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

LYNITA SUE NELSON, INDIVIDUALLY, AND IN HER CAPACITY AS INVESTMENT TRUSTEE OF THE LYNITA S. NELSON NEVADA TRUST, DATED MAY 30, 2001,

Electronically Filed Mar 12 2020 02:55 p.m. Elizabeth A. Brown Clerk of Supreme Court

Appellant,

VS.

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Supreme Court Case No. 77473 District Court Case No. D411537

ERIC L. NELSON, INDIVIDUALLY, AND IN HIS CAPACITY AS INVESTMENT TRUSTEE OF THE ERIC L. NELSON NEVADA TRUST, DATED MAY 30, 2001, and MATT KLABACKA, AS DISTRIBUTION TRUSTEE OF THE ERIC L. NELSON NEVADA TRUST, DATED MAY 30, 2001,

Respondents.

# RESPONDENT'S OPPOSITION TO APPELLANT'S RESPONSE TO JANUARY 27, 2020 ORDER TO SHOW CAUSE

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Distribution Trustee of the Eric L. Nelson

<sup>26</sup> Nevada Trust, dated May 30, 2001

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#### MEMORANDUM OF POINTS AND AUTHORITIES

I.

#### **INTRODUCTION**

Respondent Matt Klabacka ("Respondent), Distribution Trustee of the Eric L. Nelson Nevada Family Trust ("ELN Trust"), dated May 30, 2001, by and through his Counsel of Record, the law firm of Solomon, Dwiggins, & Freer, Ltd., hereby opposes Appellant Lynita Sue Nelson's Response to January 27, 2020 Order to Show Cause because Appellant has failed to show that the district court's order is appealable.

II.

#### PROCEDURAL BACKGROUND

Eric and Lynita Nelson were married on September 7, 1983 and divorced by the Decree of Divorce ("Decree") entered by the district court on June 3, 2013. AAPP V19:4691-4742<sup>1</sup>. The Decree and other orders were appealed to this Court.

NRAP 30(b) provides as follows: "Except as otherwise required by this Rule, all matters not essential to the decision of issues presented by the appeal shall be omitted. Brevity is required; the court my impose costs upon parties or attorneys who unnecessarily enlarge the appendix." Given that this matter has previously been the subject of a number of appeals that were heard by this Court (Case No. 66772, consolidated with Case No. 68292), in the interest of brevity, documents referenced herein which were included in the prior appendices have been cited in the same manner to which they were cited in the prior appeal (*i.e.*, AAPP or RAPP). Citations to Lynita's appendix will be cited to as "SRAPP". In the event this Court desires the ELN Trust to include the additional documents required by NRAP 30(b)(2) (which documents were already included in the appendices filed in Case No. 66772) it will immediately do so.

AAPP V23:5576-5578, AAPP V25:6249-6250, and SRAPP V1:5-8.

On May 25, 2017, this Court rendered its decision in *Klabacka v. Nelson*, 133 Nev. 164, 394 P.3d 940, 949 (2017), which decision "[a]ffirmed in part, vacated in part" the Decree, and "remand[ed] this matter for further proceedings consistent with this opinion."

On July 31, 2017, after this matter had been remanded to the district court, Lynita filed a countermotion requesting, *inter alia*, that the district court "expressly affirm the Joint Preliminary Injunction ["JPI"] previously entered...EDCR 5.517 [EDCR 5.518, as of January 1, 2020]." SRAPP V1: 146:18-22.

At the August 8, 2017 hearing on the countermotion for the JPI the district court stated, in part:

I'm really not inclined to freeze everything and start all over again... To be honest, I'm really not inclined to reissue the JPI and freeze all that. ... I'm really not inclined to put a stay on everything. SRAPP V1:201-241.

At the January 31, 2018 hearing the District Court stated, in part:

As far as the instituting a joint preliminary injunction, that's all that these trusts do is buy and sell property. So when you say they should conduct business as usual, by putting in – that in place and not allowing them to sell things, that's what they do. So that would be – it's a severe burden that I think when – the fact that the Supreme Court has already ruled what needs to go back to the ELN Trust and I don't think we should be encumbering a business running and moving forward. These – that's how both sides function. So I think that we

can't lose sight of that. SRAPP V2:270-335.

On April 19, 2018, the district court entered its Order but it did not address the request for a JPI.

On May 5, 2018, Lynita filed her Motion for Reconsideration and Clarification of the Court's Decision Entered on April 19, 2018, wherein she again requested the imposition of a JPI against Eric and, or, the ELN Trust.

On May 22, 2018, the district court entered its Order Granting a JPI for two particular properties because they are subject to a claim of community interest, which provides, in part: "A Joint Preliminary Injunction for the Banone, LLC and Lindell Properties is appropriate because both properties are involved in a claim of community property." SRAPP V2:441-449. Lynita never appealed this Order.

Still unhappy with the Order, on June 5, 2018, Lynita filed a Motion for Reconsideration and Clarification of it, wherein she requested for the third time that the district court reconsider said Order and expand the JPI to all assets titled in the name of the ELN Trust. SRAPP V2:450-457.

On October 16, 2018, the district court entered its Decision on the Motion for Reconsideration and Clarification of the Court's Decision Entered on May 22, 2018, confirming that a JPI "shall only be placed on the [two particular properties]." SRAPP V2:614-625.

On November 7, 2018, Lynita filed this appeal. Although Lynita had before acquiesced to having the JPI limited to the property awarded to her in the

decree, SRAPP V2:299-300, the appeal demands that the JPI be expanded to "all property which is subject to a claim of community property interest." (emphasis added).

On June 6, 2019, the ELN Trust, later joined by Eric, filed before this Court a Motion to Dismiss Appeal alleging that Lynita's appeal was untimely and that this Court lacks subject matter jurisdiction. Lynita filed her Opposition to said Motion on June 27, 2019, and Respondent filed his Response thereto on July 19, 2019.

On August 6, 2019, this Court denied the Motion to Dismiss stating:

Appellant timely filed the notice of appeal from the order entered October 16, 2018, in which the district court resolved her motion for reconsideration and denied her request for a preliminary injunction...[Also], respondents' argument regarding the appealability of the denial of a preliminary injunction under NRAP 65 or EDCR 5.517 appear to go to the merits of the appeal and are not appropriate for disposition in a motion to dismiss.

On January 27, 2020, this Court issued an Order to Show Cause why this "appeal from a district court order denying a request for a joint preliminary injunction involving spendthrift trusts in a family law matter ... should not be dismissed for lack of jurisdiction."

#### III.

### **ARGUMENT**

The Nevada Supreme Court "is a court of limited appellate jurisdiction."

Valley Bank of Nev. v. Ginsburg, 110 Nev. 440, 444, 874 P.2d 729, 732 (1994). It has jurisdiction to entertain an appeal "only where an appeal is authorized by statute or court rule." *Id.* Where there is no authority for a party to appeal, there exists no right to appeal. *See Taylor Constr. Co. v. Hilton Hotels Corp.*, 100 Nev. 207, 209, 678 P.2d 1152, 1153 (1984). Moreover, this Court in *State v. State Bank & Trust Co.*, 36 Nev. 526, 137 P. 400, 403 (1913) has emphasized that its jurisdictional authority must be *clear* as a matter of law:

It is a question of jurisdiction, and this jurisdiction is one with which this court cannot invest itself, however anxious the court might be so to do or however urgent the matter might be. No order ... can authorize this court to take cognizance of a matter on appeal, unless the **right of appeal** <u>clearly</u> **appears as a matter of law**. (Emphases added.)

# A. No Statute or Rule Confers Jurisdiction on a Joint Preliminary Injunction Under EDCR 5.517.

The district court's order is not appealable because there simply is no statute or court rule authorizing this Court with jurisdiction to hear "an appeal from a district court order denying a request for a *joint preliminary injunction* involving spendthrift trusts in a *family law matter*." (Order to Show Cause) (emphases added). Indeed, the Order to Show Cause itself was entered precisely because this Court found "a potential jurisdictional defect in that it appears that th[is] district court's order is not appealable." (citing NRAP 3A(b)).

This Court's guidance in Nev. Gaming Comm'n v. Byrens, 76 Nev 374, 355

P.2d 176 (1960) proves helpful here. There, a party seeking to appeal an order denying a motion to dismiss a petition for writ of certiorari containing an injunction (to desist from further proceeding in the matter to be reviewed) invoked NRCP 72(b)(2), the predecessor to NRAP 3A(b)(3), which authorized appeals from an order granting an injunction. In dismissing the appeal, this Court stated that NRCP 72(b) "states *precisely* what determinations are appealable," and emphasized that it "does not include ...an order to dismiss a petition for writ of certiorari..." (*Byrens*, 76 Nev. at 375, 355 P.2d at 177) (emphases added). Likewise, here, neither NRAP 3A(b) nor any other statute or rule grants this Court jurisdiction to hear this appeal from a district court order denying expansion of a joint preliminary injunction either under EDCR 5.517 or otherwise involving a family law matter.

B. NRAP 3A(b)(3) Does Not Confer Jurisdiction on Joint Preliminary Injunctions Under EDCR 5.517 because NRCP 65 does not apply thereto.

NRAP 3A(b)(3) grants this Court jurisdiction over "[a]n order granting or refusing to grant an injunction or dissolving or refusing to dissolve an injunction," however, there is no precedent that said rule applies to the imposition of a joint preliminary injunction pursuant to EDCR 5.517 or otherwise involving a family law matter. Yes, NRAP 3A(b)(3) pertains to injunctions. And, in turn, injunctions are denied and/or granted pursuant to NRCP 65. But, subsection (e) therein expressly states that NRCP 65 is "not applicable to actions for divorce,

alimony, separate maintenance, or custody of children," *i.e.*, "preliminary injunction[s] involving ... family law matter[s]" (Order to Show Cause).

Indeed, <u>unlike injunctions governed under NRCP 65</u>, in divorce (family law) actions and pursuant to EDCR 5.517, a court may issue a joint preliminary injunction <u>without</u>: (1) notice; (2) bond; (3) "[e]vidence that goes beyond the unverified allegations of the pleadings and motion papers..." (*see Hospitality Int'l Group v. Gratitude Group, LLC*, 387 P.3d 208 at \* 2 (2016)); (4) a showing of movant's "likelihood of success on the merits" (*Id.*); and (5) a showing "that the nonmoving party's conduct, should it continue, would cause irreparable harm for which there is no adequate remedy at law." *Id.* 

It is thus apparent that a joint preliminary injunction pursuant to EDCR 5.517 is not governed by NRCP 65 and differs substantively and substantially from an injunction governed thereunder.<sup>2</sup> Joint preliminary injunctions under EDCR 5.517 simply do not invoke the same quantum of finality or imposition as injunctions under NRCP 65. And because a joint preliminary injunction arises in the family law context, district courts are equipped with greater flexibility and fewer formal requirements to readily and quickly grant or deny them and to modify or dissolve them as the court deems warranted. *See, Turner v. Saka*, 90

Also, a district court's order denying reconsideration of its prior denial to expand an EDCR 5.517 joint preliminary injunction is yet further removed from an "order granting or refusing to grant an injunction" as required under NRAP 3A(b)(3) to sustain subject matter jurisdiction here.

Nev. 54, 63, 518 P.2d 608, 614, n. 10 (1974). Indeed, if issued and unless modified or dissolved by the court they remain in effect "until a decree of divorce or final judgment is entered." EDCR 5.517.

Appellant's main argument as to why this Court should hear her appeal is that because NRAP 3A(b) relates to *injunctions*, her appeal of a court order denying expanding a joint preliminary injunction should be heard. But, analogously, this Court has stated that it has "consistently looked past labels in interpreting" the rule governing appealability of a final judgment (NRAP 3A(b)(1)), and "has instead taken a functional view of finality, which seeks to further the rule's main objective: promoting judicial economy by avoiding the specter of piecemeal appellate review." *Bally's Grand Hotel v. Casino Reeves*, 112 Nev. 1487, 1488, 929 P.2d 936, 937 (1996).

This Court's guidance in *Byrens* (*supra*, p. 5) is on point, again. In denying appealability there, this Court further concluded that "the injunction feature of the writ ... is not the type of injunction contemplated by [the predecessor to NRAP 3A(b)(3)]." (*Byrens*, 76 Nev. at 376, 355 P.2d at 177). Likewise, here the joint preliminary injunction under EDCR 5.517 is not the type of injunction contemplated by NRAP 3A(b)(3). The joint preliminary injunction here is thus not appealable via NRAP 3A(b)(3).

Appellant next contends that by this Court referring to NRAP 3A(b)(3) in its Order denying Respondents' Motion to Dismiss, the Court has already

determined appealability. But this Court precisely issuing the Order to Show Cause belies Appellant's presumption of any such determination. Once again, the Order to Show Cause not only suggests, but explicitly shows, the determination is going against appealability ("[o]ur review of the case reveals a potential jurisdictional defect..."). Further, this Court's previous Order denying Respondent's Motion to Dismiss merely mentions NRAP 3A(b)(3) when considering a different issue—whether the notice of appeal was timely filed.<sup>3</sup>

Appellant also states in her Response to the Order to Show Cause (p. 6) that the "goal and purpose" of NRCP 65(e) and EDCR 5.517 is to provide such litigants with a streamlined process for obtaining such injunctions. But this differentiation only further distinguishes joint preliminary injunctions thereunder from injunctions appealable under NRAP 3A(b)(3).

Finally, Appellant argues that if the district court's order denying to reconsider expanding a joint preliminary injunction is not substantively appealable, she would not have "a speedy and adequate remedy at law" to seek review of such order. But, Appellant *can* have just as speedy and adequate a

While this Court's denial of Respondent's Motion to Dismiss appears to be based on its conclusion that the notice of appeal from the Order entered October 16, 2018 was timely filed, Respondent respectfully maintain the notice was not timely filed as to the May 22, 2018 district court order denying Appellant's request for a joint preliminary injunction. Should the Court decide to revisit or clarify its Order or any rulings thereunder it may of course do so *sua sponte*.

remedy in equity by, as she concedes, filing a writ petition to this Court.<sup>4</sup>

IV.

#### **CONCLUSION**

For the foregoing reasons, Respondent respectfully requests that this Court: (i) find that Appellant has not demonstrated that this Court has jurisdiction to hear this appeal under NRAP 3A(b), and, therefore, (ii) dismiss the appeal for lack of subject matter jurisdiction.

Respectfully submitted this 12<sup>th</sup> day of March, 2020.

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Appellant further argues that if she had filed such writ petition, Respondents "likely would have argued" that the denial of a joint preliminary injunction is substantively appealable under NRAP 3A(b)(3) and that this Court may agree with Respondents, etc...Such string of presumptions is simply unwarranted.

### **CERTIFICATE OF SERVICE**

Pursuant to NRAP. 5(b), I hereby certify that I am an employee of the law firm of Solomon Dwiggins & Freer, Ltd., and that on March 12, 2020, I filed a true and correct copy of the foregoing RESPONDENT'S OPPOSITION TO APPELLANT'S RESPONSE TO JANUARY 27, 2020 ORDER TO SHOW CAUSE, with the Clerk of the Court through the Court's e-flex electronic filing system and notice will be sent electronically by the Court to the following:

Josef Karacsonyi, Esq.
DICKERSON KARACSONYI LAW GROUP
Attorneys for Appellant, LYNITA SUE NELSON

Dawn R. Throne, Esq.
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