \$180,000 for our Vice President, Operations on August 25, 2014. During fiscal year 2014, Mr. Mona III was paid an aggregate sum of \$1,428,782. On October 6, 2014, the Compensation Committee approved the grant of 500,000 stock options to Mr. Mona and a stock award under the Company's Form S-8 Registration Statement filed with the SEC on October 6, 2014 of an aggregate of 500,000 shares of common stock. The stock award provided for the issuance of 250,000 shares of common stock on October 6, 2014 and 250,000 shares of common stock on January 1, 2015. The stock option has a term of ten (10) years, is durational-based, with 25% (or 125,000 option shares) vested immediately, and the remaining option shares vesting in thirty-six (36) equal monthly increments. As of March 31, 2015, 145,833 option shares have vested, and Mr. Mona III has not exercised any stock options.

Joseph Dowling was appointed as the Company's Chief Financial Officer on June 16, 2014 with an annual salary of \$200,000 and during fiscal 2014 was paid an aggregate sum of \$244,340. On October 6, 2014, the Compensation Committee approved the grant of 600,000 stock options to Mr. Dowling. The stock option is durational-based, with 25% vested on the one year anniversary of Mr. Dowling's service to the Company, and the remaining options vesting in 36 equal monthly installments.

Option Grants

On July 23, 2014, Company shareholders approved the Amended and Restated Equity Incentive Plan (the "Amended 2013 Plan"), which provides for the granting of stock options, restricted stock awards, restricted stock units, stock bonus awards and performance-based awards. This Amended 2013 Plan serves as the successor to the 2013 Equity Incentive Plan. There were no option awards under the 2013 Equity Incentive Plan. Under the Amended 2013 Plan, the Company may grant up to 10,000,000 new shares. As of December 31, 2014, the Company had 3,530,000 of authorized unissued shares reserved and available.

Pension, Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits to our directors or executive officers. We have no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the Board or a committee thereof.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Beneficial Ownership of Directors, Officers and 5% Stockholders

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage of ownership of that person, shares of common stock subject to options and warrants held by that person that are currently exercisable or become exercisable within 60 days are deemed outstanding even if they have not actually been exercised. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person. The following table sets forth, as of March 31, 2015, certain information as to shares of our common stock owned by (i) each person known to beneficially own more than five percent of our outstanding common stock or preferred stock, (ii) each of our directors, and executive officers named in our summary compensation table, and (iii) all of our executive officers and directors as a group. Unless otherwise indicated, the address of each named beneficial owner is the same as that of our principal executive offices located at 2688 South Rainbow Avenue, Suite B, Las Vegas, NV 89146.

Name and Address of Beneficial Owner (1)	Number of Shares of Common Stock Beneficially Owned (2)	Percent of Common Stock Beneficially Owned
Mai Dun Limited, LLC (3)	5,463,162	15.64%
Roen Ventures, LLC (3)	10,000,000	28.63%
Mackay Ventures, Inc. (3)	618,564	1.77%
MJNA Investment Holdings, LLC (4)	4,925,000	14.10%
Medical Marijuana, Inc. (5)	3,930,252	11.25%
Michael Mona III (6)	1,875,833	5.37%
Michael Mona, Jr. (7)	3,304,659	9.46%
Bart Mackay (3)	16,081,726	46.04%
Larry Raskin (8)	400,000	1.15%
All executive officers and directors as a group (five persons)	21,662,218	62.02%

- (1) Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act. Pursuant to the rules of the Commission, shares of our common stock that each named person and group has the right to acquire within 60 days pursuant to options, warrants, or other rights, are deemed outstanding for purposes of computing shares beneficially owned by the percentage ownership of each such person and group. Applicable percentages are based on 34,929,166 shares of our common stock outstanding on March 31, 2015, and are calculated as required by rules promulgated by the SEC.

- (2) Unless otherwise noted, all shares listed are owned of record and the record owner has sole voting and investment power, subject to community property laws where applicable.
- (3) Bart Mackay is the sole member of each of Roen Ventures, LLC and Mai Dun Limited, LLC. The address of each of Roen Ventures, LLC, Mai Dun Limited, LLC and Mackay Ventures, Inc. is S. Rancho Drive, Suite A-7, Las Vegas, Nevada 89106. Bart Mackay, the sole member/stockholder of Roen Ventures, LLC, Mai Dun Limited, LLC and Mackay Ventures, Inc. is deemed to have shared voting and investment power over the shares of our common stock owned by each of Roen Ventures, LLC, Mai Dun Limited, LLC and Mackay Ventures, Inc.
- (4) The address of MJNA Investment Holdings, LLC, a subsidiary of Medical Marijuana, Inc., is 12975 Brook Printer Pl., Suite 160, Poway, CA 92064
- (5) Medical Marijuana, Inc. has beneficial ownership of 80% of shares owned by MJNA Holdings, LLC, through its 80% ownership interests of MJNA Investment Holdings, LLC.
- (6) Michael Mona III owns 980,000 shares of record, is a beneficial owner and beneficiary of Mik Nik Trust, which owns 750,000 shares, and on October 6, 2014 was granted a stock option to purchase 500,000 shares of common stock. The stock option is durational-based, with 25% (or 125,000 option shares) vested immediately, and the remaining option shares vesting in thirty-six (36) equal monthly increments. As of March 31, 2015, 145,833 option shares have vested.
- (7) On December 8, 2014, the Compensation Committee approved the grant of 1,000,000 stock options to Michael Mona, Jr., the Company's President and Chief Executive Officer. The stock option is durational-based, with 67% vested as of the date of grant and the remainder vesting in twelve (12) equal monthly installments measured from January 31, 2015.
- * Less than 1%.

EQUITY COMPENSATION PLAN INFORMATION

On July 23, 2014, Company shareholders approved the Amended and Restated Equity Incentive Plan (the "Amended 2013 Plan"), which provides for the granting of stock options, restricted stock awards, restricted stock units, stock bonus awards and performance-based awards. The Amended 2013 Plan serves as the successor to the 2013 Equity Incentive Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	6,470,000	\$ 2.70	3,530,000
Equity compensation plans not approved by security holders			
Total	6,470,000	\$ 2.70	3,530,000

(1) Consists solely of awards granted under our Amended 2013 Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Except for the transactions described below, none of our directors, officers or principal shareholders, nor any associate or affiliate of the foregoing, have any interest, direct or indirect, in any transaction or in any proposed transaction since January 1, 2014 which materially affects the Company or has affected the Company.

As previously disclosed in that certain Current Report on Form 8-K filed by the Company with the SEC on March 8, 2013, on March 1, 2013, the Company issued a Promissory Note (the "Note") to Roen Ventures, LLC, a Nevada limited liability company ("Roen Ventures"), in exchange for loans provided and to be provided in the future in an amount of up to \$2,000,000. As previously disclosed in that certain Current Report on Form 8-K filed by the Company with the SEC on July 31, 2013, on July 25, 2013, the disinterested members of our Board approved an amendment to the Note, to provide for an increase in the amount of loans to be provided in the future in an amount of up to \$6,000,000 and the ability of Roen Ventures to convert, in its sole discretion, the outstanding balance under the Note into shares of the common stock of the Company at a conversion price to be determined following the conclusion of a valuation of the common stock of the Company determined pursuant to ASC 718 *Stock Compensation*. As previously disclosed in that certain Current Report on Form 8-K filed by the Company with the SEC on November 13, 2013, a Board valuation was prepared pursuant to Internal Revenue Code Section 409A and Financial Accounting Standards Board Accounting Standards Codification 718 *Stock Compensation* (the "Valuation"). The Valuation determined that the fair market value of the Company's restricted, non-marketable common stock is \$0.68 per share. On November 7, 2013, the disinterested members of our Board approved a second amendment to the Note to provide for a conversion price of \$0.60 per share, which represents an approximate 12% discount to the fair market value of the Company's restricted, non-marketable common stock pursuant to the Valuation. As previously disclosed in that certain Current Report on Form 8-K filed by the Company with the SEC on January 28, 2014, on January 22, 2014, Roen Ventures delivered a Notice of Election to Convert to Common Shares (the "Conversion Notice") pursuant to which Roen Ventures exercised its right under the Note to convert all amounts owing under the Note into shares of common stock of the Company at the set conversion price of \$0.60 per share. As of the date of the Conversion Notice, the balance of the loans evidenced by the Note was \$6,000,000, including all principal and interest owing thereunder. Therefore, pursuant to the Conversion Notice, on January 22, 2014, the Company issued Roen Ventures 10,000,000 shares of its common stock. As of the date of this Annual Report on Form 10-K, Bart Mackay, a member of the Board, through his two wholly-owned limited liability companies, Mercia Holdings, LLC and Mai Dun Limited, LLC, owns 100% of the interests in Roen Ventures.

On December 8, 2014 and as set forth in the Current Report on Form 8-K filed with the SEC on December 18, 2014, the Compensation Committee approved the grant of 4,000,000 stock options to Michael Mona, Jr., the Company's President and Chief Executive Officer. The stock option has a term of ten (10) years, is durational-based, with 67% vested as of the date of grant and the remainder vesting in twelve (12) equal monthly installments measured from January 31, 2015, and was granted with an exercise price equal to the fair market value of the Company's common stock at the time of grant. As of March 31, 2015, Mr. Mona has not exercised any stock options.

On October 6, 2014, the Compensation Committee approved the grant of 500,000 stock options to Michael Mona, III, the Company's Chief Operating Officer and a stock award under the Company's Form S-8 Registration Statement filed with the SEC on October 6, 2014 of an aggregate of 500,000 shares of common stock. The stock award provided for the issuance of 250,000 shares of common stock on October 6, 2014 and 250,000 shares of common stock on January 1, 2015. The stock option has a term of ten (10) years, is durational-based, with 25% (or 125,000 option shares) vested immediately, and the remaining option shares vesting in thirty-six (36) equal monthly increments. As of March 31, 2015, 145,833 option shares have vested, and Mr. Mona III has not exercised any stock options.

On October 6, 2014, the Compensation Committee approved the grant of 600,000 stock options to Joseph Dowling, the Company's Chief Financial Officer. The stock option has a term of ten (10) years, is durational-based, with 25% of the option shares vesting on June 16, 2015, and the remaining option shares vesting in thirty-six (36) equal monthly installments.

PART D

PART D

For the years ended December 31, 2014 and 2013, the Company recognized sales to the following related parties:

Party	Relationship	For the years ended December 31,	
		2014	2013
Medical Marijuana, Inc. ("MJNA")	Stockholder	\$ -	\$ 92,690
HempMeds PX	80% owned by MJNA	5,443,978	871,315
Dixie/RedDice Holdings	60% owned by MJNA	-	365,058
Canchew Biotechnologies	50% owned by MJNA	-	825,000
Total sales to related parties		\$ 5,443,978	\$ 2,154,063
Percent of total sales		53.4%	100.0%

During 2014, the Company discontinued sales to HempMeds PX (see Part I, Item 3).

At December 31, 2013, 100% of the Company's accounts receivable balance totaling \$1,740,502 are from these parties. At December 31, 2014, the Company had a note receivable from Dixie Botanicals of \$335,173.

During the year ended December 31, 2014 and 2013, the Company paid \$9,072,025 and \$1,953,690, respectively, to a stockholder of the Company who is a supplier of hemp oil and hemp to the Company.

There have been no other transactions since the beginning of our last fiscal year or any currently proposed transactions in which we are, or plan to be, a participant and the amount involved exceeds the lesser of \$120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years, and in which any related person had or will have a direct or indirect material interest.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table summarizes the fees, as applicable, of PKF Certified Public Accountants, a Professional Corporation, our independent auditor for the years ended December 31, 2014 and 2013; Turner, Stone & Company, L.L.P., our independent auditor for fiscal year 2012 and the interim period through May 6, 2013, and Anton & Chia, LLP, our independent auditor from May 7, 2013 through November 14, 2013, billed to us for each of the last two fiscal years for audit services and billed to us in each of the last two years for other services:

Fee Category	2014	2013
Audit Fees (1)	\$ 87,022	\$ 20,426
Audit-Related Fees (2)	\$ 39,531	\$ -
Tax Fees (3)	\$ 11,400	\$ 3,300
All Other Fees (4)	\$ 505	\$ -

(1) Audit fees includes the audit of our annual financial statements, review of financial statements included in our Form 10-Q quarterly reports and services that are normally provided by the independent auditors in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

(2) Audit-related fees consist of assurance and related services by the independent auditors that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees." The services for the fees disclosed under this category include consultation regarding our correspondence with the SEC and other accounting consulting.

(3) Tax fees consist of professional services rendered by our advisors for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

(4) All other fees consist of fees for other miscellaneous items.

Our Board has adopted a procedure for pre-approval of all fees charged by our independent auditors. Under the procedure, the Board approves the engagement letter with respect to audit and review services. Other fees are subject to pre-approval by the Board, or, in the period between meetings, by a designated member of Board. Any such approval by the designated member is disclosed to the entire Board at the next meeting. The audit fees paid to the auditors with respect to 2014 and 2013 were pre-approved by the entire Board.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Please see the Exhibit Index which follows the signature page to this annual report on Form 10-K and which is incorporated by reference herein.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized,

CANNAVEST CORP.
(Registrant)

By /s/ Michael Mona, Jr.
Michael Mona, Jr.
President and Chief Executive Officer
Dated March 31, 2015

By /s/ Joseph D. Dowling
Joseph D. Dowling
Chief Financial Officer
Dated March 31, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael Mona, Jr.</u> Michael Mona, Jr.	President, Chief Executive Officer and Director	March 31, 2015
<u>/s/ Bart P. Mackay</u> Bart P. Mackay	Director	March 31, 2015
<u>/s/ Larry Raskin</u> Larry Raskin	Director	March 31, 2015

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
2.1 (1)	Agreement and Plan of Merger, dated as of July 25, 2013, by and between CannaVEST Corp., a Texas corporation, and CannaVEST Corp., a Delaware corporation.
3.1 (1)	Certificate of Incorporation of CannaVEST Corp., as filed on January 26, 2013.
3.2 (1)	Bylaws of CannaVEST Corp., dated as of January 26, 2013.
4.1 (2)	CannaVEST Corp. Specimen Stock Certificate
10.1 (3)	Stock Purchase Agreement, dated as of November 16, 2012, by and among Mai Dun Limited, LLC, Mercia Holdings, LLC, General Hemp, LLC, Bamburgh Holdings, LLC, H.J. Cole and Foreclosure Solutions, Inc.
10.2 (3)	Stock Purchase Agreement (Non-Affiliate), dated as of November 12, 2012, by and among Mai Dun Limited, LLC, Mercia Holdings, LLC, General Hemp, LLC, Bamburgh Holdings, LLC, on the one hand, and Kevin Halter, on the other hand.
10.3 (2)	Agreement for Purchase and Sale of Assets of PhytoSPHERE Systems LLC, dated December 15, 2012, by and between Foreclosure Solutions, Inc. and PhytoSPHERE Systems, LLC.
10.4 (4)	Stock and Warrant Purchase Agreement, dated March 4, 2013, by and among KannaLife Sciences, Inc., CannaVEST Corp. and Medical Marijuana, Inc.
10.5 (5)	Non-Exclusive License and Distribution Agreement by and between the Company and HempMeds PX, LLC, dated August 9, 2013 and effective as of July 1, 2013. +
10.6 (2)	CannaVEST Corp. 2013 Equity Incentive Plan.
10.7 (6)	Amended and Restated Equity Incentive Plan of CannaVEST Corp.
10.8 (7)	Form of Stock Option Award Grant Notice and Form of Stock Award Agreement.
14.1 (8)	CannaVEST Corp. Code of Ethics.
21.1*	List of Subsidiaries
23.1	Consent of Independent Registered Accounting Firm.
31.1*	Certification of the Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 INS	XBRL Instance Document**
101 SCH	XBRL Schema Document**
101 CAL	XBRL Calculation Linkbase Document**
101 LAB	XBRL Labels Linkbase Document**
101 PRE	XBRL Presentation Linkbase Document**
101 DEF	XBRL Definition Linkbase Document**

* Filed herewith.

** The XBRL related information in Exhibit 101 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

+ Portions of this exhibit have been omitted pursuant to a request for confidential treatment and the non-public information has been filed separately with the Commission.

- (1) Incorporated by reference from an exhibit to our Quarterly Report on Form 10-Q filed on August 13, 2013.
- (2) Incorporated by reference from an exhibit to our Current Report on Form 8-K filed on July 31, 2013.
- (3) Incorporated by reference from an exhibit to our Current Report on Form 8-K filed on November 30, 2012.
- (4) Incorporated by reference from an exhibit to our Current Report on Form 8-K filed on March 8, 2013.
- (5) Incorporated by reference from an exhibit to our Quarterly Report on Form 10-Q filed on November 14, 2013.
- (6) Incorporated by reference from an exhibit to our Schedule 14A filed on July 2, 2014.
- (7) Incorporated by reference from an exhibit to our Form S-8 filed on October 6, 2014.
- (8) Incorporated by reference from an exhibit to our Annual Report on Form 10-K filed on April 16, 2013.

* Filed herewith.

CANNAVEST CORP. AND SUBSIDIARIES
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of CannaVest Corp. and Subsidiaries

We have audited the accompanying consolidated balance sheets of CannaVest Corp. and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2014. CannaVest Corp.'s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CannaVEST Corp. and subsidiaries as of December 31, 2014 and 2013, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

San Diego, California
March 31, 2015

/s/ PKF
PKF
Certified Public Accountants
A Professional Corporation

CANNAVEST CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Assets		
Current assets		
Cash (Note 2)	\$ 2,302,418	\$ 2,243,670
Accounts receivable, net (Note 2)	282,407	1,430,202
Notes receivable - current portion (Note 3)	1,508,468	-
Prepaid inventory	519,620	1,734,831
Inventory (Note 4)	11,666,251	2,473,322
Prepaid expenses and other current assets	527,104	174,317
Total current assets	<u>16,806,268</u>	<u>8,056,342</u>
Property & equipment, net (Note 2)	516,423	214,128
Intangibles, net (Note 6)	2,535,000	3,356,500
Goodwill (Note 6)	1,855,512	1,855,512
Accounts receivable, net of current portion	-	310,300
Note receivable - long term portion (Note 3)	26,705	-
Investment in KannaLife Sciences (Note 7)	-	439,246
Total other assets	<u>4,933,640</u>	<u>6,175,686</u>
Total assets	<u>\$ 21,739,908</u>	<u>\$ 14,232,028</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 546,387	\$ 24,622
Accrued expenses (Note 5)	118,206	222,703
Common stock to be issued (Note 10)	-	175,000
Amount due to related party	-	300
Total current liabilities	<u>664,593</u>	<u>422,625</u>
Non-current liabilities		
Line of credit - Roen Ventures, LLC, net of debt discount (Note 9)	-	5,502,595
Total liabilities	<u>664,593</u>	<u>5,925,220</u>
Commitments and contingencies (Note 12)		
Stockholders' equity (Note 10)		
Preferred stock, par value \$0.0001; 10,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, par value \$0.0001; 190,000,000 shares authorized; 33,419,166 and 15,580,000 shares issued and outstanding as of December 31, 2014 and 2013, respectively	3,341	1,558
Additional paid-in capital	24,828,337	10,749,662
Accumulated deficit	(3,756,363)	(2,444,412)
Total stockholders' equity	<u>21,075,315</u>	<u>8,306,808</u>
Total liabilities and stockholders' equity	<u>\$ 21,739,908</u>	<u>\$ 14,232,028</u>

See accompanying notes to consolidated financial statements.

CANNAVEST CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended December 31,	
	2014	2013
Product sales, net	\$ 10,190,667	\$ 2,154,063
Cost of goods sold	4,387,002	880,470
Gross Profit	5,803,665	1,273,593
Operating Expenses:		
Selling, general and administrative	13,357,633	2,366,450
Research and development	999,280	524,476
Total Operating Expenses	14,356,913	2,890,926
Operating Loss	(8,553,248)	(1,617,333)
Other income (expense):		
Interest income	30,703	-
Interest expense	(615,344)	(372,109)
Allocated losses on KannaLife Sciences investment	(38,552)	(310,754)
Gain on sale of KannaLife Sciences investment (Note 7)	7,899,306	-
Other	(34,816)	-
Total Other Income (Expense)	7,241,297	(682,863)
Loss before taxes	(1,311,951)	(2,300,196)
Provision for income taxes	-	-
Net Loss	\$ (1,311,951)	\$ (2,300,196)
Weighted average common shares outstanding		
Basic	31,581,101	9,879,098
Net income per common share	\$ (0.04)	\$ (0.23)
Basic		

See accompanying notes to consolidated financial statements.

C ANNAVEST CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Deficit</u>	
			<u>Capital</u>		
Balance - December 31, 2012	7,000,000	\$ 700	\$ 143,447	\$ (144,216)	\$ (69)
Shares issued pursuant to PhytoSPHERE acquisition (Note 6)	5,825,000	582	7,069,418	-	7,070,000
Shares issued for cash (net of expenses) (Note 10)	2,750,000	275	2,731,148	-	2,731,423
Restricted shares issued under employment agreement (Note 10)	5,000	1	5,649	-	5,650
To record beneficial conversion feature of debt (Note 9)	-	-	800,000	-	800,000
Net loss	-	-	-	(2,300,196)	(2,300,196)
Balance - December 31, 2013	15,580,000	1,558	10,749,662	(2,444,412)	8,306,808
Shares issued for cash (net of expenses) (Note 10)	8,031,666	803	8,421,697	-	8,422,500
Shares issued for conversion of note from Roen Ventures, LLC (Note 9)	10,000,000	1,000	5,999,000	-	6,000,000
Shares issued pursuant to employment agreement (Note 10)	7,500	-	42,125	-	42,125
Shares received in exchange for sale of equity investment (Note 7)	(500,000)	(50)	(8,299,950)	-	(8,300,000)
Stock-based compensation (Note 11)	300,000	30	7,915,803	-	7,915,833
Net loss	-	-	-	(1,311,951)	(1,311,951)
Balance - December 31, 2014	33,419,166	\$ 3,341	\$ 24,828,337	\$ (3,756,363)	\$ 21,075,315

See accompanying notes to consolidated financial statements.

CANNAVEST CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended December 31,	
	2014	2013
OPERATING ACTIVITIES		
Net loss	\$ (1,311,951)	\$ (2,300,196)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation and amortization	933,600	767,254
Amortization of debt discount	589,474	210,526
Stock issued pursuant to employment agreement	42,125	5,650
Stock-based compensation	7,915,833	—
Loss on equity investment	38,552	310,754
Gain on sale of equity investment	(7,899,306)	—
Bad debt expense	(300,000)	400,000
Other	34,816	—
Change in operating assets and liabilities:		
Accounts receivable	1,205,952	(1,744,064)
Prepaid inventory	1,215,211	(474,321)
Inventory	(9,192,929)	(2,127,845)
Prepaid expenses and other current assets	(352,787)	(174,317)
Accounts payable	190,859	24,622
Accrued expenses	178,552	222,703
Net cash used in operating activities	(6,711,999)	(4,879,234)
INVESTING ACTIVITIES		
Cash received on acquisition	—	50,775
Purchase of equipment	(449,211)	(226,594)
Cash paid on PhytoSPHERE Agreement	—	(950,000)
Investment in KannaLife Sciences	—	(750,000)
Issuance of note receivable	(1,200,000)	—
Repayment of principal on Dixie note receivable	264,827	—
Net cash flows used in investing activities	(1,384,384)	(1,875,819)
FINANCING ACTIVITIES		
Common stock issued for cash	8,247,500	2,731,423
Proceeds of loan from Roen Ventures	—	6,192,069
Repayment of loan to Roen Ventures	(92,069)	(100,000)
Common stock to be issued	—	175,000
Repayment of loan from related party	(300)	(200)
Net cash flows from financing activities	8,155,131	8,998,292

CANNAVEST CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS Continued

	For the years ended December 31,	
	2014	2013
Net increase in cash	58,748	2,243,239
Cash, beginning of year	2,243,670	431
Cash, end of year	<u>\$ 2,302,418</u>	<u>\$ 2,243,670</u>
Supplemental disclosures of non-cash transactions:		
Value of debt discount	\$	\$ 800,000
Accounts receivable assumed from acquisition		396,438
Inventory assumed from acquisition		345,477
Prepaid inventory assumed from acquisition	—	1,260,510
Property and equipment assumed from acquisition	—	1,288
Goodwill		1,855,512
Intangible assets acquired from acquisition		4,110,000
Amount due to PhytoSPHERE Agreement		(1,313,878)
Common Shares issued for acquisition		7,070,000
Conversion of Line of credit – Roen Ventures, LLC to common stock	6,000,000	
Conversion of accounts receivable to note receivable	(600,000)	
Conversion of accounts receivable to note receivable	(175,000)	
Common stock to be issued	8,300,000	
Common stock received in exchange for sale of investment		
Supplemental cash flow disclosures:		
Interest paid	\$ 187,453	\$
Taxes paid		

See accompanying notes to consolidated financial statements.

CANNAVEST CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS

CannaVest Corp. (formerly Foreclosure Solutions, Inc.) (the "Company", "we" or "us") was originally incorporated on December 9, 2010, in the state of Texas, to provide information on pre-foreclosure and foreclosed residential properties to homebuyers and real estate professionals on its website. The sole director, the President, Secretary and Treasurer was H.J. Cole ("Cole"). On March 31, 2011 the Company filed a Registration Statement on Form S-1 with the U.S. Securities and Exchange Commission (the "SEC"). The SEC declared the Registration Statement effective on July 29, 2011.

On November 16, 2012, Mai Dun Limited, LLC, Mercia Holdings, LLC, General Hemp, LLC and Bamburgh Holdings, LLC (the "Buyers") acquired a total of 5,000,000 shares of common stock from Cole pursuant to that certain Stock Purchase Agreement by and among the Buyers, Cole and CannaVest Corp., a Texas Corporation. Concurrently with the purchase, the Buyers acquired an additional 1,979,900 shares of common stock of the Company from other shareholders in a series of private transactions. An aggregate total of 6,979,900 shares of the Company were purchased for a total purchase price of \$375,000. Upon completion of the purchase, the Buyers collectively acquired 99.7% of the total issued and outstanding shares of common stock of the Company. On January 29, 2013, the Company amended its Certificate of Formation to change its name to CannaVest Corp. and on March 14, 2013, the Company increased the size of its Board of Directors and elected three directors.

On December 31, 2012, the Company entered into an Agreement for Purchase and Sale of Assets (the "PhytoSPHERE Agreement") with PhytoSPHERE Systems, LLC ("PhytoSPHERE") whereby upon the closing of the transaction the Company acquired certain assets of PhytoSPHERE. The closing occurred on January 29, 2013. Throughout the year ended December 31, 2013, the Company issued 5,825,000 shares of common stock and paid \$950,000 as payment for the assets purchased.

On July 25, 2013, the Company's predecessor, CannaVest Corp., a Texas corporation ("CannaVest Texas"), merged with the Company, a wholly-owned Delaware subsidiary of CannaVest Texas, to effectuate a change in the Company's state of incorporation from Texas to Delaware.

The Company's business is that of developing, producing, marketing and selling end consumer products to the nutraceutical industry containing hemp plant extract, Cannabidiol ("CBD") and reselling to third parties raw product acquired by the Company pursuant to its supply relationships in Europe. The Company is currently establishing pilot hemp growing operations in the United States with the goal of establishing industrial hemp operations nationally in the near future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The consolidated financial statements include the accounts of CannaVest Corp. and its wholly-owned subsidiaries US Hemp Oil, LLC, CannaVest Laboratories, LLC and Plus CBD, LLC (collectively, the "Company"). All intercompany accounts and transactions have been eliminated in consolidation. The Company commenced commercial operations on January 29, 2013.

Business Acquisition - We have accounted for the acquisition of the assets of PhytoSPHERE Systems, LLC in accordance with the Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC Topic 805"). ASC Topic 805 establishes principles and requirements for recognizing and measuring the total consideration transferred to and the assets acquired, liabilities assumed and any non-controlling interests in the acquired target in an asset purchase. ASC Topic 805 also provides guidance for recognizing and measuring goodwill acquired and other tangible and intangible assets. (Note 6)

Investments - The Company had a 24.97% interest in KannaLife Sciences, Inc. ("KannaLife"), a phyto-medical company specializing in the research and development of pharmacological products derived from plants. This investment was accounted for under the equity method of accounting.

Use of Estimates - The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of these consolidated financial statements requires us to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures of contingent assets and liabilities. We evaluate our estimates, including those related to contingencies, on an ongoing basis. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Significant estimates include the valuation of intangible assets, the amortization lives of intangible assets and the allowance for doubtful accounts. It is at least reasonably possible that a change in the estimates will occur in the near term.

Reportable Segment - The Company's internal reporting is organized into three channels: CBD products, laboratory services and hemp farming activities. These channels qualify as individual operating segments and are aggregated and viewed as one reportable segment due to their similar economic characteristics, products, production, distribution processes and regulatory environment.

Cash and Cash Equivalents - For purposes of the consolidated statements of cash flows, the Company considers amounts held by financial institutions and short-term investments with an original maturity of three months or less when purchased to be cash and cash equivalents. At each of December 31, 2014 and 2013, the Company had no cash equivalents.

Concentrations of Credit Risk - As of December 31, 2014, the Federal Deposit Insurance Corporation ("FDIC") provided insurance coverage of up to \$250,000 per depositor per bank. The Company has not experienced any losses in such accounts and does not believe that the Company is exposed to significant risks from excess deposits. The Company's cash balance in excess of FDIC limits totaled \$2,130,366 at December 31, 2014.

At December 31, 2014 the Company has a \$1,200,000 note receivable related to a single customer, MediJane Holdings, Inc. In addition, one customer represented 62% of our accounts receivable balance at December 31, 2014. Sales from two customers accounted for 65% of total sales for the year ended December 31, 2014 (Note 8).

Accounts Receivable - Generally, the Company requires payment prior to shipment. However, in certain circumstances, the Company grants credit to companies located throughout the U.S. Accounts receivable consists of trade accounts arising in the normal course of business. Accounts receivable are unsecured and no interest is charged on past due accounts. Accounts for which no payments have been received after 30 days are considered delinquent and customary collection efforts are initiated. Accounts receivable are carried at original invoice amount less a reserve made for doubtful receivables based on a review of all outstanding amounts on a quarterly basis.

Management has determined the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history, and current economic conditions. As of December 31, 2014 and 2013, the Company has recorded an allowance for doubtful accounts related to accounts receivable in the amount of \$100,000 and \$400,000, respectively.

Revenue Recognition - The Company recognizes revenue in accordance with the ASC Topic 605, *Revenue Recognition* which requires persuasive evidence of an arrangement, delivery of a product or service, a fixed or determinable price and assurance of collection within a reasonable period of time. The Company records revenue when goods are delivered to customers and the rights of ownership have transferred from the Company to the customer.

Shipping and Handling - Shipping and handling costs totaled \$57,885 and \$19,301 for the years ended December 31, 2014 and 2013, respectively, and are recorded in selling, general and administrative expense.

Returns - Finished Products - Within ten (10) days of customer's receipt of Company's finished products, customers may return (i) finished products that do not conform to Company's product specifications or (ii), finished products which are defective, provided that notice of condition is given within five (5) days of receiving the finished products. The failure to comply with the foregoing time requirements shall be deemed a waiver of customer's claim for incorrect or defective shipments. In the event of the existence of one or more material defects in any finished product upon delivery to customer, the Company shall, at its sole option and cost, either (a) take such measures as are required to cure the defect(s) designated in the notice, or (b) replace such defective finished product(s). The Company may, at its sole option, require the return or destruction of the defective finished products. Customer shall afford the Company the opportunity to verify that such defects existed prior to shipment and were not, for purposes of example and not limitation, the result of improper transport, handling, storage, product rotation or misuse by customer.

Bulk Oil Products - All sales of bulk oil products are final, and the Company does not accept returns under any circumstances.

There is no allowance for customer returns at December 31, 2014 or 2013 due to insignificant return amounts experienced during the years ended December 31, 2014 and 2013.

Compensation and Benefits - The Company records compensation and benefits expense for all cash and deferred compensation, benefits, and related taxes as earned by its employees. Compensation and benefits expense also includes compensation earned by temporary employees and contractors who perform similar services to those performed by the Company's employees, primarily information technology and project management activities.

Stock-Based Compensation - Certain employees, officers, directors and consultants of the Company participate in various long-term incentive plans that provide for granting stock options and restricted stock awards. Stock options generally vest in equal increments over a two- to four-year period and expire on the tenth anniversary following the date of grant. Restricted stock awards generally vest 100% at the grant date.

The Company recognizes stock-based compensation for equity awards granted to employees, officers, and directors as compensation and benefits expense on the consolidated statements of operation. The fair value of stock options is estimated using a Black-Scholes valuation model on the date of grant. The fair value of restricted stock awards is equal to the closing price of the Company's stock on the date of grant. Stock-based compensation is recognized over the requisite service period of the individual awards, which generally equals the vesting period.

The Company recognizes stock-based compensation for equity awards granted to consultants as selling, general and administrative expense on the consolidated statements of operations. The fair value of stock options is estimated using a Black-Scholes valuation model on the date of grant and unvested awards are revalued at each reporting period. The fair value of restricted stock awards is equal to the closing price of the Company's stock on the date of grant multiplied by the number of shares awarded. Stock-based compensation is recognized over the requisite service period of the individual awards, which generally equals the vesting period.

Inventory - Inventory is stated at lower of cost or market, with cost being determined on average cost basis. There was no reserve for obsolete inventory as of December 31, 2014 and 2013. Amounts paid to suppliers in advance for inventory is classified as prepaid inventory. Once the Company has assumed ownership, the cost of prepaid inventory is reclassified to inventory. As of December 31, 2014, the Company had \$5,766,147 of inventory in Dusseldorf, Germany.

Property & Equipment - Equipment is stated at cost less accumulated depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use. Depreciation is provided on a straight-line basis over the assets' estimated useful lives. Tenant improvements are amortized on a straight-line basis over the remaining life of the related lease. Maintenance or repairs are charged to expense as incurred. Upon sale or disposition, the historically-recorded asset cost and accumulated depreciation are removed from the accounts and the net amount less proceeds from disposal is charged or credited to other income (expense).

Property and equipment, net, at December 31, 2014 and 2013 were as follows:

	Useful Lives	2014	2013
Office furniture and equipment	3 years	\$ 231,440	\$ 5,159
Tenant improvements	14 to 39 months	56,474	—
Laboratory and other equipment	5 years	354,363	222,723
		642,277	227,882
		(125,854)	(13,754)
Less: accumulated depreciation		\$ 516,423	\$ 214,128

Fair Value of Financial Instruments - In accordance with ASC Topic 825, *Financial Instruments*, the Company calculates the fair value of its assets and liabilities which qualify as financial instruments and includes this additional information in the notes to its financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of the Company's current assets and current liabilities approximates their carrying amount due to their readily available nature and short maturity.

Goodwill and Intangible Assets - The Company evaluates the carrying value of goodwill during the fourth quarter of each year and between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such circumstances could include, but are not limited to (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. When evaluating whether goodwill is impaired, the Company compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill. The fair value of the reporting unit is estimated using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data. If the carrying amount of a reporting unit exceeds its fair value, then the amount of the impairment loss must be measured. The impairment loss would be calculated by comparing the implied fair value of reporting unit goodwill to its carrying amount. In calculating the implied fair value of reporting unit goodwill, the fair value of the reporting unit is allocated to all of the other assets and liabilities of that unit based on their fair values. The excess of the fair value of a reporting unit over the amount assigned to its other assets and liabilities is the implied fair value of goodwill.

We make critical assumptions and estimates in completing impairment assessments of goodwill and other intangible assets. Our cash flow projections look several years into the future and include assumptions on variables such as future sales and operating margin growth rates, economic conditions, market competition, inflation and discount rates. During the years ended December 31, 2014 and 2013, there were no impairments.

We amortize the cost of other intangible assets over their estimated useful lives, which range up to five years, unless such lives are deemed indefinite. Intangible assets with indefinite lives are tested in the fourth quarter of each fiscal year for impairment, or more often if indicators warrant. During the years ended December 31, 2014 and 2013 there were no impairments.

Long Lived Assets - In accordance with ASC Topic 360, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property and equipment is measured by comparing its carrying value to the undiscounted projected future cash flows that the asset(s) are expected to generate. If the carrying amount of an asset is not recoverable, we recognize an impairment loss based on the excess of the carrying amount of the long-lived asset over its respective fair value, which is generally determined as the present value of estimated future cash flows or at the appraised value. The impairment analysis is based on significant assumptions of future results made by management, including revenue and cash flow projections. Circumstances that may lead to impairment of property and equipment include a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition and a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset including an adverse action or assessment by a regulator.

Loss per Share - The Company calculates earning or loss per share ("EPS") in accordance with ASC Topic 260, *Earnings per Share*, which requires the computation and disclosure of two EPS amounts, basic and diluted. Basic EPS is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted EPS is computed based on the weighted average number of shares of common stock outstanding plus all potentially dilutive shares of common stock outstanding during the period. The Company has 6,470,000 of stock options outstanding that are anti-dilutive at December 31, 2014. The Company has no dilutive shares outstanding at December 31, 2013.

Research and Development Expense - Research and development costs are charged to expense as incurred and include, but are not limited to, employee salaries and benefits, cost of inventory used in product development, consulting service fees, the cost of renting and maintaining our laboratory facility and depreciation of laboratory equipment.

Income Taxes - Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the related temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized when the rate change is enacted. Valuation allowances are recorded to reduce deferred tax assets to the amount that will more likely than not be realized. In accordance with ASC Topic 740, *Income Taxes*, the Company recognizes the effect of uncertain income tax positions only if the positions are more likely than not of being sustained in an audit, based on the technical merits of the position. Recognized uncertain income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which those changes in judgment occur. The Company recognizes both interest and penalties related to uncertain tax positions as part of the income tax provision. As of December 31, 2014 and 2013 the Company did not have a liability for unrecognized tax uncertainties. The Company is subject to routine audits by taxing jurisdictions. Management believes the Company is no longer subject to tax examinations for the years prior to 2010.

Recent Issued and Newly Adopted Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update No. 2013-04, *Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date* ("ASU No. 2013-04"). The amendments in ASU No. 2013-04 provide guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of ASU No. 2013-04 is fixed at the reporting date, except for obligations addressed within existing guidance in GAAP. The guidance requires an entity to measure those obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance in ASU No. 2013-04 also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations. The amendment in this standard is effective retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013. The Company elected to adopt ASU No. 2013-04 during the first fiscal quarter of 2014. The adoption of this update did not have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which completes the joint effort by the FASB and the International Accounting Standards Board to improve financial reporting by creating common revenue recognition guidance for GAAP and the International Financial Reporting Standards. ASU 2014-09 will become effective for the Company beginning January 1, 2017 and early adoption is not permitted. The Company is currently evaluating the potential impact of ASU 2014-09 on the Company's consolidated financial statements.

In August 2014, the Financial Accounting Standards Board, or the FASB, issued guidance requiring management to evaluate on a regular basis whether any conditions or events have arisen that could raise substantial doubt about the entity's ability to continue as a going concern. The guidance (1) provides a definition for the term "substantial doubt," (2) requires an evaluation every reporting period, interim periods included, (3) provides principles for considering the mitigating effect of management's plans to alleviate the substantial doubt, (4) requires certain disclosures if the substantial doubt is alleviated as a result of management's plans, (5) requires an express statement, as well as other disclosures, if the substantial doubt is not alleviated, and (6) requires an assessment period of one year from the date the financial statements are issued. The standard is effective for the Company's reporting year beginning January 1, 2017 and early adoption is permitted. The Company is currently evaluating the extent and impact on the Company's consolidated financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the SEC did not, or are not believed by management to have a material impact on the Company's present or future financial statements.

3. NOTES RECEIVABLE

Notes receivable at December 31, 2014 and 2013 are comprised of the following:

	2014	2013
Dixie Botanicals note	\$ 335,173	\$ -
MediJane Holdings note	1,200,000	-
	<u>1,535,173</u>	<u>-</u>
Less current portion	1,508,468	-
Long-term portion	<u>\$ 26,705</u>	<u>\$ -</u>

The Dixie Botanicals note relates to an accounts receivable balance that was due on December 31, 2013. On January 10, 2014, Medical Marijuana, Inc. ("MJNA") agreed to assume \$725,000 of the accounts receivable and wrote-off \$11,496. MJNA paid the Company \$125,000 on January 17, 2014 towards this balance. The remaining \$600,000 is subject to a promissory note between the parties, whereby MJNA will make monthly payments including interest at 7% per annum over a two year period. The note is secured by MJNA's ownership share of the Company, through MJNA's subsidiary PhytoSPHERE Systems, LLC at two times the principal amount of the note as collateral.

The MediJane Holdings ("MJMD") note relates to the sale of Company products in exchange for a convertible promissory note in the amount of \$1,200,000. The full amount of \$1,200,000 is due on June 23, 2015 along with accrued interest at 10%. The Company has the option to convert the full amount of the note, along with accrued interest into shares, of common stock of MJMD.

4. INVENTORY

Inventory at December 31, 2014 and 2013 is comprised of the following:

	2014	2013
Raw materials	\$ 11,209,119	\$ 1,867,751
Work in process		470,442
Finished goods	457,132	135,129
	<u>\$ 11,666,251</u>	<u>\$ 2,473,322</u>

5. ACCRUED EXPENSES

Accrued expenses at December 31, 2014 and 2013 were as follows:

	2014	2013
Accrued interest	\$ -	\$ 161,583
Accrued payroll expenses	68,920	20,955
Other accrued liabilities	49,286	40,165
	<u>\$ 118,206</u>	<u>\$ 222,703</u>

6. ACQUISITION OF ASSETS OF PHYTOSPHERE SYSTEMS, LLC

On December 15, 2012, we entered into an Agreement for Purchase and Sale of Assets (the "Purchase Agreement") with PhytoSPHERE Systems, LLC, a Delaware limited liability company ("PhytoSPHERE"), whereby on January 29, 2013 we acquired certain assets of PhytoSPHERE. Pursuant to the Purchase Agreement, we acquired from PhytoSPHERE tangible equipment, inventory including 460 kg of raw hemp oil, all URLs and domain names of PhytoSPHERE, all landline telephone numbers and postal addresses affiliated with PhytoSPHERE, an exclusive license to use the names "PhytoSPHERE" and "PhytoSPHERE Systems" in the development and commercialization of hemp-based products including CBD, existing bank accounts with a total balance of \$50,775, vendor lists, permits, licenses and other approvals, and all rights and obligations under existing and pending supply contracts. The Company purchased the assets of PhytoSPHERE as the basis for adoption of the Company's new business model, which is to manufacture, market and sell products containing hemp oil. As part of the purchase price, the Company acquired intangible assets which could not be specifically identified which has been classified as goodwill on the accompanying consolidated financial statements. Goodwill represents the residual value after all identifiable assets were valued and what not valued independently and is primarily attributable to assembled workforce, operating and process know-how and potential expansion into local and global markets. We expect goodwill to be deductible for tax purposes.

As compensation for the purchase, the Company issued 5,825,000 shares of common stock and paid \$950,000 in cash.

The purchase price of the acquisition was determined to be \$8,020,000 based on management's estimate of the fair market value of the business acquired. The fair market value was determined to be the more appropriate basis of valuation as the Company's common stock was not trading and the Company had no operations at the time of acquisition in order to estimate a fair market value of Company common stock. The Company's common stock issued was contemporaneously valued with the purchase price of PhytoSPHERE.

The following is the allocation of the purchase price:

Assets acquired	
Tangible assets	
Cash	\$ 50,775
Accounts receivable	396,438
Inventory	345,477
Prepaid inventory	1,260,510
Property and equipment	<u>1,288</u>
Total tangible assets	<u>2,054,488</u>
Identifiable intangible assets	
Vendor relationships	1,170,000
Trade name	230,000
Noncompete agreement - PhytoSPHERE	<u>2,710,000</u>
Total identifiable intangible assets	<u>4,110,000</u>
Unidentifiable intangible assets	
Goodwill residual estimate	<u>1,855,512</u>
Total assets acquired from PhytoSPHERE	<u>\$ 8,020,000</u>

Due to the complexity and limited information available from the selling company of PhytoSPHERE, supplemental proforma information has not been presented. The operations and management of PhytoSPHERE was not indicative of the current operations and strategy, accordingly, the proforma information would not be indicative of future operations or be beneficial to the users of these financial statements.

We have amortized the identifiable intangible assets using the straight-line method over a useful life of five years. We determined that the useful life of those assets are based on the term of the noncompete agreement and estimated lives of relationships acquired. Amortization of intangible assets is expected to be approximately \$822,000 for the years ending December 31, 2015, 2016 and 2017 and \$68,500 for the year ending December 31, 2018.

Intangible assets consist of the following at December 31, 2014 and 2013:

	Original Fair Market Value	Accumulated Amortization	Net
Balance - December 31, 2013:			
Vendor relationships	\$ 1,170,000	\$ 214,500	\$ 955,500
Trade name	230,000	42,167	187,833
Noncompete agreement	<u>2,710,000</u>	<u>496,833</u>	<u>2,213,167</u>
	<u>\$ 4,110,000</u>	<u>\$ 753,500</u>	<u>\$ 3,356,500</u>
Balance - December 31, 2014:			
Vendor relationships	\$ 1,170,000	\$ 448,000	\$ 722,000
Trade name	230,000	88,167	141,833
Noncompete agreement	<u>2,710,000</u>	<u>1,038,833</u>	<u>1,671,167</u>
	<u>\$ 4,110,000</u>	<u>\$ 1,575,000</u>	<u>\$ 2,535,000</u>

Amortization expense for the year ended December 31, 2014 and 2013 totaled \$821,500 and \$753,500, respectively.

7. KANNALIFE SCIENCES INVESTMENT

During 2013, the Company invested \$750,000 in Kannalife Sciences, Inc. ("KannaLife"), which represented a 24.97% ownership stake. For the years ended December 31, 2014 and 2013, the Company recognized its prorata share of KannaLife losses of \$38,552 and \$310,754, respectively.

On June 2, 2014, the Company sold its 24.97% equity investment in KannaLife to PhytoSPHERE in exchange for 500,000 shares of Company common stock held by PhytoSPHERE, an affiliate of KannaLife. Accordingly, the Company recognized a gain on sale of equity investment of \$7,899,306 based on the number of shares of Company common stock received at the closing trading price of Company common stock on June 2, 2014 of \$16.60 per share.

8. RELATED PARTIES

During the year ended December 31, 2013, the Company made a payment of \$2,001 for rent expense to MonaCo Development, an entity owned 100% by Michael J. Mona, Jr, the Company's President and Chief Executive Officer. Additionally, the Company made a payment of \$7,500 to Mr. Mona in 2013 for services provided prior to the consummation of an employment agreement between the Company and Mr. Mona.

During the year ended December 31, 2013, the Company paid a total of \$30,000 to Mr. Stuart Titus, a stockholder of the Company, for consulting services provided. As of December 31, 2014, Mr. Titus is no longer providing services to the Company.

Bart Mackay, a Board Director of the Company owns 100% of Roen Ventures, LLC through two wholly-owned limited liability companies, Mai Dun, Ltd., and Mercia Holdings, LLC. For the years ended December 31, 2014 and 2013, Mr. Mackay received \$500 and \$2,000, respectively, in fees paid for services provided to the Company.

As of December 31, 2013, the Company owed Roen Ventures, LLC a total of \$6,092,069 under a Promissory Note (Note 9). Under the terms of the note, Roen Ventures, LLC had the option to convert the balance owed, up to \$6,000,000 into common shares of the Company at a conversion price of \$0.60 per share. In addition, the Company owed Roen \$161,583 in accrued interest under the note at December 31, 2013 and paid interest totaling \$187,723 in January 2014. The note was converted during 2014 (Note 10).

Michael J. Mona, Jr., the President and Chief Executive Officer of the Company previously held a 50% interest in Roen Ventures, LLC which he subsequently sold to Mr. Mackay during 2013.

For the years ended December 31, 2014 and 2013, the Company recognized sales to the following related parties which represented 100% of total sales recognized in 2013:

Party	Relationship	For the years ended December 31,	
		2014	2013
Medical Marijuana, Inc. ("MJNA")	Stockholder	\$ -	\$ 92,690
HempMeds PX	80% owned by MJNA	5,443,978	871,315
Dixie/Red Dice Holdings	60% owned by MJNA	-	365,058
Canchew Biotechnologies	40% owned by MJNA	-	825,000
		<u>\$ 5,443,978</u>	<u>\$ 2,154,063</u>
		<u>53.4%</u>	<u>100.0%</u>

During 2014, the Company discontinued sales to HempMeds PX (Note 12).

100% of the Company's accounts receivable at December 31, 2013 totaling \$1,740,502 were from these parties. In addition, the Company had a note receivable from Dixie Botanicals of \$335,173 at December 31, 2014 (Note 3).

During the years ended December 31, 2014 and 2013, the Company paid \$9,072,025 and \$1,953,690, respectively, to a stockholder of the Company who is a supplier of hemp oil and hemp to the Company.

On January 1, 2015, 250,000 shares of common stock was granted to the V.P. of Operations.

9. LINE OF CREDIT – ROEN VENTURES, LLC

On March 1, 2013, the Company issued a Promissory Note (the “Note”) to Roen Ventures, LLC, a Nevada limited liability company (“Roen Ventures”), in exchange for loans provided and to be provided in the future in an amount of up to \$2,000,000, subsequently increased to \$6,000,000. As of December 31, 2013, the principal balance of the Note was \$6,092,069. The Note was an unsecured obligation of the Company accruing interest at 5% that was due on July 25, 2015. As previously disclosed in our Current Report on Form 8-K filed with the SEC on July 31, 2013, the disinterested members of our Board of Directors (the “Board”) approved an amendment to the terms of the Note to increase the credit line to \$6,000,000 and provide for the ability of Roen Ventures to convert, at its sole discretion, the outstanding balance of the Note into shares of the common stock of the Company at a conversion price determined following the conclusion of a valuation of the Company’s common stock. The valuation determined pursuant to ASC 718 *Stock Compensation* that the fair market value of our restricted common stock was \$0.68 per share. On November 7, 2013, disinterested members of the Board approved an amendment to the Note to allow for conversion of the Note at a conversion price equal to \$0.60 per share, which represents a discount of approximately 12% off the fair market value of our restricted common stock.

The Company has determined that the conversion feature is considered a beneficial conversion feature and determined its value on the date of the amendment for \$6,000,000 on July 25, 2013 to be \$800,000. The Company calculated the beneficial conversion feature at its intrinsic value. Accordingly, the beneficial conversion feature was accounted for as a debt discount to the Note and was amortized using the effective interest method as interest expense over the remaining life of the Note or upon conversion, if sooner. The amortization of debt discounts for the years ended December 31, 2014 and 2013 was \$589,474 and \$210,526, respectively, and is included in interest expense in the accompanying consolidated statements of operations.

On January 22, 2014, Roen Ventures LLC delivered a Notice of Election to Convert to Common Shares. As a result, in January 2014 the Company issued a total of 10,000,000 shares of the Company’s common stock under the terms of the Conversion Notice.

10. STOCKHOLDERS’ EQUITY

Common Stock

The Company is authorized to issue up to 190,000,000 shares of common stock (par value \$0.0001). As of December 31, 2014 and 2013, the Company had 33,419,166 and 15,580,000 shares of common stock issued and outstanding, respectively. During 2014, the Company issued 8,039,166 shares of its common stock, of which 7,500 shares related to an employment agreement and 8,031,666 were pursuant to a private placement offering. The Company had received payment of \$175,000 toward the purchase of these shares at December 31, 2013. In addition, during 2014, 10,000,000 shares of the Company’s common stock were issued for a debt conversion (Note 9); and, 300,000 shares were issued on October 31, 2014 at a price of \$2.82 per share, the Company’s closing price for common stock, for compensation to directors and officers.

The Company issued a total of 7,500 and 5,000 shares of common stock under an employment agreement during the years ended December 31, 2014 and 2013, respectively. The agreement terminated in December 2014 and no further grants will be awarded under this agreement.

On November 7, 2013, the Board of Directors approved the terms of an offering of up to \$10 million of its restricted common stock in a private placement to accredited investors at a price of \$1.00 per share. The offering was conducted pursuant to Rule 506(b) of Regulation D, as promulgated by the SEC under the Securities Act of 1933, as amended. As of December 31, 2013, the Company sold a total of 2,750,000 shares under the offering and received net proceeds of \$2,731,423. As of December 31, 2013, \$175,000 was received for 175,000 shares that were issued subsequent to year end.

On January 28, 2015, we commenced an offering whereby the Company intends to sell up to 12 million shares of its restricted common stock in a private placement to accredited investors at a price per share of \$2.00 (the “Offering”). The issuance of the shares in connection with the Offering was exempt from registration under the Securities Act of 1933, as amended (the “Act”), in reliance on exemptions from the registration requirement of the Act in transaction not involve in a public offering pursuant to Rule 506(b) of Regulation D, as Promulgated by the Securities and Exchange Commission under the Act.

As of March 31, 2015, the Company sold an aggregate of 1,260,000 shares of its restricted common stock pursuant to the Offering to 27 investors for an aggregate purchase price of \$2,520,000.

Preferred Stock

The Company is authorized to issue up to 10,000,000 shares of \$.0001 par value preferred stock with designations, rights and preferences to be determined from time to time by the Board. Each such series or class shall have voting powers, if any, and such preferences and/or other special rights, with such qualifications, limitations or restrictions of such preferences and/or rights as shall be stated in the resolution or resolutions providing for the issuance of such series or class of shares of preferred stock. As of December 31, 2014 and 2013 there is no preferred stock issued and outstanding.

Options/Warrants

On July 23, 2014, Company shareholders approved the Amended and Restated Equity Incentive Plan, which provides for the granting of stock options, restricted stock awards, restricted stock units, stock bonus awards and performance-based awards. This plan serves as the successor to the 2013 Equity Incentive Plan (Note 11).

11. STOCK-BASED COMPENSATION

On July 23, 2014, Company shareholders approved the Amended and Restated Equity Incentive Plan (the "Amended 2013 Plan"), which provides for the granting of stock options, restricted stock awards, restricted stock units, stock bonus awards and performance-based awards. The Amended 2013 Plan serves as the successor to the 2013 Equity Incentive Plan. There were no option awards under the 2013 Equity Incentive Plan. Under the Amended 2013 Plan, the Company may grant up to 10,000,000 new stock. As of December 31, 2014, the Company had approximately 3,530,000 of authorized unissued shares reserved and available for issuance upon exercise and conversion of outstanding awards.

The stock options are exercisable at no less than the fair market value of the underlying shares on the date of grant, and restricted stock and restricted stock units are issued at a value not less than the fair market value of the common stock on the date of the grant. Generally, stock options awarded are vested in equal increments ranging from two to four years on the annual anniversary date on which such equity grants were awarded. The stock options generally have a maximum term of 10 years. The following table summarizes stock option activity for the Amended 2013 Plan during the year ended December 31, 2014:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contract Term (Years)	Aggregate Intrinsic Value
Outstanding - December 31, 2013	-	-	-	-
Granted	6,470,000	\$ 2.70	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding - December 31, 2014	6,470,000	\$ 2.70	9.88	\$ -
Total exercisable - December 31, 2014	3,048,869	\$ 2.66	9.93	\$ -
Total unvested - December 31, 2014	3,421,131	\$ 2.74	9.84	\$ -
Total vested or expected to vest - December 31, 2014	6,470,000	\$ 2.70	9.88	\$ -

The following table summarizes unvested stock options as of December 31, 2014:

	Number of Shares	Weighted Average Fair Value Per Share on Grant Date
Unvested stock options - December 31, 2013	-	\$ -
Granted	6,470,000	2.22
Vested	3,048,869	2.11
Forfeited	-	-
Unvested stock options - December 31, 2014	3,421,131	\$ 2.31

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The following table presents the weighted-average assumptions used by the Company for calculating the fair value of its employee, non-employee, officer and director stock options using the Black-Scholes valuation model that have been granted during the year ended December 31, 2014:

	Employees Weighted Average	Non-Employees Weighted Average
Volatility	103.48%	96.69%
Risk-Free Interest Rate	1.81%	2.31%
Expected Term	5.32	10.00
Dividend Rate	0.00%	0.00%
Fair Value Per Share on Grant Date	\$2.21	\$2.45

The risk-free interest rates are based on the implied yield available on U.S. Treasury constant maturities with remaining terms equivalent to the respective expected terms of the options. The Company estimates the expected term for stock options awarded to employees, non-employees, officers and directors using the simplified method in accordance with Staff Accounting Bulletin 110, *Certain Assumptions Used in Valuation Methods*, because the Company does not have sufficient relevant historical information to develop reasonable expectations about future exercise patterns. The Company estimates the expected term for stock options awarded to employees, non-employees, officers and directors using the contractual term. Expected volatility is calculated based on the Company's peer group, consisting of five companies in the industry in which the Company does business because the Company does not have sufficient historical volatility data. The Company will continue to use peer group volatility information until historical volatility of the Company is available to measure expected volatility for future grants. In the future, as the Company gains historical data for volatility of its own stock and the actual term over which stock options are held, expected volatility and the expected term may change, which could substantially change the grant-date fair value of future stock option awards, and, consequently, compensation of future grants.

The Company recognized \$7,069,833 relating to stock options and \$888,125 relating to common stock issued to employees, non-employees, officers, and directors during the year ended December 31, 2014. For the year ended December 31, 2014, stock-based compensation of \$7,851,685 and \$64,148, was expensed to Selling, General and Administration and Research and Development, respectively. As of December 31, 2014, total unrecognized compensation cost related to non-vested stock-based compensation arrangements granted to employees, officers, and directors was \$7,251,258, which is expected to be recognized over a weighted-average period of 2.28 years.

12. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has non-cancelable operating leases, which expire through 2017. The leases generally contain renewal options ranging from 1 to 3 years and require the Company to pay costs such as real estate taxes and common area maintenance. The following table provides the Company's lease commitments at December 31, 2014:

For the years ending December 31,	Total Operating Leases
2015	\$ 383,446
2016	427,914
2017	206,482
	<u>\$ 1,017,842</u>

The Company incurred rent expense of \$285,960 and \$99,080 for the years ended December 31, 2014 and 2013, respectively.

The Company is a party to a contract for the growth and processing of 2,600 kilograms of product currently being delivered and scheduled to be delivered through August 31, 2015. The total amount left to be paid under this contract is approximately \$7.2 million through December 2015. The Company is party to a second purchasing contract to provide up to 1 million kilograms of raw product to the Company. There is approximately \$1.8 million remaining to be paid under this second contract through December 31, 2015. We have contractual rights for the growth and processing of hemp oil for delivery through October 2018 under both of these contracts. We anticipate the cost under both contracts will remain consistent with current year prices.

Contingencies

On March 8, 2008, Far West Industries ("Far West") sued Michael J. Mona, Jr., President and Chief Executive Officer of the Company and others for damages resulting from fraud arising out of a land transaction in California (the "California Action"). On February 23, 2012, a judgment was entered in the California Action in favor of Far West against Mr. Mona and others in the amount of \$17,777,562. On October 18, 2012, the judgment in the California Action was domesticated in Nevada and enforcement proceedings commenced including, but not limited to an examination of Mr. Mona as a judgment debtor, and garnishments of various accounts belonging to Mr. Mona. During the period, Mr. Mona loaned \$3,000,000 to Roen Ventures, which was subsequently loaned to the Company. The suit alleges that the loan transactions were intended to prejudice creditors like Far West by concealing and wasting assets that would otherwise be available to satisfy the judgment that Far West has against Mr. Mona. Pursuant to a Second Amendment Complaint filed by Far West Industries on February 20, 2014, the Company was added as a defendant to the suit. On March 17, 2014, the Company was served with a complaint from Far West Industries. In summary, Far West alleges that the Company is in possession of funds as a result of an allegedly fraudulent transfer between Mr. Mona, Roen Ventures, LLC, and the Company. On May 13, 2014, a motion to dismiss filed by the Company was granted and thus, the Company will no longer be a defendant in the lawsuit. Although Far West's counsel thereafter filed a Third Amended Complaint which improperly sought to re-name the Company as a defendant, on October 16, 2014, Far West filed a dismissal of the Company after the Company threatened to bring a motion for sanctions for violating the Court order of May 13, 2014. Accordingly, the Company has been formally dismissed from the action.

On April 23, 2014, Tanya Sallustro filed a purported class action complaint (the "Complaint") in the Southern District of New York (the "Court") alleging securities fraud and related claims against the Company and certain of its officers and directors and seeking compensatory damages including litigation costs. Ms. Sallustro alleges that between March 18-31, 2014, she purchased 325 shares of the Company's common stock for a total investment of \$15,791. The Complaint refers to Current Reports on Form 8-K and Current Reports on Form 8-K/A filings made by the Company on April 3, 2014 and April 14, 2014, in which the Company amended previously disclosed sales (sales originally stated at \$1,275,000 were restated to \$1,082,375 - reduction of \$192,625) and restated goodwill as \$1,855,512 (previously reported at net zero). Additionally, the Complaint states after the filing of the Company's Current Report on Form 8-K on April 3, 2014 and the following press release, the Company's stock price "fell \$7.30 per share, or more than 20%, to close at \$25.30 per share." Subsequent to the filing of the Complaint, six different individuals have filed a motion asking to be designated the lead plaintiff in the litigation. The Court scheduled a hearing on August 14, 2014 to consider the motions for designation as lead plaintiff. The other individuals seeking lead plaintiff designation are: Wayne Chesner; Anamaria Schelling; Mark Williams; Otilda LaMont; Jane Ish and Steve Schuck. After a hearing held on August 14, 2014, the Court took the matter under submission. On March 19, 2015, the Court issued a ruling appointing Steve Schuck as lead plaintiff and setting an initial pre-trial conference for April 30, 2015. The Company has not yet answered the Complaint but management intends to vigorously defend the allegations and an estimate of the possible loss cannot be made at this time.

On March 17, 2015, shareholder Michael Ruth filed a shareholder derivative suit in Nevada District Court alleging two causes of action: 1) Breach of Fiduciary Duty, and 2) "Gross Mismanagement." The claims are premised on the same event as the already-pending securities class action case in New York - it is alleged that the Form 8-K filings misstated goodwill and sales of the Company, which when corrected, lead to a significant drop in stock price. The Company has not been served with the Complaint but intends to vigorously defend the case after service is made.

On August 11, 2014, we terminated the Non-Exclusive License and Distribution Agreement with HempMeds PX, LLC (the "HempMeds Agreement"). On or about August 13, 2014, HempMeds PX, LLC ("HempMeds") demanded arbitration against us and recommended that the parties engage Private Trials in Las Vegas, Nevada to conduct the arbitration, denying that HempMeds was in breach of the HempMeds Agreement. On August 22, 2014, HempMeds filed a complaint in the Eighth Judicial District, Clark County, Nevada (the "Nevada Complaint") against us for breach of the HempMeds Agreement, unjust enrichment, and interference with prospective business advantage, claiming that it had satisfied all of its obligations under the HempMeds Agreement and that we breached that agreement by terminating it without just cause. Concurrently, HempMeds filed a Motion for Preliminary Injunction, asking the Court to reinstate the HempMeds Agreement, namely the provision that identified HempMeds as the exclusive on-line seller of certain products of the Company. The court denied HempMeds' motion on October 3, 2014. We have not yet answered the Nevada Complaint because the parties have agreed to arbitration and are attempting to resolve the issue of where the arbitration will be held. We deny HempMeds' claims and intend to vigorously defend the allegations and file appropriate counter-claims. Since the action was recently filed and no discovery has been conducted, an estimate of the possible loss or recovery cannot be made at this time.

On September 11, 2014, we filed a complaint for trademark infringement against Kannaway, LLC, General Hemp, LLC and HDDC Holdings, LLC (collectively, "defendants") in the United States District Court, Southern District of California, asserting that defendants have infringed on the Company's Cannabis Beauty® and Cannabis Beauty Defined trademarks. The Company alleges, among other things, that defendant HDDC Holdings, LLC ("HDDC") assigned its rights in the CANNABIS BEAUTY DEFINED® mark to the Company (the "HDDC Assignment") which was promptly filed with the USPTO but, despite the foregoing, HDDC's sister company, defendant Kannaway, LLC ("Kannaway"), is improperly using the trademark on personal care products in competition with the Company. On February 20, 2015, Defendants filed a counterclaim against the Company, asserting that the HDDC Assignment was signed under "duress" and that HDDC licensed the mark to the other defendants for 50 years before it assigned the mark to the Company. Lastly, Counterclaimants assert claims for unfair competition against the Company, although they do not identify the commercial activity giving rise to the claim. We filed a Motion to Dismiss the counterclaim which will be heard on April 17, 2015. On February 12, 2015, the Court granted our motion for preliminary injunction, enjoining defendants from using the Cannabis Beauty Defined trademark or any confusingly similar mark. The Company has posting an undertaking for \$1.2M to secure the preliminary injunction under FRCP 65(c). Management intends to vigorously prosecute this complaint and defend the counterclaims. Since no discovery has been conducted, an estimate of the possible recovery or loss cannot be made at this time.

13. INCOME TAXES

Deferred tax assets and liabilities are provided for significant income and expense items recognized in different years for tax and financial reporting purposes. The Company periodically assesses the likelihood that it will be able to recover its deferred tax assets. The Company considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible profits. At December 31, 2014 and 2013, the Company established valuation allowances equal to the full amount of its deferred tax assets due to the uncertainty of the utilization of the net operating losses in future periods.

	2014	2013
Deferred tax assets:		
Net operating loss carryforwards	\$ 1,083,064	\$ 466,161
Allowance for doubtful accounts	39,834	159,338
Intangible assets	310,548	141,730
Investment in Kannalife Sciences	—	123,787
Stock-based compensation	128,703	—
Other	33,596	113,399
	<u>1,595,745</u>	<u>1,004,415</u>
Deferred tax liabilities:		
Property and equipment	(85,217)	(43,658)
Total deferred tax assets	<u>1,510,528</u>	<u>960,757</u>
Valuation allowance	<u>(1,510,528)</u>	<u>(960,757)</u>
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

The valuation allowance increased \$549,771 and \$910,281 for years ended December 31, 2014 and 2013, respectively.

At December 31, 2014, the Company has Federal and state net operating loss ("NOL") carryforwards of approximately \$2,753,000 and \$2,522,000, respectively, which are available to offset future taxable income and which begin to expire in 2023. These loss carryforwards will likely be further limited pursuant to Internal Revenue Code Section 382 due to the change in control.

The differences between the expected income tax benefit and the actual recorded income tax benefit computed using a statutory federal rate of 34% is as follows for the years ended December 31.

	2014	2013
Income tax benefit at statutory rate	\$ (444,442)	\$ (782,067)
State taxes	(94,475)	(132,094)
Stock-based compensation	2,293,891	—
Investment in Kannalife Sciences	(2,567,000)	—
Amortization of discount on convertible note	200,421	3,880
Permanent differences	(8,114)	—
Other	69,948	—
Change in valuation allowance	549,771	910,281
Total provision	\$ —	\$ —

14. SUBSEQUENT EVENTS

On February 23, 2015, we signed an amended lease for our laboratory facility in San Diego, California. Pursuant to the term of the lease, we will lease an additional 704 square feet of laboratory space for an additional \$1,478 per month. The term of the lease commenced on March 1, 2015 with a term of 22 months through December 31, 2016.

On January 28, 2015, we commenced an offering whereby the Company intends to sell up to 1.2 million shares of its restricted common stock in a private placement to accredited investors at a price per share of \$2.00 (Note 10).

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-199173), pertaining to the CannaVEST Corp. 2013 Amended and Restated Equity Incentive Plan, of our report dated March 31, 2015, relating to the consolidated financial statements of CannaVEST Corp. and Subsidiaries included in the Annual Report on Form 10-K for the year ended December 31, 2014.

San Diego, California
March 31, 2015

/s/ PKF
PKF
Certified Public Accountants
A Professional Corporation

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. Mona, Jr., President and Chief Executive Officer of CannaVest, Corp. (the "Company") certify that:

1. I have reviewed this report on Form 10-K of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2015

By: /s/ Michael J. Mona, Jr.

Michael J. Mona, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14(n) AND 15(d)-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joseph D. Dowling, Chief Financial Officer of CannaVest Corp. (the "Company") certify that:

1. I have reviewed this report on Form 10-K of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2015

By: /s/ Joseph D. Dowling
 Joseph D. Dowling
 Chief Financial Officer (Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CannaVest Corp. (the "Registrant") on Form 10-K for the year ended December 31, 2014 (the "Report"), I, Michael J. Mona, Jr., President and Chief Executive Officer of the Registrant, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report, as filed with the Securities and Exchange Commission, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: March 31, 2015

By: /s/ Michael J. Mona, Jr.

Michael J. Mona, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CannaVest Corp. (the "Registrant") on Form 10-K for the year ended December 31, 2014 (the "Report"), I, Joseph D. Dowling, Chief Financial Officer of the Registrant, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report, as filed with the Securities and Exchange Commission, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: March 31, 2015

By: /s/ Joseph D. Dowling
Joseph D. Dowling
Chief Financial Officer (Principal Financial Officer)

RESIDENTIAL LEASE/RENTAL AGREEMENT

PARTIES:

LANDLORD: Bamnagh Holdings LLC, a Nevada limited liability company

TENANT(S): Michael Mona and Rhonda Mona

PROPERTY ADDRESS: 877 Island Blvd., #1101, San Diego, California 92101

1. **TERM:** The premises are leased for a period of thirty six (36) months until September 30, 2017 (the "Initial Term"), and said term shall be automatically renewed for additional terms of thirty-six (36) months each unless written notice of termination is delivered by a party hereto to the other party, no later than thirty (30) days prior to the expiration of the then effective term.

2. **PAYMENT:** As consideration and payment for the lease herein, commencing October 1, 2014 and for the term of the Lease, TENANT agrees to pay the following: (a) all real estate taxes, assessments and other amounts due and payable on the Leased Premises; (b) all condominium or homeowner association fees and assessments; (c) all utilities and/or similar services supplied to the premises; and (d) all property and other types of insurance payable on the Leased Premises as described hereafter.

3. **SECURITY DEPOSITS:** TENANT shall deposit with LANDLORD the sum of \$9 as a security deposit to secure TENANT'S faithful performance of the terms of this lease. After TENANT has vacated, leaving the premises vacant, the LANDLORD may use the security deposit for the clearing of the premises, any unusual wear and tear to the premises or common areas, and any rent or other amounts owed pursuant to the lease agreement or pursuant to the laws of the State of California. TENANT may not use said deposit for rent owed during the term of the lease. Within 21 days of the TENANT vacating the premises, LANDLORD shall furnish TENANT a written statement indicating any amounts deducted from the security deposit and returning the balance to the TENANT. If TENANT fails to furnish a forwarding address to LANDLORD, then LANDLORD shall send said statement and any security deposit refund to the leased premises.

4. **OCCUPANTS:** The premises shall not be occupied by any person other than those designated above as TENANT with the exception of their children, if any. Any person staying 14 days cumulative or longer, without the LANDLORD'S written consent, shall be considered as occupying the premises in violation of this agreement.

5. **SUBLETTING OR ASSIGNING:** TENANT agrees not to assign or sublet the premises, or any part thereof, without first obtaining written permission from LANDLORD.

6. **PARKING:** TENANT shall abide by ordinances of the San Diego County, California, if any, and the condominium association related to parking in the condominium facility parking garage and shall pay all costs associated therewith. TENANT may not assign, sublet, or allow any other person to use the parking at the premises. TENANT may not repair or paint in this space or at any other common area on the premises. Any vehicle that is leaking any substance must not be parked anywhere on the premises.

7. **CONDITION OF PREMISES:** TENANT has inspected the premises and noted in writing any damage, maintenance or cleaning work that must be completed by LANDLORD. LANDLORD will forthwith take such actions as are reasonably necessary to correct the damage, maintenance or cleaning work noted



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by TENANT. TENANT promises to keep the premises in a neat and sanitary condition and shall be solely responsible to pay for any sums necessary to repair any item, fixture or appurtenance that needs service for any reason.

8. ALTERATIONS: TENANT shall be entitled to make reasonable alterations to the premises, including but not limited to installing arials, lighting fixtures, dishwashers, washing machines, dryers or other but shall be solely responsible for the costs thereof. In this regard, TENANT shall ensure that no lien or other charge is levied against the premises as a result of any such alterations or improvements. TENANT shall not place placards, signs, or other exhibits in a window or any other place where they can be viewed by other residents or by the general public.

9. NOISE AND DISRUPTIVE ACTIVITIES: TENANT or his/her guests and invitees shall not disturb, annoy, endanger or inconvenience other tenants of the building, neighbors, the LANDLORD or his agents, or workmen nor violate any law, nor commit or permit waste or nuisance in or about the premises. Further, TENANT shall not do or keep anything in or about the premises that will obstruct the public spaces available to other residents.

10. LANDLORD'S RIGHT OF ENTRY: LANDLORD may enter and inspect the premises during normal business hours and upon reasonable advance notice of at least 24 hours to TENANT. LANDLORD is permitted to make all alterations, repairs and maintenance that in LANDLORD'S judgment is necessary to perform. In addition LANDLORD has all right to enter as provided in the laws of the State of Nevada. If the work performed requires that TENANT temporarily vacate the premises, then TENANT shall vacate for this temporary period upon being served a 7 days notice by LANDLORD. TENANT agrees that in such event that TENANT will be solely compensated by a corresponding reduction in rent for those many days that TENANT was temporarily displaced.

If the work to be performed requires the cooperation of TENANT to perform certain tasks, then those tasks shall be performed upon serving 24 hours written notice by LANDLORD. (EXAMPLE removing food items from cabinets so that the unit may be sprayed for pests)

11. REPAIRS BY LANDLORD: Where a repair is the responsibility of the LANDLORD, TENANT must notify LANDLORD with a written notice stating what item needs servicing or repair. TENANT must give LANDLORD a reasonable opportunity to service or repair said item. TENANT acknowledges that rent will not be withheld unless a written notice has been served on LANDLORD giving LANDLORD a reasonable time to fix said item. Under no circumstances may TENANT withhold rent unless said item constitutes a substantial breach of the warrantee of habitability as provided by the laws of the State of Nevada.

12. INSURANCE: TENANT shall maintain a property insurance as well as personal property insurance policy to cover any losses sustained to the premises or TENANT'S personal property or vehicle. It is acknowledged that TENANT'S insurance policy shall indemnify LANDLORD for any losses sustained to the premises and shall name the LANDLORD as an additional insured beneficiary thereof. TENANT'S failure to maintain said policy shall be a complete waiver of TENANT'S right to seek damages against LANDLORD for the above stated losses.

13. TERMINATION OF LEASE/RENTAL AGREEMENT: At the expiration of the term set forth above in paragraph 2, this lease shall become a month to month tenancy upon the approval of LANDLORD. Where said term is a month to month tenancy, either party may terminate this tenancy by the serving of a 30 day written notice.

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