

**IN THE SUPREME COURT OF THE STATE OF NEVADA**

SUPERPUMPER, INC., an Arizona corporation; EDWARD BAYUK, individually and as Trustee of the EDWARD BAYUK LIVING TRUST; SALVATORE MORABITO, an individual; and SNOWSHOE PETROLEUM, INC., a New York corporation,

Appellants,

vs.

WILLIAM A. LEONARD, Trustee for the Bankruptcy Estate of Paul Anthony Morabito,

Respondent.

Case No. 79355

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Appeal from the Second Judicial  
District Court, the Honorable Connie  
J. Steinheimer Presiding

**APPELLANTS' APPENDIX, VOLUME 12**  
**(Nos. 1826–1995)**

Micah S. Echols, Esq.  
Nevada Bar No. 8437  
CLAGGETT & SYKES LAW FIRM  
4101 Meadows Lane, Suite 100  
Las Vegas, Nevada 89107  
Telephone: (702) 655-2346  
Facsimile: (702) 655-3763  
[micah@claggettlaw.com](mailto:micah@claggettlaw.com)

Jeffrey L. Hartman, Esq.  
Nevada Bar No. 1607  
HARTMAN & HARTMAN  
510 West Plumb Lane, Suite B  
Reno, Nevada 89509  
Telephone: (775) 324-2800  
Facsimile: (775) 324-1818  
[jlh@bankruptcyreno.com](mailto:jlh@bankruptcyreno.com)

*Attorneys for Appellants, Superpumper, Inc.; Edward Bayuk, individually and as Trustee of the Edward Bayuk Living Trust; Salvatore Morabito; and Snowshoe Petroleum, Inc.*

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Statement of Undisputed Facts in Support of Motion for Partial Summary Judgment (filed 08/17/2017)		Vol. 11, 1797–1825

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
<b>Exhibits to Statement of Undisputed Facts in Support of Motion for Partial Summary Judgment</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Declaration of Timothy P. Herbst in Support of Separate Statement of Undisputed Facts in Support of Motion for Partial Summary Judgment	Vol. 12, 1826–1829
2	Findings of Fact, Conclusions of Law, and Judgment in <i>Consolidated Nevada Corp., et al v. JH. et al.</i> ; Case No. CV07-02764 (filed 10/12/2010)	Vol. 12, 1830–1846
3	Judgment in <i>Consolidated Nevada Corp., et al v. JH. et al.</i> ; Case No. CV07-02764 (filed 08/23/2011)	Vol. 12, 1847–1849
4	Excerpted Transcript of July 12, 2017 Deposition of Garry M. Graber	Vol. 12, 1850–1852
5	September 15, 2015 email from Yalamanchili RE: Follow Up Thoughts	Vol. 12, 1853–1854
6	September 23, 2010 email between Garry M. Graber and P. Morabito	Vol. 12, 1855–1857
7	September 20, 2010 email between Yalamanchili and Eileen Crotty RE: Morabito Wire	Vol. 12, 1858–1861
8	September 20, 2010 email between Yalamanchili and Garry M. Graber RE: All Mortgage Balances as of 9/20/2010	Vol. 12, 1862–1863
9	September 20, 2010 email from Garry M. Graber RE: Call	Vol. 12, 1864–1867

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
10	September 20, 2010 email from P. Morabito to Dennis and Yalamanchili RE: Attorney client privileged communication	Vol. 12, 1868–1870
11	September 20, 2010 email string RE: Attorney client privileged communication	Vol. 12, 1871–1875
12	Appraisal of Real Property: 370 Los Olivos, Laguna Beach, CA, as of Sept. 24, 2010	Vol. 12, 1876–1903
13	Excerpted Transcript of March 21, 2016 Deposition of P. Morabito	Vol. 12, 1904–1919
14	P. Morabito Redacted Investment and Bank Report from Sept. 1 to Sept. 30, 2010	Vol. 12, 1920–1922
15	Excerpted Transcript of June 25, 2015 Deposition of 341 Meeting of Creditors	Vol. 12, 1923–1927
16	Excerpted Transcript of December 5, 2015 Deposition of P. Morabito	Vol. 12, 1928–1952
17	Purchase and Sale Agreement between Arcadia Trust and Bayuk Trust entered effective as of Sept. 27, 2010	Vol. 12, 1953–1961
18	First Amendment to Purchase and Sale Agreement between Arcadia Trust and Bayuk Trust entered effective as of Sept. 28, 2010	Vol. 12, 1962–1964
19	Appraisal Report providing market value estimate of real property located at 8355 Panorama Drive, Reno, NV as of Dec. 7, 2011	Vol. 12, 1965–1995

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
20	An Appraisal of a vacant .977± Acre Parcel of Industrial Land Located at 49 Clayton Place West of the Pyramid Highway (State Route 445) Sparks, Washoe County, Nevada and a single-family residence located at 8355 Panorama Drive Reno, Washoe County, Nevada 89511 as of October 1, 2010 a retrospective date	Vol. 13, 1996–2073
21	APN: 040-620-09 Declaration of Value (dated 12/31/2012)	Vol. 14, 2074–2075
22	Sellers Closing Statement for real property located at 8355 Panorama Drive, Reno, NV 89511	Vol. 14, 2076–2077
23	Bill of Sale for real property located at 8355 Panorama Drive, Reno, NV 89511	Vol. 14, 2078–2082
24	Operating Agreement of Baruk Properties LLC	Vol. 14, 2083–2093
25	Edward Bayuk, as trustee of the Edward William Bayuk Living Trust’s Answer to Plaintiff’s First Set of Interrogatories (dated 09/14/2014)	Vol. 14, 2094–2104
26	Summary Appraisal Report of real property located at 1461 Glenneyre Street, Laguna Beach, CA 92651, as of Sept. 25, 2010	Vol. 14, 2105–2155
27	Appraisal of Real Property as of Sept. 23, 2010: 1254 Mary Fleming Circle, Palm Springs, CA 92262	Vol. 15, 2156–2185
28	Appraisal of Real Property as of Sept. 23, 2010: 1254 Mary Fleming Circle, Palm Springs, CA 92262	Vol. 15, 2186–2216

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
29	Membership Interest Transfer Agreement between Arcadia Trust and Bayuk Trust entered effective as of Oct. 1, 2010	Vol. 15, 2217–2224
30	PROMISSORY NOTE [Edward William Bayuk Living Trust (“Borrower”) promises to pay Arcadia Living Trust (“Lender”) the principal sum of \$1,617,050.00, plus applicable interest] (dated 10/01/2010)	Vol. 15, 2225–2228
31	Certificate of Merger dated Oct. 4, 2010	Vol. 15, 2229–2230
32	Articles of Merger Document No. 20100746864-78 (recorded date 10/04/2010)	Vol. 15, 2231–2241
33	Excerpted Transcript of September 28, 2015 Deposition of Edward William Bayuk	Vol. 15, 2242–2256
34	Grant Deed for real property 1254 Mary Fleming Circle, Palm Springs, CA 92262; APN: 507-520-015 (recorded 11/04/2010)	Vol. 15, 2257–2258
35	General Conveyance made as of Oct. 31, 2010 between Woodland Heights Limited (“Vendor”) and Arcadia Living Trust (“Purchaser”)	Vol. 15, 2259–2265
36	Appraisal of Real Property as of Sept. 24, 2010: 371 El Camino Del Mar, Laguna Beach, CA 92651	Vol. 15, 2266–2292
37	Excerpted Transcript of December 6, 2016 Deposition of P. Morabito	Vol. 15, 2293–2295
38	Page intentionally left blank	Vol. 15, 2296–2297
39	Ledger of Edward Bayuk to P. Morabito	Vol. 15, 2298–2300

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
40	Loan Calculator: Payment Amount (Standard Loan Amortization)	Vol. 15, 2301–2304
41	Payment Schedule of Edward Bayuk Note in Favor of P. Morabito	Vol. 15, 2305–2308
42	November 10, 2011 email from Vacco RE: Baruk Properties, LLC/P. Morabito/Bank of America, N.A.	Vol. 15, 2309–2312
43	May 23, 2012 email from Vacco to Steve Peek RE: Formal Settlement Proposal to resolve the Morabito matter	Vol. 15, 2313–2319
44	Excerpted Transcript of March 12, 2015 Deposition of 341 Meeting of Creditors	Vol. 15, 2320–2326
45	Shareholder Interest Purchase Agreement between P. Morabito and Snowshoe Petroleum, Inc. (dated 09/30/2010)	Vol. 15, 2327–2332
46	P. Morabito Statement of Assets & Liabilities as of May 5, 2009	Vol. 15, 2333–2334
47	March 10, 2010 email from Naz Afshar, CPA to Darren Takemoto, CPA RE: Current Personal Financial Statement	Vol. 15, 2335–2337
48	March 10, 2010 email from P. Morabito to Jon RE: ExxonMobil CIM for Florida and associated maps	Vol. 15, 2338–2339
49	March 20, 2010 email from P. Morabito to Vacco RE: proceed with placing binding bid on June 22nd with ExxonMobil	Vol. 15, 2340–2341



<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
50	P. Morabito Statement of Assets & Liabilities as of May 30, 2010	Vol. 15, 2342–2343
51	June 28, 2010 email from P. Morabito to George R. Garner RE: ExxonMobil Chicago Market Business Plan Review	Vol. 15, 2344–2345
52	Plan of Merger of Consolidated Western Corp. with and into Superpumper, Inc. (dated 09/28/2010)	Vol. 15, 2346–2364
53	Page intentionally left blank	Vol. 15, 2365–2366
54	BBVA Compass Proposed Request on behalf of Superpumper, Inc. (dated 12/15/2010)	Vol. 15, 2367–2397
55	Business Valuation Agreement between Matrix Capital Markets Group, Inc. and Superpumper, Inc. (dated 09/30/2010)	Vol. 15, 2398–2434
56	Expert report of James L. McGovern, CPA/CFF, CVA (dated 01/25/2016)	Vol. 16, 2435–2509
57	June 18, 2014 email from Sam Morabito to Michael Vanek RE: SPI Analysis	Vol. 17, 2510–2511
58	Declaration of P. Morabito in Support of Opposition to Motion of JH, Inc., Jerry Herbst, and Berry-Hinckley Industries for Order Prohibiting Debtor from Using, Acquiring, or Disposing of or Transferring Assets Pursuant to 11 U.S.C. §§ 105 and 303(f) Pending Appointment of Trustee; Case No. BK-N-13-51237 (filed 07/01/2013)	Vol. 17, 2512–2516

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
59	State of California Secretary of State Limited Liability Company – Snowshoe Properties, LLC; File No. 201027310002 (filed 09/29/2010)	Vol. 17, 2517–2518
60	PROMISSORY NOTE [Snowshoe Petroleum (“Maker”) promises to pay P. Morabito (“Holder”) the principal sum of \$1,462,213.00] (dated 11/01/2010)	Vol. 17, 2519–2529
61	PROMISSORY NOTE [Superpumper, Inc. (“Maker”) promises to pay Compass Bank (the “Bank” and/or “Holder”) the principal sum of \$3,000,000.00] (dated 08/13/2010)	Vol. 17, 2530–2538
62	Excerpted Transcript of October 21, 2015 Deposition of Salvatore R. Morabito	Vol. 17, 2539–2541
63	Page intentionally left blank	Vol. 17, 2542–2543
64	Edward Bayuk’s Answers to Plaintiff’s First Set of Interrogatories (dated 09/14/2014)	Vol. 17, 2544–2557
65	October 12, 2012 email from Stan Bernstein to P. Morabito RE: 2011 return	Vol. 17, 2558–2559
66	Page intentionally left blank	Vol. 17, 2560–2561
67	Excerpted Transcript of October 20, 2015 Deposition of Dennis C. Vacco	Vol. 17, 2562–2564
68	Snowshoe Petroleum, Inc.’s letter of intent to set out the framework of the contemplated transaction between: Snowshoe Petroleum, Inc.; David Dwelle, LP; Eclipse Investments, LP; Speedy Investments; and TAD Limited Partnership (dated 04/21/2011)	Vol. 17, 2565–2572

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
69	Excerpted Transcript of July 10, 2017 Deposition of Dennis C. Vacco	Vol. 17, 2573–2579
70	April 15, 2011 email from P. Morabito to Christian Lovelace; Gregory Ivancic; Vacco RE: \$65 million loan offer from Cerberus	Vol. 17, 2580–2582
71	Email from Vacco to P. Morabito RE: \$2 million second mortgage on the Reno house	Vol. 17, 2583–2584
72	Email from Vacco to P. Morabito RE: Tim Haves	Vol. 17, 2585–2586
73	Settlement Agreement, Loan Agreement Modification & Release dated as of Sept. 7, 2012, entered into by Bank of America and P. Morabito	Vol. 17, 2587–2595
74	Page intentionally left blank	Vol. 17, 2596–2597
75	February 10, 2012 email from Vacco to Paul Wells and Timothy Haves RE: 1461 Glenneyre Street, Laguna Beach – Sale	Vol. 17, 2598–2602
76	May 8, 2012 email from P. Morabito to Vacco RE: Proceed with the corporate set-up with Ray, Edward and P. Morabito	Vol. 17, 2603–2604
77	September 4, 2012 email from Vacco to Edward Bayuk RE: Second Deed of Trust documents	Vol. 17, 2605–2606
78	September 18, 2012 email from P. Morabito to Edward Bayuk RE: Deed of Trust	Vol. 17, 2607–2611
79	October 3, 2012 email from Vacco to P. Morabito RE: Term Sheet on both real estate deal and option	Vol. 17, 2612–2614

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
80	March 14, 2013 email from P. Morabito to Vacco RE: BHI Hinckley	Vol. 17, 2615–2616
81	Page intentionally left blank	Vol. 17, 2617–2618
82	November 11, 2011 email from Vacco to P. Morabito RE: Trevor’s commitment to sign	Vol. 17, 2619–2620
83	November 28, 2011 email string RE: Wiring \$560,000 to Lippes Mathias	Vol. 17, 2621–2623
84	Page intentionally left blank	Vol. 17, 2624–2625
85	Page intentionally left blank	Vol. 17, 2626–2627
86	Order for Relief Under Chapter 7; Case No. BK- N-13-51236 (filed 12/22/2014)	Vol. 17, 2628–2634
87	Report of Undisputed Election (11 U.S.C § 702); Case No. BK-N-13-51237 (filed 01/23/2015)	Vol. 17, 2635–2637
88	Amended Stipulation and Order to Substitute a Party to NRCP 17(a) (filed 06/11/2015)	Vol. 17, 2638–2642
89	Membership Interest Purchase Agreement, entered into as of Oct. 6, 2010 between P. Morabito and Edward Bayuk	Vol. 17, 2643–2648
90	Complaint; Case No. BK-N-13-51237 (filed 10/15/2015)	Vol. 17, 2649–2686
91	Fifth Amendment and Restatement of the Trust Agreement for the Arcadia Living Trust (dated 09/30/2010)	Vol. 17, 2687–2726

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Objection to Recommendation for Order filed August 17, 2017 (filed 08/28/2017)		Vol. 18, 2727–2734
<b>Exhibit to Objection to Recommendation for Order</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Plaintiff’s counsel’s Jan. 24, 2017, email memorializing the discovery dispute agreement	Vol. 18, 2735–2736
Opposition to Objection to Recommendation for Order filed August 17, 2017 (filed 09/05/2017)		Vol. 18, 2737–2748
<b>Exhibit to Opposition to Objection to Recommendation for Order</b>		
<b>Exhibit</b>	<b>Document Description</b>	
A	Declaration of Teresa M. Pilatowicz, Esq., in Support of Opposition to Objection to Recommendation for Order (filed 09/05/2017)	Vol. 18, 2749–2752
Reply to Opposition to Objection to Recommendation for Order filed August 17, 2017 (dated 09/15/2017)		Vol. 18, 2753–2758
Defendants’ Opposition to Plaintiff’s Motion for Partial Summary Judgment (filed 09/22/2017)		Vol. 18, 2759–2774
Defendants’ Separate Statement of Disputed Facts in Support of Opposition to Plaintiff’s Motion for Partial Summary Judgment (filed 09/22/2017)		Vol. 18, 2775–2790

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
<b>Exhibits to Defendants' Separate Statement of Disputed Facts in Support of Opposition to Plaintiff's Motion for Partial Summary Judgment</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Judgment in <i>Consolidated Nevada Corp., et al v. JH. et al.</i> ; Case No. CV07-02764 (filed 08/23/2011)	Vol. 18, 2791–2793
2	Excerpted Transcript of October 20, 2015 Deposition of Dennis C. Vacco	Vol. 18, 2794–2810
3	Order Denying Motion to Dismiss Involuntary Chapter 7 Petition and Suspending Proceedings Pursuant to 11 U.S.C §305(a)(1); Case No. BK-N-13-51237 (filed 12/17/2013)	Vol. 18, 2811–2814
4	Excerpted Transcript of March 21, 2016 Deposition of P. Morabito	Vol. 18, 2815–2826
5	Excerpted Transcript of September 28, 2015 Deposition of Edward William Bayuk	Vol. 18, 2827–2857
6	Appraisal	Vol. 18, 2858–2859
7	Budget Summary as of Jan. 7, 2016	Vol. 18, 2860–2862
8	Excerpted Transcript of March 24, 2016 Deposition of Dennis Banks	Vol. 18, 2863–2871
9	Excerpted Transcript of March 22, 2016 Deposition of Michael Sewitz	Vol. 18, 2872–2879
10	Excerpted Transcript of April 27, 2011 Deposition of Darryl Noble	Vol. 18, 2880–2883

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
11	Copies of cancelled checks from Edward Bayuk made payable to P. Morabito	Vol. 18, 2884–2892
12	CBRE Appraisal of 14th Street Card Lock Facility (dated 02/26/2010)	Vol. 18, 2893–2906
13	Bank of America wire transfer from P. Morabito to Salvatore Morabito in the amount of \$146,127.00; and a wire transfer from P. Morabito to Lippes for \$25.00 (date 10/01/2010)	Vol. 18, 2907–2908
14	Excerpted Transcript of October 21, 2015 Deposition of Christian Mark Lovelace	Vol. 18, 2909–2918
15	June 18, 2014 email from Sam Morabito to Michael Vanek RE: Analysis of the Superpumper transaction in 2010	Vol. 18, 2919–2920
16	Excerpted Transcript of October 21, 2015 Deposition of Salvatore R. Morabito	Vol. 18, 2921–2929
17	PROMISSORY NOTE [Snowshoe Petroleum (“Maker”) promises to pay P. Morabito (“Holder”) the principal sum of \$1,462,213.00] (dated 11/01/2010)	Vol. 18, 2930–2932
18	TERM NOTE [P. Morabito (“Borrower”) promises to pay Consolidated Western Corp. (“Lender”) the principal sum of \$939,000.00, plus interest] (dated 09/01/2010)	Vol. 18, 2933–2934
19	SUCCESSOR PROMISSORY NOTE [Snowshoe Petroleum (“Maker”) promises to pay P. Morabito (“Holder”) the principal sum of \$492,937.30, plus interest] (dated 02/01/2011)	Vol. 18, 2935–2937

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
20	Edward Bayuk's wire transfer to Lippes in the amount of \$517,547.20 (dated 09/29/2010)	Vol. 18, 2938–2940
21	Salvatore Morabito Bank of Montreal September 2011 Wire Transfer	Vol. 18, 2941–2942
22	Declaration of Salvatore Morabito (dated 09/21/2017)	Vol. 18, 2943–2944
23	Edward Bayuk bank wire transfer to Superpumper, Inc., in the amount of \$659,000.00 (dated 09/30/2010)	Vol. 18, 2945–2947
24	Edward Bayuk checking account statements between 2010 and 2011 funding the company with transfers totaling \$500,000	Vol. 18, 2948–2953
25	Salvatore Morabito's wire transfer statement between 2010 and 2011, funding the company with \$750,000	Vol. 18, 2954–2957
26	Payment Schedule of Edward Bayuk Note in Favor of P. Morabito	Vol. 18, 2958–2961
27	September 15, 2010 email from Vacco to Yalamanchili and P. Morabito RE: Follow Up Thoughts	Vol. 18, 2962–2964
Reply in Support of Motion for Partial Summary Judgment (dated 10/10/2017)		Vol. 19, 2965–2973
Order Regarding Discovery Commissioner's Recommendation for Order dated August 17, 2017 (filed 12/07/2017)		Vol. 19, 2974–2981



<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Order Denying Motion for Partial Summary Judgment (filed 12/11/2017)		Vol. 19, 2982–2997
Defendants’ Motions in Limine (filed 09/12/2018)		Vol. 19, 2998–3006
<b>Exhibits to Defendants’ Motions in Limine</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Plaintiff’s Second Supplement to Amended Disclosures Pursuant to NRCP 16.1(A)(1) (dated 04/28/2016)	Vol. 19, 3007–3016
2	Excerpted Transcript of March 25, 2016 Deposition of William A. Leonard	Vol. 19, 3017–3023
3	Plaintiff, Jerry Herbst’s Responses to Defendant Snowshoe Petroleum, Inc.’s Set of Interrogatories (dated 02/11/2015); and Plaintiff, Jerry Herbst’s Responses to Defendant, Salvatore Morabito’s Set of Interrogatories (dated 02/12/2015)	Vol. 19, 3024–3044
Motion in Limine to Exclude Testimony of Jan Friederich (filed 09/20/2018)		Vol. 19, 3045–3056
<b>Exhibits to Motion in Limine to Exclude Testimony of Jan Friederich</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Defendants’ Rebuttal Expert Witness Disclosure (dated 02/29/2016)	Vol. 19, 3057–3071
2	Condensed Transcript of March 29, 2016 Deposition of Jan Friederich	Vol. 19, 3072–3086

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Opposition to Defendants' Motions in Limine (filed 09/28/2018)		Vol. 19, 3087–3102
<b>Exhibits to Opposition to Defendants' Motions in Limine</b>		
<b>Exhibit</b>	<b>Document Description</b>	
A	Declaration of Teresa M. Pilatowicz, Esq. in Support of Opposition to Defendants' Motions in Limine (filed 09/28/2018)	Vol. 19, 3103–3107
A-1	Plaintiff's February 19, 2016, Amended Disclosures Pursuant to NRCP 16.1(A)(1)	Vol. 19, 3108–3115
A-2	Plaintiff's January 26, 2016, Expert Witnesses Disclosures (without exhibits)	Vol. 19, 3116–3122
A-3	Defendants' January 26, 2016, and February 29, 2016, Expert Witness Disclosures (without exhibits)	Vol. 19, 3123–3131
A-4	Plaintiff's August 17, 2017, Motion for Partial Summary Judgment (without exhibits)	Vol. 19, 3132–3175
A-5	Plaintiff's August 17, 2017, Statement of Undisputed Facts in Support of his Motion for Partial Summary Judgment (without exhibits)	Vol. 19, 3176–3205
Defendants' Reply in Support of Motions in Limine (filed 10/08/2018)		Vol. 20, 3206–3217
<b>Exhibit to Defendants' Reply in Support of Motions in Limine</b>		
<b>Exhibit</b>	<b>Document Description</b>	

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
1	Chapter 7 Trustee, William A. Leonard's Responses to Defendants' First Set of Interrogatories (dated 05/28/2015)	Vol. 20, 3218–3236
Defendants' Opposition to Plaintiff's Motions in Limine to Exclude the Testimony of Jan Friederich (filed 10/08/2018)		Vol. 20, 3237–3250
<b>Exhibits to Defendants' Opposition to Plaintiff's Motions in Limine to Exclude the Testimony of Jan Friederich</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Excerpt of Matrix Report (dated 10/13/2010)	Vol. 20, 3251–3255
2	Defendants' Rebuttal Expert Witness Disclosure (dated 02/29/2016)	Vol. 20, 3256–3270
3	November 9, 2009 email from P. Morabito to Daniel Fletcher; Jim Benbrook; Don Whitehead; Sam Morabito, etc. RE: Jan Friederich entered consulting agreement with Superpumper	Vol. 20, 3271–3272
4	Excerpted Transcript of March 29, 2016 Deposition of Jan Friederich	Vol. 20, 3273–3296
Defendants' Objections to Plaintiff's Pretrial Disclosures (filed 10/12/2018)		Vol. 20, 3297–3299
Objections to Defendants' Pretrial Disclosures (filed 10/12/2018)		Vol. 20, 3300–3303
Reply to Defendants' Opposition to Plaintiff's Motion in Limine to Exclude the Testimony of Jan Friederich (filed 10/12/2018)		Vol. 20, 3304–3311

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Minutes of September 11, 2018, Pre-trial Conference (filed 10/19/2018)		Vol. 20, 3312
Stipulated Facts (filed 10/29/2018)		Vol. 20, 3313–3321
Defendants’ Points and Authorities RE: Objection to Admission of Documents in Conjunction with the Depositions of P. Morabito and Dennis Vacco (filed 10/30/2018)		Vol. 20, 3322–3325
Plaintiff’s Points and Authorities Regarding Authenticity and Hearsay Issues (filed 10/31/2018)		Vol. 20, 3326–3334
Clerk’s Trial Exhibit List (filed 02/28/2019)		Vol. 21, 3335–3413
<b>Exhibits to Clerk’s Trial Exhibit List</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Certified copy of the Transcript of September 13, 2010 Judge’s Ruling; Case No. CV07-02764	Vol. 21, 3414–3438
2	Findings of Fact, Conclusions of Law, and Judgment; Case No. CV07-02764 (filed 10/12/2010)	Vol. 21, 3439–3454
3	Judgment; Case No. CV07-0767 (filed 08/23/2011)	Vol. 21, 3455–3456
4	Confession of Judgment; Case No. CV07-02764 (filed 06/18/2013)	Vol. 21, 3457–3481
5	November 30, 2011 Settlement Agreement and Mutual Release	Vol. 22, 3482–3613
6	March 1, 2013 Forbearance Agreement	Vol. 22, 3614–3622

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
8	Order Denying Motion to Dismiss Involuntary Chapter 7 Petition and Suspending Proceedings, Case 13-51237. ECF No. 94, (filed 12/17/2013)	Vol. 22, 3623–3625
19	Report of Undisputed Election– Appointment of Trustee, Case No. 13-51237, ECF No. 220	Vol. 22, 3626–3627
20	Stipulation and Order to Substitute a Party Pursuant to NRCF 17(a), Case No. CV13-02663, May 15, 2015	Vol. 22, 3628–3632
21	Non-Dischargeable Judgment Regarding Plaintiff's First and Second Causes of Action, Case No. 15-05019-GWZ, ECF No. 123, April 30, 2018	Vol. 22, 3633–3634
22	Memorandum & Decision; Case No. 15-05019-GWZ, ECF No. 124, April 30, 2018	Vol. 22, 3635–3654
23	Amended Findings of Fact, Conclusions of Law in Support of Judgment Regarding Plaintiff's First and Second Causes of Action; Case 15-05019-GWZ, ECF No. 122, April 30, 2018	Vol. 22, 3655–3679
25	September 15, 2010 email from Yalamanchili to Vacco and P. Morabito RE: Follow Up Thoughts	Vol. 22, 3680–3681
26	September 18, 2010 email from P. Morabito to Vacco	Vol. 22, 3682–3683
27	September 20, 2010 email from Vacco to P. Morabito RE: Spirit	Vol. 22, 3684–3684
28	September 20, 2010 email between Yalamanchili and Crotty RE: Morabito -Wire	Vol. 22, 3685–3687

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
29	September 20, 2010 email from Yalamanchili to Graber RE: Attorney Client Privileged Communication	Vol. 22, 3688–3689
30	September 21, 2010 email from P. Morabito to Vacco and Cross RE: Attorney Client Privileged Communication	Vol. 22, 3690–3692
31	September 23, 2010 email chain between Graber and P. Morabito RE: Change of Primary Residence from Reno to Laguna Beach	Vol. 22, 3693–3694
32	September 23, 2010 email from Yalamanchili to Graber RE: Change of Primary Residence from Reno to Laguna Beach	Vol. 22, 3695–3696
33	September 24, 2010 email from P. Morabito to Vacco RE: Superpumper, Inc.	Vol. 22, 3697–3697
34	September 26, 2010 email from Vacco to P. Morabito RE: Judgment for a fixed debt	Vol. 22, 3698–3698
35	September 27, 2010 email from P. Morabito to Vacco RE: First Amendment to Residential Lease executed 9/27/2010	Vol. 22, 3699–3701
36	November 7, 2012 emails between Vacco, P. Morabito, C. Lovelace RE: Attorney Client Privileged Communication	Vol. 22, 3702–3703
37	Morabito BMO Bank Statement – September 2010	Vol. 22, 3704–3710
38	Lippes Mathias Trust Ledger History	Vol. 23, 3711–3716

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
39	Fifth Amendment & Restatement of the Trust Agreement for the Arcadia Living Trust dated September 30, 2010	Vol. 23, 3717–3755
42	P. Morabito Statement of Assets & Liabilities as of May 5, 2009	Vol. 23, 3756–3756
43	March 10, 2010 email chain between Afshar and Takemoto RE: Current Personal Financial Statement	Vol. 23, 3757–3758
44	Salazar Net Worth Report (dated 03/15/2011)	Vol. 23, 3759–3772
45	Purchase and Sale Agreement	Vol. 23, 3773–3780
46	First Amendment to Purchase and Sale Agreement	Vol. 23, 3781–3782
47	Panorama – Estimated Settlement Statement	Vol. 23, 3783–3792
48	El Camino – Final Settlement Statement	Vol. 23, 3793–3793
49	Los Olivos – Final Settlement Statement	Vol. 23, 3794–3794
50	Deed for Transfer of Panorama Property	Vol. 23, 3795–3804
51	Deed for Transfer for Los Olivos	Vol. 23, 3805–3806
52	Deed for Transfer of El Camino	Vol. 23, 3807–3808
53	Kimmel Appraisal Report for Panorama and Clayton	Vol. 23, 3809–3886
54	Bill of Sale – Panorama	Vol. 23, 3887–3890
55	Bill of Sale – Mary Fleming	Vol. 23, 3891–3894
56	Bill of Sale – El Camino	Vol. 23, 3895–3898

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57	Bill of Sale – Los Olivos	Vol. 23, 3899–3902
58	Declaration of Value and Transfer Deed of 8355 Panorama (recorded 12/31/2012)	Vol. 23, 3903–3904
60	Baruk Properties Operating Agreement	Vol. 23, 3905–3914
61	Baruk Membership Transfer Agreement	Vol. 24, 3915–3921
62	Promissory Note for \$1,617,050 (dated 10/01/2010)	Vol. 24, 3922–3924
63	Baruk Properties/Snowshoe Properties, Certificate of Merger (filed 10/04/2010)	Vol. 24, 3925–3926
64	Baruk Properties/Snowshoe Properties, Articles of Merger	Vol. 24, 3927–3937
65	Grant Deed from Snowshoe to Bayuk Living Trust; Doc No. 2010-0531071 (recorded 11/04/2010)	Vol. 24, 3938–3939
66	Grant Deed – 1461 Glenneyre; Doc No. 2010000511045 (recorded 10/08/2010)	Vol. 24, 3940–3941
67	Grant Deed – 570 Glenneyre; Doc No. 2010000508587 (recorded 10/08/2010)	Vol. 24, 3942–3944
68	Attorney File re: Conveyance between Woodland Heights and Arcadia Living Trust	Vol. 24, 3945–3980
69	October 24, 2011 email from P. Morabito to Vacco RE: Attorney Client Privileged Communication	Vol. 24, 3981–3982



<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
70	November 10, 2011 email chain between Vacco and P. Morabito RE: Baruk Properties, LLC/Paul Morabito/Bank of America, N.A.	Vol. 24, 3983–3985
71	Bayuk First Ledger	Vol. 24, 3986–3987
72	Amortization Schedule	Vol. 24, 3988–3990
73	Bayuk Second Ledger	Vol. 24, 3991–3993
74	Opposition to Motion for Summary Judgment and Declaration of Edward Bayuk; Case No. 13-51237, ECF No. 146 (filed 10/03/2014)	Vol. 24, 3994–4053
75	March 30, 2012 email from Vacco to Bayuk RE: Letter to BOA	Vol. 24, 4054–4055
76	March 10, 2010 email chain between P. Morabito and <a href="mailto:jon@aim13.com">jon@aim13.com</a> RE: Strictly Confidential	Vol. 24, 4056–4056
77	May 20, 2010 email chain between P. Morabito, Vacco and Michael Pace RE: Proceed with placing a Binding Bid on June 22nd with ExxonMobil	Vol. 24, 4057–4057
78	Morabito Personal Financial Statement May 2010	Vol. 24, 4058–4059
79	June 28, 2010 email from P. Morabito to George Garner RE: ExxonMobil Chicago Market Business Plan Review	Vol. 24, 4060–4066
80	Shareholder Interest Purchase Agreement	Vol. 24, 4067–4071
81	Plan of Merger of Consolidated Western Corporation with and Into Superpumper, Inc.	Vol. 24, 4072–4075

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
82	Articles of Merger of Consolidated Western Corporation with and Into Superpumper, Inc.	Vol. 24, 4076–4077
83	Unanimous Written Consent of the Board of Directors and Sole Shareholder of Superpumper, Inc.	Vol. 24, 4078–4080
84	Unanimous Written Consent of the Directors and Shareholders of Consolidated Western Corporation	Vol. 24, 4081–4083
85	Arizona Corporation Commission Letter dated October 21, 2010	Vol. 24, 4084–4091
86	Nevada Articles of Merger	Vol. 24, 4092–4098
87	New York Creation of Snowshoe	Vol. 24, 4099–4103
88	April 26, 2012 email from Vacco to Afshar RE: Ownership Structure of SPI	Vol. 24, 4104–4106
90	September 30, 2010 Matrix Retention Agreement	Vol. 24, 4107–4110
91	McGovern Expert Report	Vol. 25, 4111–4189
92	Appendix B to McGovern Report – Source 4 – Budgets	Vol. 25, 4190–4191
103	Superpumper Note in the amount of \$1,462,213.00 (dated 11/01/2010)	Vol. 25, 4192–4193
104	Superpumper Successor Note in the amount of \$492,937.30 (dated 02/01/2011)	Vol. 25, 4194–4195
105	Superpumper Successor Note in the amount of \$939,000 (dated 02/01/2011)	Vol. 25, 4196–4197

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
106	Superpumper Stock Power transfers to S. Morabito and Bayuk (dated 01/01/2011)	Vol. 25, 4198–4199
107	<i>Declaration of P. Morabito in Support of Opposition to Motion of JH, Inc., Jerry Herbst, and Berry- Hinckley Industries for Order Prohibiting Debtor from Using, Acquiring or Transferring Assets Pursuant to 11 U.S.C. §§ 105 and 303(f) Pending Appointment of Trustee, Case 13-51237, ECF No. 22 (filed 07/01/2013)</i>	Vol. 25, 4200–4203
108	October 12, 2012 email between P. Morabito and Bernstein RE: 2011 Return	Vol. 25, 4204–4204
109	Compass Term Loan (dated 12/21/2016)	Vol. 25, 4205–4213
110	P. Morabito – Term Note in the amount of \$939,000.000 (dated 09/01/2010)	Vol. 25, 4214–4214
111	Loan Agreement between Compass Bank and Superpumper (dated 12/21/2016)	Vol. 25, 4215–4244
112	Consent Agreement (dated 12/28/2010)	Vol. 25, 4245–4249
113	Superpumper Financial Statement (dated 12/31/2007)	Vol. 25, 4250–4263
114	Superpumper Financial Statement (dated 12/31/2009)	Vol. 25, 4264–4276
115	Notes Receivable Interest Income Calculation (dated 12/31/2009)	Vol. 25, 4277–4278
116	Superpumper Inc. Audit Conclusions Memo (dated 12/31/2010)	Vol. 25, 4279–4284

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117	Superpumper 2010 YTD Income Statement and Balance Sheets	Vol. 25, 4285–4299
118	March 12, 2010 Management Letter	Vol. 25, 4300–4302
119	Superpumper Unaudited August 2010 Balance Sheet	Vol. 25, 4303–4307
120	Superpumper Financial Statements (dated 12/31/2010)	Vol. 25, 4308–4322
121	Notes Receivable Balance as of September 30, 2010	Vol. 26, 4323
122	Salvatore Morabito Term Note \$2,563,542.00 as of December 31, 2010	Vol. 26, 4324–4325
123	Edward Bayuk Term Note \$2,580,500.00 as of December 31, 2010	Vol. 26, 4326–4327
125	April 21, 2011 Management letter	Vol. 26, 4328–4330
126	Bayuk and S. Morabito Statements of Assets & Liabilities as of February 1, 2011	Vol. 26, 4331–4332
127	January 6, 2012 email from Bayuk to Lovelace RE: Letter of Credit	Vol. 26, 4333–4335
128	January 6, 2012 email from Vacco to Bernstein	Vol. 26, 4336–4338
129	January 7, 2012 email from Bernstein to Lovelace	Vol. 26, 4339–4343
130	March 18, 2012 email from P. Morabito to Vacco	Vol. 26, 4344–4344
131	April 21, 2011 Proposed Acquisition of Nella Oil	Vol. 26, 4345–4351
132	April 15, 2011 email chain between P. Morabito and Vacco	Vol. 26, 4352

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133	April 5, 2011 email from P. Morabito to Vacco	Vol. 26, 4353
134	April 16, 2012 email from Vacco to Morabito	Vol. 26, 4354–4359
135	August 7, 2011 email exchange between Vacco and P. Morabito	Vol. 26, 4360
136	August 2011 Lovelace letter to Timothy Halves	Vol. 26, 4361–4365
137	August 24, 2011 email from Vacco to P. Morabito RE: Tim Haves	Vol. 26, 4366
138	November 11, 2011 email from Vacco to P. Morabito RE: Getting Trevor's commitment to sign	Vol. 26, 4367
139	November 16, 2011 email from P. Morabito to Vacco RE: Vacco's litigation letter	Vol. 26, 4368
140	November 28, 2011 email chain between Vacco, S. Morabito, and P. Morabito RE: \$560,000 wire to Lippes Mathias	Vol. 26, 4369–4370
141	December 7, 2011 email from Vacco to P. Morabito RE: Moreno	Vol. 26, 4371
142	February 10, 2012 email chain between P. Morabito Wells, and Vacco RE: 1461 Glenneyre Street - Sale	Vol. 26, 4372–4375
143	April 20, 2012 email from P. Morabito to Bayuk RE: BofA	Vol. 26, 4376
144	April 24, 2012 email from P. Morabito to Vacco RE: SPI Loan Detail	Vol. 26, 4377–4378

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145	September 4, 2012 email chain between Vacco and Bayuk RE: Second Deed of Trust documents	Vol. 26, 4379–4418
147	September 4, 2012 email from P. Morabito to Vacco RE: Wire	Vol. 26, 4419–4422
148	September 4, 2012 email from Bayuk to Vacco RE: Wire	Vol. 26, 4423–4426
149	December 6, 2012 email from Vacco to P. Morabito RE: BOA and the path of money	Vol. 26, 4427–4428
150	September 18, 2012 email chain between P. Morabito and Bayuk	Vol. 26, 4429–4432
151	October 3, 2012 email chain between Vacco and P. Morabito RE: Snowshoe Properties, LLC	Vol. 26, 4433–4434
152	September 3, 2012 email from P. Morabito to Vacco RE: Wire	Vol. 26, 4435
153	March 14, 2013 email chain between P. Morabito and Vacco RE: BHI Hinckley	Vol. 26, 4436
154	Paul Morabito 2009 Tax Return	Vol. 26, 4437–4463
155	Superpumper Form 8879-S tax year ended December 31, 2010	Vol. 26, 4464–4484
156	2010 U.S. S Corporation Tax Return for Consolidated Western Corporation	Vol. 27, 4485–4556
157	Snowshoe form 8879-S for year ended December 31, 2010	Vol. 27, 4557–4577
158	Snowshoe Form 1120S 2011 Amended Tax Return	Vol. 27, 4578–4655

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159	September 14, 2012 email from Vacco to P. Morabito	Vol. 27, 4656–4657
160	October 1, 2012 email from P. Morabito to Vacco RE: Monday work for Dennis and Christian	Vol. 27, 4658
161	December 18, 2012 email from Vacco to P. Morabito RE: Attorney Client Privileged Communication	Vol. 27, 4659
162	April 24, 2013 email from P. Morabito to Vacco RE: BHI Trust	Vol. 27, 4660
163	Membership Interest Purchases, Agreement – Watch My Block (dated 10/06/2010)	Vol. 27, 4661–4665
164	Watch My Block organizational documents	Vol. 27, 4666–4669
174	October 15, 2015 Certificate of Service of copy of Lippes Mathias Wexler Friedman’s Response to Subpoena	Vol. 27, 4670
175	Order Granting Motion to Compel Responses to Deposition Questions ECF No. 502; Case No. 13-51237-gwz (filed 02/03/2016)	Vol. 27, 4671–4675
179	Gursey Schneider LLP Subpoena	Vol. 28, 4676–4697
180	Summary Appraisal of 570 Glenneyre	Vol. 28, 4698–4728
181	Appraisal of 1461 Glenneyre Street	Vol. 28, 4729–4777
182	Appraisal of 370 Los Olivos	Vol. 28, 4778–4804
183	Appraisal of 371 El Camino Del Mar	Vol. 28, 4805–4830
184	Appraisal of 1254 Mary Fleming Circle	Vol. 28, 4831–4859

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
185	Mortgage – Panorama	Vol. 28, 4860–4860
186	Mortgage – El Camino	Vol. 28, 4861
187	Mortgage – Los Olivos	Vol. 28, 4862
188	Mortgage – Glenneyre	Vol. 28, 4863
189	Mortgage – Mary Fleming	Vol. 28, 4864
190	Settlement Statement – 371 El Camino Del Mar	Vol. 28, 4865
191	Settlement Statement – 370 Los Olivos	Vol. 28, 4866
192	2010 Declaration of Value of 8355 Panorama Dr	Vol. 28, 4867–4868
193	Mortgage – 8355 Panorama Drive	Vol. 28, 4869–4870
194	Compass – Certificate of Custodian of Records (dated 12/21/2016)	Vol. 28, 4871–4871
196	June 6, 2014 Declaration of Sam Morabito – Exhibit 1 to Snowshoe Reply in Support of Motion to Dismiss Complaint for Lack of Personal Jurisdiction – filed in Case No. CV13-02663	Vol. 28, 4872–4874
197	June 19, 2014 Declaration of Sam Morabito – Exhibit 1 to Superpumper Motion to Dismiss Complaint for Lack of Personal Jurisdiction – filed in Case No. CV13-02663	Vol. 28, 4875–4877
198	September 22, 2017 Declaration of Sam Morabito – Exhibit 22 to Defendants’ SSOF in Support of Opposition to Plaintiff’s MSJ – filed in Case No. CV13-02663	Vol. 28, 4878–4879



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222	Kimmel – January 21, 2016, Comment on Alves Appraisal	Vol. 28, 4880–4883
223	September 20, 2010 email from Yalamanchili to Morabito	Vol. 28, 4884
224	March 24, 2011 email from Naz Afshar RE: telephone call regarding CWC	Vol. 28, 4885–4886
225	Bank of America Records for Edward Bayuk (dated 09/05/2012)	Vol. 28, 4887–4897
226	June 11, 2007 Wholesale Marketer Agreement	Vol. 29, 4898–4921
227	May 25, 2006 Wholesale Marketer Facility Development Incentive Program Agreement	Vol. 29, 4922–4928
228	June 2007 Master Lease Agreement – Spirit SPE Portfolio and Superpumper, Inc.	Vol. 29, 4929–4983
229	Superpumper Inc 2008 Financial Statement (dated 12/31/2008)	Vol. 29, 4984–4996
230	November 9, 2009 email from P. Morabito to Bernstein, Yalaman RE: Jan Friederich – entered into Consulting Agreement	Vol. 29, 4997
231	September 30, 2010, Letter from Compass to Superpumper, Morabito, CWC RE: reducing face amount of the revolving note	Vol. 29, 4998–5001
232	October 15, 2010, letter from Quarles & Brady to Vacco RE: Revolving Loan Documents and Term Loan Documents between Superpumper and Compass Bank	Vol. 29, 5002–5006

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233	BMO Account Tracker Banking Report October 1 to October 31, 2010	Vol. 29, 5007–5013
235	August 31, 2010 Superpumper Inc., Valuation of 100 percent of the common equity in Superpumper, Inc on a controlling marketable basis	Vol. 29, 5014–5059
236	June 18, 2014 email from S. Morabito to Vanek (WF) RE: Analysis of Superpumper Acquisition in 2010	Vol. 29, 5060–5061
241	Superpumper March 2010 YTD Income Statement	Vol. 29, 5062–5076
244	Assignment Agreement for \$939,000 Morabito Note	Vol. 29, 5077–5079
247	July 1, 2011 Third Amendment to Forbearance Agreement Superpumper and Compass Bank	Vol. 29, 5080–5088
248	Superpumper Cash Contributions January 2010 thru September 2015 – Bayuk and S. Morabito	Vol. 29, 5089–5096
252	October 15, 2010 Letter from Quarles & Brady to Vacco RE: Revolving Loan documents and Term Loan documents between Superpumper Prop. and Compass Bank	Vol. 29, 5097–5099
254	Bank of America – S. Morabito SP Properties Sale, SP Purchase Balance	Vol. 29, 5100
255	Superpumper Prop. Final Closing Statement for 920 Mountain City Hwy, Elko, NV	Vol. 29, 5101
256	September 30, 2010 Raffles Insurance Limited Member Summary	Vol. 29, 5102

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257	Equalization Spreadsheet	Vol. 30, 5103
258	November 9, 2005 Grant, Bargain and Sale Deed; Doc #3306300 for Property Washoe County	Vol. 30, 5104–5105
260	January 7, 2016 Budget Summary – Panorama Drive	Vol. 30, 5106–5107
261	Mary 22, 2006 Compilation of Quotes and Invoices Quote of Valley Drapery	Vol. 30, 5108–5116
262	Photos of 8355 Panorama Home	Vol. 30, 5117–5151
263	Water Rights Deed (Document #4190152) between P. Morabito, E. Bayuk, Grantors, RCA Trust One Grantee (recorded 12/31/2012)	Vol. 30, 5152–5155
265	October 1, 2010 Bank of America Wire Transfer –Bayuk – Morabito \$60,117	Vol. 30, 5156
266	October 1, 2010 Check #2354 from Bayuk to P. Morabito for \$29,383 for 8355 Panorama funding	Vol. 30, 5157–5158
268	October 1, 2010 Check #2356 from Bayuk to P. Morabito for \$12,763 for 370 Los Olivos Funding	Vol. 30, 5159–5160
269	October 1, 2010 Check #2357 from Bayuk to P. Morabito for \$31,284 for 371 El Camino Del Mar Funding	Vol. 30, 5161–5162
270	Bayuk Payment Ledger Support Documents Checks and Bank Statements	Vol. 31, 5163–5352
271	Bayuk Superpumper Contributions	Vol. 31, 5353–5358

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272	May 14, 2012 email string between P. Morabito, Vacco, Bayuk, and S. Bernstein RE: Info for Laguna purchase	Vol. 31, 5359–5363
276	September 21, 2010 Appraisal of 8355 Panorama Drive Reno, NV by Alves Appraisal	Vol. 32, 5364–5400
277	Assessor's Map/Home Comparisons for 8355 Panorama Drive, Reno, NV	Vol. 32, 5401–5437
278	December 3, 2007 Case Docket for CV07-02764	Vol. 32, 5438–5564
280	May 25, 2011 Stipulation Regarding the Imposition of Punitive Damages; Case No. CV07-02764 (filed 05/25/2011)	Vol. 33, 5565–5570
281	Work File for September 24, 2010 Appraisal of 8355 Panorama Drive, Reno, NV	Vol. 33, 5571–5628
283	January 25, 2016 Expert Witness Report Leonard v. Superpumper Snowshoe	Vol. 33, 5629–5652
284	February 29, 2016 Defendants' Rebuttal Expert Witness Disclosure	Vol. 33, 5653–5666
294	October 5, 2010 Lippes, Mathias Wexler Friedman, LLP, Invoices to P. Morabito	Vol. 33, 5667–5680
295	P. Morabito 2010 Tax Return (dated 10/16/2011)	Vol. 33, 5681–5739
296	December 31, 2010 Superpumper Inc. Note to Financial Statements	Vol. 33, 5740–5743
297	December 31, 2010 Superpumper Consultations	Vol. 33, 5744

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300	September 20, 2010 email chain between Yalmanchili and Graber RE: Attorney Client Privileged Communication	Vol. 33, 5745–5748
301	September 15, 2010 email from Vacco to P. Morabito RE: Tomorrow	Vol. 33, 5749–5752
303	Bankruptcy Court District of Nevada Claims Register Case No. 13-51237	Vol. 33, 5753–5755
304	April 14, 2018 email from Allen to Krausz RE: Superpumper	Vol. 33, 5756–5757
305	Subpoena in a Case Under the Bankruptcy Code to Robison, Sharp, Sullivan & Brust issued in Case No. BK-N-13-51237-GWZ	Vol. 33, 5758–5768
306	August 30, 2018 letter to Mark Weisenmiller, Esq., from Frank Gilmore, Esq.,	Vol. 34, 5769
307	Order Granting Motion to Compel Compliance with the Subpoena to Robison, Sharp, Sullivan & Brust filed in Case No. BK-N-13-51237-GWZ	Vol. 34, 5770–5772
308	Response of Robison, Sharp, Sullivan & Brust's to Subpoena filed in Case No. BK-N-13-51237-GWZ	Vol. 34, 5773–5797
309	Declaration of Frank C. Gilmore in support of Robison, Sharp, Sullivan & Brust's Opposition to Motion for Order Holding Robison in Contempt filed in Case No. BK-N-13-51237-GWZ	Vol. 34, 5798–5801
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Transcript of October 30, 2018, Non-Jury Trial, Day 2	Vol. 36, 6284–6286
Minutes of October 31, 2018, Non-Jury Trial, Day 3 (filed 11/08/2018)	Vol. 37, 6287–6548
Transcript of October 31, 2018, Non-Jury Trial, Day 3	Vol. 37, 6549–6552
Minutes of November 1, 2018, Non-Jury Trial, Day 4 (filed 11/08/2018)	Vol. 38, 6553–6814
Transcript of November 1, 2018, Non-Jury Trial, Day 4	Vol. 38, 6815–6817
Minutes of November 2, 2018, Non-Jury Trial, Day 5 (filed 11/08/2018)	Vol. 39, 6818–7007
Transcript of November 2, 2018, Non-Jury Trial, Day 5	Vol. 39, 7008–7011
Minutes of November 5, 2018, Non-Jury Trial, Day 6 (filed 11/08/2018)	Vol. 40, 7012–7167
Transcript of November 5, 2018, Non-Jury Trial, Day 6	Vol. 40, 7168–7169
Minutes of November 6, 2018, Non-Jury Trial, Day 7 (filed 11/08/2018)	Vol. 41, 7170–7269
Transcript of November 6, 2018, Non-Jury Trial, Day 7	Vol. 41, 7270–7272 Vol. 42, 7273–7474
Minutes of November 7, 2018, Non-Jury Trial, Day 8 (filed 11/08/2018)	Vol. 43, 7475–7476
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Plaintiff’s Motion to Reopen Evidence (filed 01/30/2019)		Vol. 46, 7894–7908
<b>Exhibits to Plaintiff’s Motion to Reopen Evidence</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Declaration of Gabrielle A. Hamm, Esq. in Support of Plaintiff’s Motion to Reopen	Vol. 46, 7909–7913
1-A	September 21, 2017 Declaration of Salvatore Morabito	Vol. 46, 7914–7916
1-B	Defendants’ Proposed Findings of Fact, Conclusions of Law, and Judgment (Nov. 26, 2018)	Vol. 46, 7917–7957
1-C	Judgment on the First and Second Causes of Action; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 123 (April 30, 2018)	Vol. 46, 7958–7962
1-D	Amended Findings of Fact and Conclusions of Law in Support of Judgment Regarding Plaintiffs’ First and Second Causes of Action; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 126 (April 30, 2018)	Vol. 46, 7963–7994
1-E	Motion to Compel Compliance with the Subpoena to Robison Sharp Sullivan Brust; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 191 (Sept. 10, 2018)	Vol. 46, 7995–8035

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
1-F	Order Granting Motion to Compel Compliance with the Subpoena to Robison Sharp Sullivan Brust; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 229 (Jan. 3, 2019)	Vol. 46, 8036–8039
1-G	Response of Robison, Sharp, Sullivan & Brust[] To Subpoena (including RSSB_000001 – RSSB_000031) (Jan. 18, 2019)	Vol. 46, 8040–8067
1-H	Excerpts of Deposition Transcript of Sam Morabito as PMK of Snowshoe Petroleum, Inc. (Oct. 1, 2015)	Vol. 46, 8068–8076
Errata to: Plaintiff's Motion to Reopen Evidence (filed 01/30/2019)		Vol. 47, 8077–8080
<b>Exhibit to Errata to: Plaintiff's Motion to Reopen Evidence</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Plaintiff's Motion to Reopen Evidence	Vol. 47, 8081–8096
Ex Parte Motion for Order Shortening Time on Plaintiff's Motion to Reopen Evidence and for Expedited Hearing (filed 01/31/2019)		Vol. 47, 8097–8102
Order Shortening Time on Plaintiff's Motion to Reopen Evidence and for Expedited Hearing (filed 02/04/2019)		Vol. 47, 8103–8105
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<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
<b>Exhibits to Supplement to Plaintiff's Motion to Reopen Evidence</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Supplemental Declaration of Gabrielle A. Hamm, Esq. in Support of Plaintiff's Motion to Reopen Evidence (filed 02/04/2019)	Vol. 47, 8111–8113
1-I	Declaration of Frank C. Gilmore in Support of Robison, Sharp Sullivan & Brust's Opposition to Motion for Order Holding Robison in Contempt; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 259 (Jan. 30, 2019)	Vol. 47, 8114–8128
Defendants' Response to Motion to Reopen Evidence (02/06/2019)		Vol. 47, 8129–8135
Plaintiff's Reply to Defendants' Response to Motion to Reopen Evidence (filed 02/07/2019)		Vol. 47, 8136–8143
Minutes of February 7, 2019 hearing on Motion to Reopen Evidence (filed 02/28/2019)		Vol. 47, 8144
Rough Draft Transcript of February 8, 2019 hearing on Motion to Reopen Evidence		Vol. 47, 8145–8158
[Plaintiff's Proposed] Findings of Fact, Conclusions of Law, and Judgment (filed 03/06/2019)		Vol. 47, 8159–8224
[Defendants' Proposed Amended] Findings of Fact, Conclusions of Law, and Judgment (filed 03/08/2019)		Vol. 47, 8225–8268
Minutes of February 26, 2019 hearing on Motion to Continue ongoing Non-Jury Trial (Telephonic) (filed 03/11/2019)		Vol. 47, 8269

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Findings of Fact, Conclusions of Law, and Judgment (filed 03/29/2019)		Vol. 48, 8270–8333
Notice of Entry of Findings of Fact, Conclusions of Law, and Judgment (filed 03/29/2019)		Vol. 48, 8334–8340
Memorandum of Costs and Disbursements (filed 04/11/2019)		Vol. 48, 8341–8347
<b>Exhibit to Memorandum of Costs and Disbursements</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Ledger of Costs	Vol. 48, 8348–8370
Application for Attorneys’ Fees and Costs Pursuant to NRCP 68 (filed 04/12/2019)		Vol. 48, 8371–8384
<b>Exhibits to Application for Attorneys’ Fees and Costs Pursuant to NRCP 68</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Declaration of Teresa M. Pilatowicz In Support of Plaintiff’s Application for Attorney’s Fees and Costs Pursuant to NRCP 68 (filed 04/12/2019)	Vol. 48, 8385–8390
2	Plaintiff’s Offer of Judgment to Defendants (dated 05/31/2016)	Vol. 48, 8391–8397
3	Defendant’s Rejection of Offer of Judgment by Plaintiff (dated 06/15/2016)	Vol. 48, 8398–8399
4	Log of time entries from June 1, 2016 to March 28, 2019	Vol. 48, 8400–8456

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
5	Plaintiff's Memorandum of Costs and Disbursements (filed 04/11/2019)	Vol. 48, 8457–8487
Motion to Retax Costs (filed 04/15/2019)		Vol. 49, 8488–8495
Plaintiff's Opposition to Motion to Retax Costs (filed 04/17/2019)		Vol. 49, 8496–8507
<b>Exhibits to Plaintiff's Opposition to Motion to Retax Costs</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Declaration of Teresa M. Pilatowicz In Support of Opposition to Motion to Retax Costs (filed 04/17/2019)	Vol. 49, 8508–8510
2	Summary of Photocopy Charges	Vol. 49, 8511–8523
3	James L. McGovern Curriculum Vitae	Vol. 49, 8524–8530
4	McGovern & Greene LLP Invoices	Vol. 49, 8531–8552
5	Buss-Shelger Associates Invoices	Vol. 49, 8553–8555
Reply in Support of Motion to Retax Costs (filed 04/22/2019)		Vol. 49, 8556–8562
Opposition to Application for Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 04/25/2019)		Vol. 49, 8563–8578
<b>Exhibit to Opposition to Application for Attorneys' Fees and Costs Pursuant to NRCP 68</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Plaintiff's Bill Dispute Ledger	Vol. 49, 8579–8637

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Defendants, Salvatore Morabito, Snowshoe Petroleum, Inc., and Superpumper, Inc.'s Motion for New Trial and/or to Alter or Amend Judgment Pursuant to NRCP 52, 59, and 60 (filed 04/25/2019)		Vol. 49, 8638–8657
Defendant, Edward Bayuk's Motion for New Trial and/or to Alter or Amend Judgment Pursuant to NRCP 52, 59, and 60 (filed 04/26/2019)		Vol. 50, 8658–8676
<b>Exhibits to Edward Bayuk's Motion for New Trial and/or to Alter or Amend Judgment Pursuant to NRCP 52, 59, and 60</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	February 27, 2019 email with attachments	Vol. 50, 8677–8768
2	Declaration of Frank C. Gilmore in Support of Edward Bayuk's Motion for New Trial (filed 04/26/2019)	Vol. 50, 8769–8771
3	February 27, 2019 email from Marcy Trabert	Vol. 50, 8772–8775
4	February 27, 2019 email from Frank Gilmore to <a href="mailto:eturner@Gtg.legal">eturner@Gtg.legal</a> RE: Friday Trial	Vol. 50, 8776–8777
Plaintiff's Reply in Support of Application of Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 04/30/2019)		Vol. 50, 8778–8790
<b>Exhibit to Plaintiff's Reply in Support of Application of Attorneys' Fees and Costs Pursuant to NRCP 68</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Case No. BK-13-51237-GWZ, ECF Nos. 280, 282, and 321	Vol. 50, 8791–8835

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Plaintiff's Opposition to Defendants' Motions for New Trial and/or to Alter or Amend Judgment (filed 05/07/2019)		Vol. 51, 8836–8858
Defendants, Salvatore Morabito, Snowshoe Petroleum, Inc., and Superpumper, Inc.'s Reply in Support of Motion for New Trial and/or to Alter or Amend Judgment Pursuant to NRCp 52, 59, and 60 (filed 05/14/2019)		Vol. 51, 8859–8864
Declaration of Edward Bayuk Claiming Exemption from Execution (filed 06/28/2019)		Vol. 51, 8865–8870
<b>Exhibits to Declaration of Edward Bayuk Claiming Exemption from Execution</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Copy of June 22, 2019 Notice of Execution and two Write of Executions	Vol. 51, 8871–8896
2	Declaration of James Arthur Gibbons Regarding his Attestation, Witness and Certification on November 12, 2005 of the Spendthrift Trust Amendment to the Edward William Bayuk Living Trust (dated 06/25/2019)	Vol. 51, 8897–8942
Notice of Claim of Exemption from Execution (filed 06/28/2019)		Vol. 51, 8943–8949
Edward Bayuk's Declaration of Salvatore Morabito Claiming Exemption from Execution (filed 07/02/2019)		Vol. 51, 8950–8954
<b>Exhibits to Declaration of Salvatore Morabito Claiming Exemption from Execution</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Las Vegas June 22, 2019 letter	Vol. 51, 8955–8956

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
2	Writs of execution and the notice of execution	Vol. 51, 8957–8970
Minutes of June 24, 2019 telephonic hearing on Decision on Submitted Motions (filed 07/02/2019)		Vol. 51, 8971–8972
Salvatore Morabito’s Notice of Claim of Exemption from Execution (filed 07/02/2019)		Vol. 51, 8973–8976
Edward Bayuk’s Third Party Claim to Property Levied Upon NRS 31.070 (filed 07/03/2019)		Vol. 51, 8977–8982
Order Granting Plaintiff’s Application for an Award of Attorneys’ Fees and Costs Pursuant to NRCP 68 (filed 07/10/2019)		Vol. 51, 8983–8985
Order Granting in part and Denying in part Motion to Retax Costs (filed 07/10/2019)		Vol. 51, 8986–8988
Plaintiff’s Objection to (1) Claim of Exemption from Execution and (2) Third Party Claim to Property Levied Upon, and Request for Hearing Pursuant to NRS 21.112 and 31.070(5) (filed 07/11/2019)		Vol. 52, 8989–9003
<b>Exhibits to Plaintiff’s Objection to (1) Claim of Exemption from Execution and (2) Third Party Claim to Property Levied Upon, and Request for Hearing Pursuant to NRS 21.112 and 31.070(5)</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Declaration of Gabrielle A. Hamm, Esq.	Vol. 52, 9004–9007
2	11/30/2011 Tolling Agreement – Edward Bayuk	Vol. 52, 9008–9023
3	11/30/2011 Tolling Agreement – Edward William Bayuk Living Trust	Vol. 52, 9024–9035

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
4	Excerpts of 9/28/2015 Deposition of Edward Bayuk	Vol. 52, 9036–9041
5	Edward Bayuk, as Trustee of the Edward William Bayuk Living Trust’s Responses to Plaintiff’s First Set of Requests for Production, served 9/24/2015	Vol. 52, 9042–9051
6	8/26/2009 Grant Deed (Los Olivos)	Vol. 52, 9052–9056
7	8/17/2018 Grant Deed (El Camino)	Vol. 52, 9057–9062
8	Trial Ex. 4 (Confession of Judgment)	Vol. 52, 9063–9088
9	Trial Ex. 45 (Purchase and Sale Agreement, dated 9/28/2010)	Vol. 52, 9089–9097
10	Trial Ex. 46 (First Amendment to Purchase and Sale Agreement, dated 9/29/2010)	Vol. 52, 9098–9100
11	Trial Ex. 51 (Los Olivos Grant Deed recorded 10/8/2010)	Vol. 52, 9101–9103
12	Trial Ex. 52 (El Camino Grant Deed recorded 10/8/2010)	Vol. 52, 9104–9106
13	Trial Ex. 61 (Membership Interest Transfer Agreement, dated 10/1/2010)	Vol. 52, 9107–9114
14	Trial Ex. 62 (\$1,617,050.00 Promissory Note)	Vol. 52, 9115–9118
15	Trial Ex. 65 (Mary Fleming Grant Deed recorded 11/4/2010)	Vol. 52, 9119–9121
Notice of Entry of Order Denying Defendants’ Motions for New Trial and/or to Alter or Amend Judgment (filed 07/16/2019)		Vol. 52, 9122–9124

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
<b>Exhibit to Notice of Entry of Order Denying Defendants' Motions for New Trial and/or to Alter or Amend Judgment</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Order Denying Defendants' Motions for New Trial and/or to Alter or Amend Judgment (filed 07/10/2019)	Vol. 52, 9125–9127
Notice of Entry of Order Granting Plaintiff's Application for an Award of Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 07/16/2019)		Vol. 52, 9128–9130
<b>Exhibit to Notice of Entry of Order Granting Plaintiff's Application for an Award of Attorneys' Fees and Costs Pursuant to NRCP 68</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Order Granting Plaintiff's Application for an Award of Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 07/10/2019)	Vol. 52, 9131–9134
Notice of Entry of Order Granting in Part and Denying in Part Motion to Retax Costs (filed 07/16/2019)		Vol. 52, 9135–9137
<b>Exhibit to Notice of Entry of Order Granting in Part and Denying in Part Motion to Retax Costs</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Order Granting in Part and Denying in Part Motion to Retax Costs (filed 07/10/2019)	Vol. 52, 9138–9141



<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Plaintiff's Objection to Notice of Claim of Exemption from Execution Filed by Salvatore Morabito and Request for Hearing (filed 07/16/2019)		Vol. 52, 9142–9146
Reply to Objection to Claim of Exemption and Third Party Claim to Property Levied Upon (filed 07/17/2019)		Vol. 52, 9147–9162
<b>Exhibits to Reply to Objection to Claim of Exemption and Third Party Claim to Property Levied Upon</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	March 3, 2011 Deposition Transcript of P. Morabito	Vol. 52, 9163–9174
2	Mr. Bayuk's September 23, 2014 responses to Plaintiff's first set of requests for production	Vol. 52, 9175–9180
3	September 28, 2015 Deposition Transcript of Edward Bayuk	Vol. 52, 9181–9190
Reply to Plaintiff's Objection to Notice of Claim of Exemption from Execution (filed 07/18/2019)		Vol. 52, 9191–9194
Declaration of Service of Till Tap, Notice of Attachment and Levy Upon Property (filed 07/29/2019)		Vol. 52, 9195
Notice of Submission of Disputed Order Denying Claim of Exemption and Third Party Claim (filed 08/01/2019)		Vol. 52, 9196–9199
<b>Exhibits to Notice of Submission of Disputed Order Denying Claim of Exemption and Third Party Claim</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Plaintiff's Proposed Order Denying Claim of Exemption and Third-Party Claim	Vol. 52, 9200–9204

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
2	Bayuk and the Bayuk Trust's proposed Order Denying Claim of Exemption and Third-Party Claim	Vol. 52, 9205–9210
3	July 30, 2019 email evidencing Bayuk, through counsel Jeffrey Hartman, Esq., requesting until noon on July 31, 2019 to provide comments.	Vol. 52, 9211–9212
4	July 31, 2019 email from Teresa M. Pilatowicz, Esq. Bayuk failed to provide comments at noon on July 31, 2019, instead waiting until 1:43 p.m. to send a redline version with proposed changes after multiple follow ups from Plaintiff's counsel on July 31, 2019	Vol. 52, 9213–9219
5	A true and correct copy of the original Order and Bayuk Changes	Vol. 52, 9220–9224
6	A true and correct copy of the redline run by Plaintiff accurately reflecting Bayuk's proposed changes	Vol. 52, 9225–9229
7	Email evidencing that after review of the proposed revisions, Plaintiff advised Bayuk, through counsel, that Plaintiff agree to certain proposed revisions, but the majority of the changes were unacceptable as they did not reflect the Court's findings or evidence before the Court.	Vol. 52, 9230–9236
Objection to Plaintiff's Proposed Order Denying Claim of Exemption and Third Party Claim (filed 08/01/2019)		Vol. 53, 9237–9240

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
<b>Exhibits to Objection to Plaintiff's Proposed Order Denying Claim of Exemption and Third-Party Claim</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Plaintiff's Proposed Order Denying Claim of Exemption and Third-Party Claim	Vol. 53, 9241–9245
2	Defendant's comments on Findings of Fact	Vol. 53, 9246–9247
3	Defendant's Proposed Order Denying Claim of Exemption and Third-Party Claim	Vol. 53, 9248–9252
Minutes of July 22, 2019 hearing on Objection to Claim for Exemption (filed 08/02/2019)		Vol. 53, 9253
Order Denying Claim of Exemption (filed 08/02/2019)		Vol. 53, 9254–9255
Bayuk's Case Appeal Statement (filed 08/05/2019)		Vol. 53, 9256–9260
Bayuk's Notice of Appeal (filed 08/05/2019)		Vol. 53, 9261–9263
Defendants, Superpumper, Inc., Edward Bayuk, Salvatore Morabito; and Snowshoe Petroleum, Inc.'s, Case Appeal Statement (filed 08/05/2019)		Vol. 53, 9264–9269
Defendants, Superpumper, Inc., Edward Bayuk, Salvatore Morabito; and Snowshoe Petroleum, Inc.'s, Notice of Appeal (filed 08/05/2019)		Vol. 53, 9270–9273

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
<b>Exhibits to Defendants, Superpumper, Inc., Edward Bayuk, Salvatore Morabito; and Snowshoe Petroleum, Inc.'s, Notice of Appeal</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Findings of Fact, Conclusions of Law, and Judgment (filed 03/29/2019)	Vol. 53, 9274–9338
2	Order Denying Defendants' Motions for New Trial and/or to Alter or Amend Judgment (filed 07/10/2019)	Vol. 53, 9339–9341
3	Order Granting in Part and Denying in Part Motion to Retax Costs (filed 07/10/2019)	Vol. 53, 9342–9345
4	Order Granting Plaintiff's Application for an Award of Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 07/10/2019)	Vol. 53, 9346–9349
Plaintiff's Reply to Defendants' Objection to Plaintiff's Proposed Order Denying Claim of Exemption and Third-Party Claim		Vol. 53, 9350–9356
Order Denying Claim of Exemption and Third-Party Claim (08/09/2019)		Vol. 53, 9357–9360
Notice of Entry of Order Denying Claim of Exemption and Third-Party Claim (filed 08/09/2019)		Vol. 53, 9361–9364
<b>Exhibit to Notice of Entry of Order Denying Claim of Exemption and Third-Party Claim</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Order Denying Claim of Exemption and Third-Party Claim (08/09/2019)	Vol. 53, 9365–9369

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Notice of Entry of Order Denying Claim of Exemption (filed 08/12/2019)		Vol. 53, 9370–9373
<b>Exhibit to Notice of Entry of Order Denying Claim of Exemption</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Order Denying Claim of Exemption (08/02/2019)	Vol. 53, 9374–9376
Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration (filed 08/19/2019)		Vol. 54, 9377–9401
<b>Exhibits to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Order Denying Claim of Exemption and Third Party Claim (filed 08/09/19)	Vol. 54, 9402–9406
2	Spendthrift Trust Amendment to the Edward William Bayuk Living Trust (dated 11/12/05)	Vol. 54, 9407–9447
3	Spendthrift Trust Agreement for the Arcadia Living Trust (dated 10/14/05)	Vol. 54, 9448–9484
4	Fifth Amendment and Restatement of the Trust Agreement for the Arcadia Living Trust (dated 09/30/10)	Vol. 54, 9485–9524
5	P. Morabito's Supplement to NRCP 16.1 Disclosures (dated 03/01/11)	Vol. 54, 9525–9529

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
6	Transcript of March 3, 2011 Deposition of P. Morabito	Vol. 55, 9530–9765
7	Documents Conveying Real Property	Vol. 56, 9766–9774
8	Transcript of July 22, 2019 Hearing	Vol. 56, 9775–9835
9	Tolling Agreement JH and P. Morabito (partially executed 11/30/11)	Vol. 56, 9836–9840
10	Tolling Agreement JH and Arcadia Living Trust (partially executed 11/30/11)	Vol. 56, 9841–9845
11	Excerpted Pages 8–9 of Superpumper Judgment (filed 03/29/19)	Vol. 56, 9846–9848
12	Petitioners' First Set of Interrogatories to Debtor (dated 08/13/13)	Vol. 56, 9849–9853
13	Tolling Agreement JH and Edward Bayuk (partially executed 11/30/11)	Vol. 56, 9854–9858
14	Tolling Agreement JH and Bayuk Trust (partially executed 11/30/11)	Vol. 56, 9859–9863
15	Declaration of Mark E. Lehman, Esq. (dated 03/21/11)	Vol. 56, 9864–9867
16	Excerpted Transcript of October 20, 2015 Deposition of Dennis C. Vacco	Vol. 56, 9868–9871
17	Assignment and Assumption Agreement (dated 07/03/07)	Vol. 56, 9872–9887
18	Order Denying Morabito's Claim of Exemption (filed 08/02/19)	Vol. 56, 9888–9890

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Errata to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration (filed 08/20/2019)		Vol. 57, 9891–9893
Plaintiff's Opposition to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 08/30/2019)		Vol. 57, 9894–9910
Errata to Plaintiff's Opposition to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 08/30/2019)		Vol. 57, 9911–9914
<b>Exhibits to Errata to Plaintiff's Opposition to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs Pursuant to NRS 7.085</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Declaration of Gabrielle A. Hamm, Esq.	Vol. 57, 9915–9918
2	Plaintiff's Amended NRCP 16.1 Disclosures (February 19, 2016)	Vol. 57, 9919–9926
3	Plaintiff's Fourth Supplemental NRCP 16.1 Disclosures (November 15, 2016)	Vol. 57, 9927–9930
4	Plaintiff's Fifth Supplemental NRCP 16.1 Disclosures (December 21, 2016)	Vol. 57, 9931–9934
5	Plaintiff's Sixth Supplemental NRCP 16.1 Disclosures (March 20, 2017)	Vol. 57, 9935–9938

<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
Reply in Support of Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs (filed 09/04/2019)		Vol. 57, 9939–9951
<b>Exhibits to Reply in Support of Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs</b>		
<b>Exhibit</b>	<b>Document Description</b>	
19	Notice of Submission of Disputed Order Denying Claim of Exemption and Third Party Claim (filed 08/01/19)	Vol. 57, 9952–9993
20	Notice of Submission of Disputed Order Denying Claim of Exemption and Third Party Claim (filed 08/01/19)	Vol. 57, 9994–10010
Order Denying Defendants’ Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration and Denying Plaintiff’s Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 11/08/2019)		Vol. 57, 10011–10019
Bayuk’s Case Appeal Statement (filed 12/06/2019)		Vol. 57, 10020–10026
Bayuk’s Notice of Appeal (filed 12/06/2019)		Vol. 57, 10027–10030



<b><u>DOCUMENT DESCRIPTION</u></b>		<b><u>LOCATION</u></b>
<b>Exhibits to Bayuk's Notice of Appeal</b>		
<b>Exhibit</b>	<b>Document Description</b>	
1	Order Denying [Morabito's] Claim of Exemption (filed 08/02/19)	Vol. 57, 10031–10033
2	Order Denying [Bayuk's] Claim of Exemption and Third Party Claim (filed 08/09/19)	Vol. 57, 10034–10038
3	Order Denying Defendants' Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration and Denying Plaintiff's Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 11/08/19)	Vol. 57, 10039–10048
Notice of Entry of Order Denying Defendants' Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration and Denying Plaintiff's Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 12/23/2019)		Vol. 57, 10049–10052
<b>Exhibit to Notice of Entry of Order</b>		
<b>Exhibit</b>	<b>Document Description</b>	
A	Order Denying Defendants' Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration and Denying Plaintiff's Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 11/08/19)	Vol. 57, 10053–10062
Docket Case No. CV13-02663		Vol. 57, 10063–10111

# Exhibit 1

1 **1520**  
2 GARMAN TURNER GORDON LLP  
3 GERALD M. GORDON, ESQ.  
4 Nevada Bar No. 229  
5 E-mail: ggordon@gtg.legal  
6 TERESA M. PILATOWICZ, ESQ.  
7 Nevada Bar No. 9605  
8 E-mail: tpilatowicz@gtg.legal  
9 650 White Drive, Ste. 100  
10 Las Vegas, Nevada 89119  
11 Telephone 725-777-3000

12 *Special Counsel to Plaintiff*

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**IN THE SECOND JUDICIAL DISTRICT COURT OF  
THE STATE OF NEVADA, IN AND FOR THE COUNTY OF WASHOE**

12 WILLIAM A. LEONARD, Trustee for the  
13 Bankruptcy Estate of Paul Anthony  
14 Morabito,

15 Plaintiff,

16 vs.

17 SUPERPUMPER, INC., an Arizona  
18 corporation; EDWARD BAYUK,  
19 individually and as Trustee of the EDWARD  
20 WILLIAM BAYUK LIVING TRUST;  
21 SALVATORE MORABITO, and individual;  
22 and SNOWSHOE PETROLEUM, INC., a  
23 New York corporation,

24 Defendants.

CASE NO.: CV13-02663

DEPT. NO.: 1

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28  
**DECLARATION OF TIMOTHY P. HERBST IN SUPPORT OF SEPARATE  
STATEMENT OF UNDISPUTED FACTS IN SUPPORT OF  
MOTION FOR PARTIAL SUMMARY JUDGMENT**

I, Timothy P. Herbst, hereby declare under penalty of perjury of the laws of the State of Nevada as follows:

1. I am over the age of 18 and am mentally competent. I make this declaration (the

1 “Declaration”) in support of the *Separate Statement of Undisputed Facts in Support of Motion*  
2 *for Partial Summary Judgment* (the “SSOF”) filed concurrently herewith.

3 2. I am the Treasurer of BHI<sup>1</sup> and the son of Jerry Herbst, which were defendants  
4 and counter-plaintiffs in the State Court Action. As such, I have personal knowledge of the facts  
5 stated in this Declaration, except where stated upon information and belief, and as to facts stated  
6 upon information and belief, I am informed of those facts and believe them to be true. If called  
7 upon to testify as to the matters herein, I could and would do so.

8 3. In or about 2007, a dispute developed between JH, Jerry Herbst, and BHI, on the  
9 one hand, and Morabito and Consolidated Nevada Corporation (“CNC”), on the other, regarding  
10 the sale of the BHI stock to JH.

11 4. On December 3, 2007, Morabito and CNC filed a lawsuit against the Herbst  
12 Parties captioned *Consolidated Nevada Corp., et al. v. JH, et al.* in the State Court, Case No.  
13 CV07-02764 (together with all claims and counterclaims, the “State Court Action”).

14 5. The Herbst Parties filed numerous counterclaims in the State Court Action  
15 against Morabito and CNC, including fraud in the inducement, misrepresentation, and breach of  
16 contract relating to an Amended and Restated Stock Purchase Agreement.

17 6. On September 13, 2010, the Court announced an oral judgment of  
18 \$85,871,364.75, with further proceedings to take place regarding the amount of punitive  
19 damages.

20 7. Neither Morabito, his counsel, nor Defendants informed the Herbst Parties that  
21 the Transfers were occurring, despite the fact that Morabito and the Herbst Parties were in the  
22 midst of preparing for the punitive damages phase of the trial.

23 8. In total, Morabito paid the Herbst Parties less than 5% of the total Final Judgment,  
24 with payments coming from three sources: (1) \$5,000,000 in payments made from the return of  
25 Offshore Funds from Sefton nearly two years after that transfer; (2) approximately \$1,300,000 in  
26 sale proceeds from the Reno Property; and (3) the assumption of certain liabilities by Morabito.

27 <sup>1</sup> Capitalized terms not otherwise defined herein shall have those meanings ascribed to them in the Motion for  
28 Partial Summary Judgment, filed concurrently herewith.

1 Par for the course, Morabito defaulted on many of the assumed liabilities, ultimately causing  
2 increased liabilities to the Herbst Parties.

3 9. As a result, and after Morabito defaulted on a Settlement Agreement and a  
4 Forbearance Agreement extended by the Herbst Parties, on June 20, 2013, the Herbst Parties  
5 filed an involuntary petition against him and CNC under chapter 7 of the Bankruptcy Code.

6 I declare under penalty of perjury of the laws of the State of Nevada that these facts are  
7 true to the best of my knowledge and belief.

8 DATED this \_\_\_\_ day of August, 2017.

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TIMOTHY HERBST

## Exhibit 2

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1960  
JOHN P. DESMOND, ESQ.  
Nevada State Bar No. 5618  
BRIAN R. IRVINE, ESQ.  
Nevada State Bar No. 7758  
JUSTIN J. BUSTOS, ESQ.  
Nevada State Bar No. 10320  
JONES VARGAS  
100 West Liberty Street, 12th Floor  
P.O. Box 281  
Reno, Nevada 89504-0281  
Telephone: (775) 786-5000  
Facsimile: (775) 786-1177

*Attorneys for Defendants/Counter-Claimants*

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE

CONSOLIDATED NEVADA CORP., et al.,  
Plaintiffs,  
vs.  
JH, INC., et al.,  
Defendants.

CASE NO. CV07-02764  
DEPT. NO. 6

**MEMORANDUM AND ORDER**

JH, INC., et al.,  
Counter-Claimants,  
vs.  
CONSOLIDATED NEVADA CORP., et al.,  
Counter-Defendants.

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND JUDGMENT**

In accordance with WDCR 9, following a non-jury trial in the above-captioned matter, and review of the record and pleadings filed by the parties, the Court renders the following Findings of Fact, Conclusions of Law, Decision, and Judgment.

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///

**FINDINGS OF FACT**

1. Berry-Hinckley Industries ("BHI") began operations in 1928 when Wayne Hinckley and Lawrence Semenza assumed the lease of the Flying A Service Station on Second and West Streets in Reno, Nevada. (Sept. 13, 2010, Transcript of Judge's Ruling at 4:2-7.)

2. In the late 1970s, Art Hinckley, Ward Hinckley's son, joined the business supervising the administrative staff of three employees. *Id.* at 4:9-11.

3. BHI was very successful for generations. *Id.* at 4:11-12.

4. The Stock of BHI was purchased on October 14, 2005, by P.A. Morabito & Co. ("PAMCO"), a company owned by Mr. Morabito, for approximately \$95 million. *Id.* at 4:12-14.

5. Paul Morabito, the controlling owner of PAMCO, was appointed president and CEO. *Id.* at 4:14-16.

6. All real properties owned by BHI, and by related entities as operated by BHI, were separately sold to PAMCO, which properties were then sold to third parties. *Id.* at 4:16-18.

7. As part of these sales, new leases were entered into with BHI as the lessee and the leases were at above-market rates. *Id.* at 4:19-21.

8. JH, Inc. ("JH"), owned by Jerry Herbst, was formed for the purpose of acquiring BHI. *Id.* at 4:21-23.

9. JH is a related party to Terrible Herbst, Inc. and to the Herbst family, who have decades of experience operating gas stations and convenience stores and, in recent years, some experience in the gaming industry. *Id.* at 4:23-5:3.

10. By no later than December 31, 2008, BHI had zero value. *Id.* at 5:4-5.

11. Although not essential to the outcome of this case, the story of how BHI lost all value is contained in the long record of these proceedings. *Id.* at 5:5-7.

12. The agreement between the parties is titled the Amended and Restated Stock Purchase Agreement ("ARSPA") and is dated June 28, 2007. *Id.* at 5:7-10.

13. The substance of the agreement consists of two components. *Id.* at 5:11-12.



1           14. First, the transaction consisted of the Development Sites. *Id.* at 12-13. The  
2 Development Sites are ten parcels of real property that were partially improved or would be  
3 improved to create convenience stores and gas stations. *Id.* at 5:13-19.

4           15. The primary assets in the second category were the operating convenience stores  
5 and gas stations. *Id.* at 5:17-19.

6           16. This transaction entailed a very extensive review of the financial documents by  
7 representatives of the buyer including certified public accountants and people with an expertise in  
8 obtaining commercial financing. *Id.* at 12:6-13. Defendants also had their own experience and  
9 expertise in the industry upon which they relied. *Id.* at 12:14-15. Defendants could and did fly to  
10 Reno. *Id.* at 12:15. Defendants could and did physically see the properties. *Id.* at 12:15-16.  
11 Defendants could and did talk to Mr. Hinckley about his experience with BHI. *Id.* at 12:16-17.  
12 Thus, it is understandable that, for the most part, the ARSPA places the responsibility on the buyer  
13 to rely on their own investigation of the company and gives them the prerogative of buying the  
14 company or not buying the company. *Id.* at 12:17-21.

15           17. Expert witnesses David Wood, Craig Greene, Claudia Berglund and Heather Tryon  
16 did a magnificent job in attempting to translate accounting terms for the Court so that the Court  
17 would have an understanding of the significance of their testimony. *Id.* at 13:8-13.

18           18. The finder-of-fact, who is untutored in accounting, cannot function as an auditor,  
19 and must rely on expert witness testimony for an understanding of the many financial issues in this  
20 case. *Id.* at 13:14-15.

21       **A. Development Sites**

22           19. Section 2.8(c) of the ARSPA obligates the seller to enter into a construction  
23 management agreement with the buyer and that agreement is attached as Exhibit E to the ARSPA.  
24 *Id.* at 5:24-6:3.

25           20. The Construction Management Agreement ("CMA") provides that, in consideration  
26 for the purchase of the Development Sites by owner, the construction manager, which is Washoe  
27 Construction Management Services, LLC ("WCM"), a company created and owned by Mr.  
28 Morabito, has agreed to act as the construction manager for the project. *Id.* at 6:9-14.

1           21. In other words, Mr. Morabito's company agreed to act as construction manager for  
2 this project in consideration for the purchase of the Development Sites by JH. *Id.* at 6:15-17.

3           22. A few pertinent provisions of the CMA are as follows:

4           a. Article 1 provides, "[t]he Construction Manager will assist the Owner with the  
5 management of the Project, including monitoring Project costs, endeavoring to  
6 keep costs within the fixed sum contracts entered into by and between Owner and  
7 Dennis Banks Construction (the "Contractor") for certain of the Development Sites  
8 and within the budgets developed by Owner and the Construction Manager for the  
9 balance of the Development Sites for which the Owner will have entered into Cost,  
10 Plus Contracts with the Contractor, . . . and working with the Contractor to  
11 schedule the work of the Project efficiently so that the Project will be ready for  
12 occupancy on the dates set forth in the Construction Contracts." *Id.* at 6:18-7:5.

13           b. Article 2.1 provides, "[t]he Construction Manager will review all plans and  
14 specifications and advise on systems and materials, construction feasibility, time  
15 requirements for procurement, installation and construction, relative costs, and  
16 provide recommendations for economies as appropriate. The Construction  
17 Manager is hereby authorized to act as the Owner's agent in dealing with the  
18 Architect, the Construction Contracts, subcontractors and their respective  
19 employees and agents." *Id.* at 7:6-14.

20           c. Paragraph 2.3 provides, in part, "[t]he Construction Manager will work with the  
21 Contractor to assure completion of the Project within the time periods set forth in  
22 the Construction Contracts.. In the event any change order or other adjustment is  
23 requested by Owner to be made to any Construction Contract, Construction  
24 manager will work with the Contractor to assure proper inclusion of such change  
25 order or other adjustment into the Project. " *Id.* at 7:15-21.

26           23. Pursuant to paragraph 3.2, the relevant terms and conditions of the ARSPA are  
27 incorporated in the CMA. *Id.* at 7:22-23.

28

1           24.     The Court was impressed by the testimony of Doug Browne. *Id.* at 7:24-8:1. Mr.  
2 Browne is a graduate in mathematics from the University of Notre Dame. *Id.* at 8:1-2. Mr.  
3 Browne was in the United States Marine Corps. *Id.* at 8:2-3. He was involved in construction  
4 engineering and management for a substantial period of time including at Q&D Construction  
5 Company. *Id.* at 8:4-6.

6           25.     Mr. Browne described generally the role of the construction manager. *Id.* at 8:6-8.  
7 Essentially, the role of the construction manager is to be the owner's representative to ensure that  
8 both the schedule of the construction project and its costs adhere to the budget and timeline for  
9 construction. *Id.* at 8:10-13. The construction manager asks questions and looks at the long-term  
10 items of a contract. *Id.* at 8:13-15. The construction manager works directly with subcontractors,  
11 taking bids, evaluating the costs of various components of the construction, creating a construction  
12 timeline, and making, at a minimum, monthly reports to the owner so the owner is advised  
13 consistently of the milestones of construction. *Id.* at 8:15-20. A good construction manager  
14 facilitates the process and ensures proper and responsible accounting of the owner's money on the  
15 project. *Id.* at 8:21-23.

16           26.     In Mr. Browne's experience, the construction manager is usually involved in the  
17 construction on a daily basis and frequently visits the construction site. *Id.* at 8:23-9:1. A  
18 construction manager should review the construction schedule with the contractor and meet with  
19 the contractor on a weekly basis. *Id.* at 9:1-3.

20           27.     Mr. Browne opined that WCM and Mr. Morabito performed none of the services  
21 contemplated by the CMA. *Id.* at 9:4-7.

22           28.     Mr. Morabito made it absolutely plain that in his view, the only purpose of the  
23 CMA was for him to get paid. *Id.* at 9:7-9. Mr. Morabito actually said, "What does the  
24 management of the construction sites mean? I have no idea what that means." *Id.* at 9:10-13.

25           29.     The only other people involved in WCM were Garrett Gordon, Phil Tripoli and  
26 Alfredo Alonso. *Id.* at 9:14-10:13.

27           30.     Mr. Gordon is an attorney with the law firm of Lewis and Roca in Reno, Nevada.  
28 *Id.* at 9:15-17. Mr. Gordon made it plain that he does not have any competence in

1 construction supervision. *Id.* at 9:17-19. Mr. Gordon testified that he was called every day by Mr.  
2 Morabito, who wanted to know the status of the building permits so that Mr. Morabito could get  
3 his money. *Id.* at 9:10-22. Mr. Gordon's job was to secure Mr. Morabito's money by getting  
4 building permits or certificates of occupancy. *Id.* at 9:22-24.

5 31. Mr. Alonso, although not a lawyer, is also associated with the law firm of Lewis  
6 and Roca and played the same role as Mr. Gordon. *Id.* at 10:1-4.

7 32. The third person involved with WCM was Mr. Tripoli. *Id.* at 10:5. It is ludicrous  
8 to think that Mr. Tripoli has any capacity to, or did in any significant way, supervise this project.  
9 *Id.* at 10:7-9. Mr. Tripoli testified that he did not communicate at all with the owner of the project.  
10 *Id.* at 10:9-11.

11 33. In the words of Mr. Browne, Mr. Morabito was not managing the construction  
12 project, he was managing his money. *Id.* at 10:11-13.

13 **B. Working Capital**

14 34. Clear and convincing evidence shows that there was no basis whatsoever for the  
15 contents of the working capital estimate other than Mr. Morabito's decision to create it. *Id.* at  
16 16:8-11.

17 35. There is not one piece of paper that has been produced in over 5,500 exhibits in this  
18 trial, to the Independent Accountants, during discovery or anywhere else, to support the  
19 exaggerated value of the company as set forth in the working capital estimate. *Id.* at 16:23-17:3.

20 36. The major difference between Mr. Morabito's estimate and the actual working  
21 capital is accounts payable. *Id.* at 17:3-4. This fact is significant. *Id.* at 17:15.

22 37. The Court is very impressed with the testimony of Paula Meyer. *Id.* at 17:5-7. Ms.  
23 Meyer worked for BHI since approximately 1995. *Id.* at 17:7-8. She worked for years under the  
24 direction of Mr. Hinckley, who impressed the Court as an honest and fine business person. *Id.* at  
25 17:8-10. Ms. Meyer is also a CPA and was the CFO of BHI. *Id.* at 17:10-11. Ms. Meyer  
26 graduated from the University of Nevada, Reno and was an accountant at Grant, Thornton. *Id.* at  
27 17:11-12.

28 38. Mr. Morabito did not prepare the monthly financial statements. *Id.* at 17:15-17.

1           39.     There is no evidence that the monthly financial statements were inaccurate. *Id.*  
2 at 17:16-19.

3           40.     Mr. Morabito did not have access to the accounting system of the company. *Id.* at  
4 17:19-21.

5           41.     Ms. Meyer informed Mr. Morabito that the leases were not being "flipped" from  
6 capital leases to operating leases. *Id.* at 17:21-23.

7           42.     Mr. Morabito had no ability, due to his lack of access to the financial accounting  
8 system, to change the financial statements. *Id.* at 17:24-18:2.

9           43.     In the course of events leading to the closing of this transaction, there was a point  
10 where Mr. Morabito wanted Ms. Meyer to communicate only with him and not the lawyers or  
11 BCC. *Id.* at 18:2-5. This is a small fact, but it is an unusual fact. *Id.* at 18:6-7. This is a complex  
12 transaction involving tens of millions of dollars. *Id.* at 18:7-9. As the CFO, Ms. Meyer had access  
13 to the financial statements of the company while the CEO of the company, Mr. Morabito, did not  
14 have such access. *Id.* at 18:11-13. Nevertheless, Mr. Morabito instructed Ms. Meyer to only  
15 communicate with him. *Id.* at 18:13-14. Thus, the buyer was deprived of access to Ms. Meyer  
16 (who knew the true financial condition of the company) and had to rely exclusively on the false  
17 working capital estimate prepared by Mr. Morabito.

18           44.     Ms. Meyer testified that she did not know what happened to information once it  
19 went to Mr. Morabito. *Id.* at 18:15-17. Mr. Morabito handled the majority of the information. *Id.*  
20 at 18:17-18.

21           45.     Ms. Meyer's testimony regarding her constant disputes and disagreements with Paul  
22 Morabito about the accounts payable was very moving. *Id.* at 19-21.

23           46.     It is not enough to say Ms. Meyer constantly had disagreements with Mr. Morabito  
24 about the amount of accounts payable. *Id.* at 19:8-10. Ms. Meyer's anxiety and fear of this man  
25 because of his relentless, torturous attacks on her to drive down the accounts payable was almost  
26 palpable as she testified. *Id.* at 19:10-13. Her testimony sounded more like the accounts the Court  
27 hears in cases of spousal abuse than in cases of commercial transactions. *Id.* at 19:13-14.

28

1 47. Ms. Meyer was then shown the document prepared by Mr. Morabito and she knew  
2 in the flicker of an eye that it was way off. *Id.* at 20:16-18.

3 48. Ms. Meyer testified that monthly accounts payable should have been in the range of  
4 at least five to six million. *Id.* at 20:18-19. Ms. Meyer had no idea why Mr. Morabito made the  
5 representation he did. *Id.* at 20:19.

6 49. Mr. Morabito always thought accounts payable should be lower. *Id.* at 19:15-16. It  
7 was always a battle back and forth between Mr. Morabito and Ms. Meyer. *Id.* at 19:16.

8 50. Mr. Stanton Bernstein, Mr. Morabito's personal accountant, agreed with Ms. Meyer  
9 regarding accounts payable. *Id.* at 19:17-18.

10 51. Ms. Karen Scarborough, the BHI controller, also agreed with Ms. Meyer. *Id.* at  
11 19:18-20.

12 52. Ms. Meyer was not mean spirited in her testimony about Mr. Morabito. *Id.* at  
13 20:11-12. Ms. Meyer testified that she did not know of any particular instance when Mr. Morabito  
14 gave inaccurate information to a third party. *Id.* at 20:12-14. Ms. Meyer also testified that she did  
15 not know of any particular instance in which Mr. Morabito changed the financial statements. *Id.*  
16 at 14-16.

17 53. On or about March 8, 2007, the accounts payable totaled \$7,405,342.33. *Id.* at  
18 20:20-22.

19 54. Ms. Meyer testified that she never persuaded Mr. Morabito to change anything. *Id.*  
20 at 20:22-23. She just got yelled at by him. *Id.* at 20:23.

21 55. Ms. Meyer told Mr. Morabito on the telephone many times that she knew the  
22 payables were way too low. *Id.* at 20:23-21:2.

23 56. Ms. Meyer characterized her job as follows: "I just got yelled at, did my job and  
24 went home." *Id.* at 21:4-5.

25 57. By August of 2007, Mr. Wood knew what happened regarding working capital. *Id.*  
26 at 21:17. Mr. Wood testified in a phrase, "Mr. Morabito used this company as his personal piggy  
27 bank." *Id.* at 21:18-19. This is what Mr. Morabito did. *Id.* at 21:20.

28 58. Mr. Greene figured out what happened regarding working capital. *Id.* at 21:17-18.

1 59. The working capital estimate Mr. Morabito gave the buyer had no basis in reality. It  
2 was contrary to what he knew firsthand to be the truth. *Id.* at 21:20-22.

3 **CONCLUSIONS OF LAW**

4 60. Following decisions on the parties' dispositive motions, trial was held regarding the  
5 parties' remaining claims for relief.

6 a. The Court heard evidence on Defendants' claims for relief which consisted of  
7 the following: fraud in the inducement, negligent misrepresentation, fraud or  
8 intentional misrepresentation – working capital, breach of contract, breach of  
9 the implied covenant of good faith and fair dealing, declaratory relief, and  
10 performance by Paul Morabito on his personal and unconditional guaranty.

11 b. The Court also heard evidence on Plaintiffs' remaining claims for relief relating  
12 to the Development Sites: breach of contract, breach of the implied covenant of  
13 good faith and fair dealing, and express indemnification.

14 **A. Development Sites**

15 **1. Breach of Contract**

16 61. A claim for breach of contract requires Defendants to prove each of the following  
17 elements: 1) the parties entered into a valid and enforceable contract; 2) Defendants performed all  
18 obligations required under the contract or were excused from performance; 3) Plaintiffs breached  
19 their obligations under the contract; and 4) Defendants suffered damages as a result. *Nev.*  
20 *Contract Servs., Inc. v. Squirrel Companies, Inc.*, 119 Nev. 157, 161, 68 P.3d 896, 899 (2003).

21 62. It is undisputed that the CMA and the ARSPA are valid and enforceable contracts.

22 63. The Court finds that the obligations undertaken in the CMA are consideration for the  
23 purchase of the Development Sites. (Sept. 13, 2010, Transcript of Judge's Ruling at 10:14-16.)

24 64. The Court finds that every one of the obligations of the CMA were breached by  
25 WCM and Mr. Morabito. *Id.* at 10:16-18.

26 65. The Court finds that the implied covenant of good faith and fair dealing was  
27 breached by WCM and Mr. Morabito.

28

1 66. As a result of Plaintiffs' breach, there has been a total failure of consideration. *See*  
2 *id.*

3 67. As a result of Plaintiffs' breach of the CMA and ARSPA, Defendants have been  
4 damaged. *Id.* at 11:5.

5 **2. Fraud in the Inducement**

6 68. To establish fraud in the inducement under Nevada law, the following elements must  
7 be proven: (1) a false representation made by Plaintiffs; (2) Plaintiffs' knowledge or belief that the  
8 representation was false (or knowledge that it had an insufficient basis for making the  
9 representation); (3) Plaintiffs' intention to therewith induce Defendants to consent to the contract's  
10 formation; (4) Defendants' justifiable reliance upon the misrepresentation; and (5) damages  
11 resulting from such reliance. *J.A. Jones Constr. Co. v. Lehrer McGovern Bovis, Inc.*, 120 Nev.  
12 277, 290, 89 P.3d 1009, 1018 (2004);

13 69. The Court finds by clear and convincing evidence that Mr. Morabito never for a  
14 single second had any intention to perform the services of construction manager. (Sept. 13, 2010,  
15 Transcript of Judge's Ruling at 10:18-22.)

16 70. Mr. Morabito's representations under the CMA were intentionally false. *Id.* at  
17 10:23-11:1.

18 71. Mr. Morabito's representations were made for the purpose of inducing the purchase  
19 of the Development Sites by JH. *Id.* at 11:1-2.

20 72. JH reasonably relied on those representations. *Id.* at 11:3.

21 73. As a result, Defendants have been damaged in the sum of \$19,869,159.

22 74. Plaintiffs' claims for compensation under the CMA and the ARSPA are denied.

23 **B. Conduct that is not Fraudulent**

24 **1. Leases**

25 75. Defendants were given all the information about the leases. *Id.* at 14:2

26 76. The leases were mischaracterized and, therefore, violated the ARSPA because they  
27 were not accounted for in accordance with GAAP. *Id.* at 14:3-5.

28 77. However, Defendants had an opportunity to evaluate the leases. *Id.* at 14:6-7.



1 78. The distinction between operating and capital leases was at least as important to the  
2 buyer as it was to the seller because, as several witnesses pointed out, the high-dollar amount of  
3 capital leases created a default on the part of the buyer with its lender. *Id.* at 14:7-12.

4 79. Thus, buyer knew that under the conditions of the loan they had to be concerned  
5 about the distinction between capital and operating leases and they had the expertise necessary to  
6 make that evaluation. *Id.* at 14:13-16.

7 80. It is not clear what would have happened if buyer had asked to conduct an appraisal.  
8 *Id.* at 14:17-20. Nevertheless, there is no proof by clear and convincing evidence that the  
9 mischaracterization of the leases constituted fraud. *Id.* at 14:21-23.

10 81. Similarly, the evidence is overwhelming that the leases were above the market rate.  
11 *Id.* at 14:24-15:15:1. Every witness who has testified on the subject has agreed that the leases were  
12 above the market rate. *Id.* at 15:1-2. Jerry Herbst testified that if he had looked at the leases, he  
13 would have known instantly that they were above the market rate. *Id.* at 15:2-4.

14 82. There is nothing in the ARSPA that required the leases to not be above the market  
15 rate. *Id.* at 15:5-7.

16 83. In fact, it is clear why the leases were above the market rate when one examines how  
17 Mr. Morabito purchased the company. *Id.* at 15:8-10. Mr. Morabito engaged in a leveraged  
18 purchase. *Id.* at 15:10. He sold the land of the company to finance his purchase and leased back  
19 to BHI the convenience store sites (thus a BHI asset -- value of the convenience store land --  
20 became a BHI liability -- the lease obligations). The leases were then sold a second time.  
21 *Id.* at 15:10-12. This process created lease rents substantially above the market rate.

22 84. Information regarding the fact that the leases were above market rates was either  
23 known or could have been known by Defendants and Plaintiffs did nothing to conceal this fact.  
24 *Id.* at 15:15-18.

25 **2. GAAP Violations**

26 85. The evidence in this case establishes a number of violations of Generally Accepted  
27 Accounting Principles (GAAP) violations. *Id.* at 15:19.

28

1 86. The mischaracterization of leases as operating leases when a majority of them were  
2 in fact capital leases constitutes a violation of GAAP. *Id.* at 15:19-22.

3 87. The inclusion of rent in construction in progress constitutes a violation of GAAP.  
4 *Id.* at 15:22-23.

5 88. The recording of construction in progress for non-BHI companies constitutes a  
6 violation of GAAP. *Id.* at 15:23-24.

7 89. The recording of landlord deposits as a reduction to construction in progress is a  
8 violation of GAAP. *Id.* at 15:19-21, 15:24-6:2.

9 90. Finally, the inclusion of Nella assets in BHI's financial statements constitutes a  
10 violation of GAAP. *Id.* at 15:19-21, 16:2.

11 91. Although these GAAP violations are breaches of the ARSPA, Defendants were not  
12 damaged by these violations because they could have been discovered by due diligence on the part  
13 of the buyer. *Id.* at 16:5-6.

14 **C. Working Capital**

15 92. The elements that must be demonstrated for fraud in the inducement have been set  
16 forth above.

17 93. Clear and convincing evidence shows that there was no basis whatsoever for the  
18 contents of the working capital estimate other than Mr. Morabito's decision to create it. *Id.* at  
19 16:8-11. Defendants proved, by clear and convincing evidence, that Mr. Morabito's statements of  
20 working capital were false and known by him to be false, that Defendants reasonably relied on Mr.  
21 Morabito's statements of working capital, and were damaged thereby.

22 94. Generally speaking, an estimate of value cannot be the basis for a legal claim for  
23 fraud or other misconduct. *Id.* at 16:11-13. However, the circumstances in this case are different.  
24 *Id.* at 16:14.

- 25 a. First, the estimate was prepared by the Mr. Morabito, the owner of the  
26 company. *Id.* at 16:15-16.

1 b. Second, the estimate was significantly and materially inconsistent with the  
2 information he was given firsthand by his chief financial officer and by his  
3 personal accountant. *Id.* at 16:16-19.

4 c. Third, there is no evidence that anyone else reviewed the estimate that was  
5 prepared by Mr. Morabito. *Id.* at 16:19-22.

6 95. There is simply no other conclusion available than the working capital report that  
7 was prepared by Mr. Morabito was intentionally false, was done for the purpose of Defendant  
8 relying on it, and that Defendants did reasonably rely on it. *Id.* at 21:6-10.

9 96. There is no data in the company to support the working capital estimate. *Id.* at  
10 21:11-13.

11 97. Mr. Morabito knew firsthand from his own employees and from his own accountant  
12 that it was incorrect. *Id.* at 21:13-14.

13 98. The working capital estimate was materially inflated and falsely inflated the value of  
14 the company, and that became apparent shortly after close of the transaction. *Id.* at 21:14-16.

15 99. The Court finds that had Defendants known the false statements in the working  
16 capital estimate, they would not have bought the company. *Id.* at 21:23-22:1.

17 100. Ultimately, the Defendants' BHI business venture was a failure. There are many  
18 variables that occurred in our economy in connection with the BHI convenience markets,  
19 including the cost of gasoline, the cost of construction for the Development Sites and numerous  
20 other factors. It is unclear just why this company was so unsuccessful. *Id.* at 22:14-21.

21 101. But one thing is clear: The value of this company was materially misstated. Had  
22 the buyer known the truth, the purchase would not have occurred. *Id.* at 22:22-25. There is no  
23 other conclusion. *Id.* at 23:1.

24 102. Any company may fail. But a company's value does not decline by hundreds of  
25 thousands of dollars in the first thirty days of operation if seller's representation of working capital  
26 is accurate. *Id.* at 23:3-4.

27 103. In December of 2006, Defendants were told BHI was losing about \$600,000 a year.  
28 *Id.* at 23:5-7. Defendants' own analysis indicated the company was losing approximately \$1.5

JONES VARGAS  
100 West Liberty Street, Twelfth Floor  
P.O. Box 281  
Reno, NV 89504-0281  
Tel: (775) 786-5000 Fax: (775) 786-1177

1 million a year. *Id.* at 23:7-9. In relatively short order, it turns out the company was losing  
2 approximately \$1 million a month. *Id.* at 23:8-10. Thus, it is reasonable, as Mr. Greene  
3 suggested, to extrapolate from performance to the truthfulness or untruthfulness of the  
4 representations concerning the value of BHI. *Id.* at 23:10-13.

5 104. This evidence is not sufficient to warrant a finding of fraud or to award damages  
6 with respect to the representations of the value of BHI. *Id.* at 23:14-16.

7 105. However, these facts demonstrate that had Defendants known the truth about the  
8 working capital, they would not have bought the company. *Id.* at 23:16-18.

9 106. The Court, having found that defendants were fraudulently induced, awards  
10 damages to Defendant and against Plaintiffs in the amount of \$66,002,205.75.

11 **D. Personal Guarantees**

12 107. All obligations of the Seller under the ARSPA are personally guaranteed by Paul  
13 Morabito.

14 108. All obligations of the buyer under the ARSPA are personally guaranteed by Jerry  
15 Herbst.

16 **E. Claims Against Edward Bayuk, Salvatore Morabito and Trevor Lloyd**

17 109. There is no evidence of any personal liability on the part of plaintiffs, Edward  
18 Bayuk, Salvatore Morabito or Trevor Lloyd. Claims against these individuals are hereby  
19 dismissed. *Id.* at 5:20-23.

20 **CONCLUSION**

21 110. The Court awards total compensatory damages to Defendants in the amount of  
22 \$85,871,364.75. *Id.* at 23:24. Resolution of all other claims by all parties is unnecessary to this  
23 decision and such claims are hereby dismissed. *Id.* at 24:9-11.

24 111. Counsel are directed to set a punitive damages hearing. *Id.* at 24:1-2. Counsel are  
25 also directed to conduct discovery concerning the net worth of Plaintiffs. *Id.* at 24:2-3.

26 **JUDGMENT**

27 **IT IS ORDERED AND ADJUDGED** that Defendants recover from Consolidated Nevada  
28 Corp. and Paul A. Morabito the sum of \$85,871,364.75 in addition to any amount, if any, awarded

JONES VARGAS  
100 West Liberty Street, Twelfth Floor  
P.O. Box 281  
Reno, NV 89504-0281  
Tel: (775) 786-5000 Fax: (775) 786-1177

1 as punitive damages during the punitive damages hearing, with interest thereon as provided by  
2 NRS 17.130 and 99.040(1).

3 This Judgment shall not become final until after hearing and decision on the claim for  
4 punitive damages.

5 IT IS SO ORDERED.

6 DATED this 12<sup>th</sup> day of October, 2010.

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DISTRICT COURT JUDGE

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**CERTIFICATE OF SERVICE**

I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT;  
that on the 12th day of October, 2010, I electronically filed the foregoing with the  
Clerk of the Court system which will send a notice of electronic filing to the following:

LEIF REID, ESQ.

JOHN DESMOND, ESQ.

Further, I certify that I deposited in the county mailing system for postage and  
mailing with the U.S. Postal Service in Reno, Nevada, a true copy of the foregoing  
addressed to:

Edward D. Vogel, Esq.  
Shannon Z. Petersen, Esq.  
501 West Broadway, 19<sup>th</sup> Floor  
San Diego, CA 92101-3598

Stanley W. Parry, Esq.  
100 City Parkway, Ste. 1750  
Las Vegas, NV 89106-4614



Heidi Boe  
Judicial Assistant

## Exhibit 3

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4  
5  
6 **IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**  
7 **IN AND FOR THE COUNTY OF WASHOE**

8 \*\*\*

9 **CONSOLIDATED NEVADA CORP., et al.,**

**CASE NO. CV-07-02764**

10 **Plaintiffs,**

**DEPT. NO. 6**

11 **vs.**

12 **JH, INC., et al.,**

13 **Defendants.**

14  
15 **JH, INC., et al.,**

**Counter-Claimants,**

16 **vs.**

17 **CONSOLIDATED NEVADA CORP., et al.,**

18 **Counter-Defendants.**

19  
20 **JUDGMENT**

21 This action came on for trial before the Court, the Honorable Brent T. Adams, District Court  
22 Judge, presiding, and the issues having been duly tried and a decision having been duly rendered,

23 **IT IS ORDERED AND ADJUDGED** that Defendants/Counter-claimants JH, Inc. and Jerry  
24 Herbst recover of the Plaintiffs/Counter-defendants Consolidated Nevada Corporation and Paul A.  
25 Morabito, the sum of \$141,278,228.20 (ONE HUNDRED FORTY-ONE MILLION, TWO  
26 HUNDRED SEVENTY-EIGHT THOUSAND, TWO HUNDRED TWENTY-EIGHT DOLLARS  
27 AND TWENTY CENTS), and their costs of action of \$1,319,060.67 (ONE MILLION, THREE  
28



1 HUNDRED NINETEEN THOUSAND, SIXTY DOLLARS AND SIXTY-SEVEN CENTS), for a  
2 total Judgment of \$142,597,288.80 (ONE HUNDRED FORTY-TWO MILLION, FIVE  
3 HUNDRED NINETY-SEVEN THOUSAND, TWO HUNDRED EIGHTY-EIGHT DOLLARS  
4 AND EIGHTY CENTS). Pursuant to NRS 99.040(1), interest shall accrue at a rate of 5.25 percent  
5 or the rate as determined by the State of Nevada, Commissioner of Financial Institutions for the  
6 applicable period.

7 IT IS FURTHER ORDERED AND ADJUDGED that Plaintiffs/Counter-Defendants take  
8 nothing, that their action be dismissed on the merits, and that Defendants/Counter-Claimants  
9 recover their costs of action as set forth above.

10 IT IS SO ORDERED. August  
11 DATED this 23 day of May, 2011.

12   
13 DISTRICT COURT JUDGE

14 \*\*\*\*\*

15  
16 Prepared and submitted by:

17  
18 JOHN P. DESMOND, ESQ.  
19 Nevada State Bar No. 5618  
20 BRIAN R. IRVINE, ESQ.  
21 Nevada State Bar No. 7758  
22 JONES VARGAS  
23 300 East Second St., Suite 1510  
24 P.O. Box 281  
25 Reno, Nevada 89504-0281  
26 Telephone: (775) 786-5000  
27 Facsimile: (775) 786-1177

28 *Attorneys for Defendants and Counter-Claimants*

## Exhibit 4

**In the Matter Of:**

Leonard vs. Superpumper, Inc., et al

**GARRY M. GRABER**

*July 12, 2017*

*Job Number: 394849*

1 that may require my areas of expertise, including  
2 bankruptcy.

3 **Q. And what were you asked to do for Paul**  
4 **Morabito?**

5 A. I was asked to consider whether there  
6 were ways in which he could evade the judgment  
7 through bankruptcy, or I shouldn't say evade the  
8 judgment. That's not correct. If there are ways  
9 he could protect himself against -- protect his  
10 assets and/or escape liability on account of the  
11 judgment.

12 **Q. Okay. We'll go into those discussions**  
13 **a little bit later.**

14 A. Sure.

15 **Q. Do you know if Hodgson Russ still**  
16 **represents Paul Morabito?**

17 A. I don't know for sure, but I believe not.

18 **Q. When was the last time you had any**  
19 **interactions with Paul Morabito?**

20 A. Within a month or two at the most of --  
21 probably 30 days of having been introduced to him.

22 **Q. So no later than the end of October**  
23 **2010; is that fair?**

24 A. I guess, yeah. I don't know the exact  
25 date, but it was maybe a month after I first met

# Exhibit 5

**From:** Yalamanchili, Sujata [SYalaman@hodgsonruss.com]  
**Sent:** Wednesday, September 15, 2010 3:40 PM  
**To:** Paul Morabito; Dennis Vacco  
**CC:** Graber, Garry  
**Subject:** Follow Up Thoughts  
**Attachment(s):** "Archived"

I caught up with Garry (who is back in Buffalo today) on our conversation from yesterday.

Garry had a number of additional ideas, including a possible marital split between Paul and Edward pursuant to which Edward could retain some of Paul's assets. We need to better understand California domestic partner laws, first.

Let me know if/when you want to talk.

Sujata

Sujata Yalamanchili, Esq.  
Hodgson Russ LLP  
The Guaranty Building  
140 Pearl Street, Suite 100  
Buffalo, NY 14202-4040  
(716) 848-1657  
(716) 849-0349 (fax)  
syalaman@hodgsonruss.com  
Secretary: Tammy Smith ([tsmith@hodgsonruss.com](mailto:tsmith@hodgsonruss.com)); 716-848-1276

Sujata Yalamanchili  
Partner  
Hodgson Russ LLP  
tel: 716.848.1657 | fax: 716.819.4620  
syalaman@hodgsonruss.com



□

---

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## Exhibit 6

**From:** Graber, Garry [GGraber@hodgsonruss.com]  
**Sent:** Thursday, September 23, 2010 3:10 PM  
**To:** 'Paul Morabito'  
**CC:** Yalamanchili, Sujata; Dennis Vacco  
**Subject:** RE:

Hi Paul,

I don't think you should change your State of residence without first comparing the exemption statutes. Also, what about the CA tax residency lawsuit ?

Do the furnishings have any material value especially in the present economy in view of the fact that they are used ? And doesn't Edward already own some of the furnishings ? If not exempt and if there is value, It may make more sense for Edward to use his money to buy the stuff back at the auction the creditor would have to hold instead of giving you money that the creditor will just take from you.

As we discussed yesterday, used clothing rarely has much resale value - even if originally very expensive. And much of it, if not all of it, could be exempt. Unless you are talking about furs or something for which there is a market, I wouldn't worry about it as I don't think that the creditor will try to take it.

I am not sure that the Amex points are transferable. That needs to be checked. If so, you want to start using redeeming them for flights, entertainment, household goods and the like.

**Garry M. Graber**  
Partner  
Hodgson Russ LLP  
tel: 716.848.1273 | fax: 716.819.4666  
mobile: 716.440.1777  
ggraber@hodgsonruss.com  
vCard | Biography | [hodgsonruss.com](http://hodgsonruss.com)



60 East 42nd Street, 37th Floor New York, NY 10165-0150  
The Guaranty Building, 140 Pearl Street, Suite 100, Buffalo, New York 14202

**From:** Paul Morabito [mailto:pmorabito@cowestco.com]  
**Sent:** Thursday, September 23, 2010 10:47 AM  
**To:** Graber, Garry  
**Subject:**

Garry

I have a few questions.

Edward and I plan on changing our primary residence from Reno to Laguna Beach.

Change DMV, voter registration, cancel Nevada club memberships, burial plot, resign from State Boards etc

Should Edward buy our household furniture etc from me for the Reno and Palm Springs houses that are not primary ? We have receipts from 2006 for everything worth around \$225,000 new.

Also, what about my clothes ? I was in the hospital for 5 months last year and came out 200 pounds lighter. I spent \$200,000 on a new wardrobe since November.



Finally, are my 2 million American Express airline miles something I can do something with or is that an asset, too ?

Paul Morabito

mobile: (775) 223-3585 efax: (480) 222-1062

email: paulmorabito1964@gmail.com

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# Exhibit 7

Message

---

**From:** Yalamanchili, Sujata [SYalaman@hodgsonruss.com]  
**Sent:** 9/20/2010 11:38:28 AM  
**To:** Crotty, Eileen [ECrotty@hodgsonruss.com]  
**Subject:** RE: Morabito - Wire

yes and no. Paul recently lost a significant court case on a fraud claim. This is very bad news, although he plans to appeal. He may be facing bankruptcy. I agreed to help him with some of the asset protection strategies he will need, if he paid us this \$20k retainer to cover those fees.

Paul has been waiting for resolution of this court case before making arrangements to pay us. With this very unfavorable ruling, I am not sure how this will all play out. The "good news" is he may now be motivated to get us paid, since if he doesn't the money will be taken by his judgment creditor. The "bad news" is he may be motivated to move assets around to keep them away from the creditor. I have discussed this with Paul and he hasn't committed either way what he intends to do.

Garry Graber is aware of our outstanding invoices and is giving some advice to Paul.

This situation is changing daily. I will keep you posted.

Sujata

**From:** Crotty, Eileen  
**Sent:** Monday, September 20, 2010 11:26 AM  
**To:** Yalamanchili, Sujata  
**Subject:** FW: Morabito - Wire

Hi Sujata,

I saw this wire come in - good news, Paul has been in contact. Any news on the old invoices?

Thanks,

Eileen

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HR0000218

1859

**From:** Pulli, Sandy  
**Sent:** Monday, September 20, 2010 10:08 AM  
**To:** Crotty, Eileen  
**Subject:** FW: Morabito - Wire

**From:** Yalamanchili, Sujata  
**Sent:** Monday, September 20, 2010 9:04 AM  
**To:** Pulli, Sandy; Smith, Tammy  
**Subject:** RE: Morabito - Wire

Yes. This is a retainer for some work Garry Graber and I are doing for Paul.

Tammy is out today but I believe there is a file already open for this. I will ask her to send you the number tomorrow.

Sujata

**From:** Pulli, Sandy  
**Sent:** Monday, September 20, 2010 8:45 AM  
**To:** Smith, Tammy; Yalamanchili, Sujata  
**Subject:** Morabito - Wire

We received a wire transfer for \$20,000 from Arcadia Living Trust with the ref: Morabito. Do you have any information regarding this wire?

Thanks

Sandy

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HR0000219  
1860

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HR0000220

1861

## Exhibit 8

Message

---

**From:** Yalamanchili, Sujata [SYalaman@hodgsonruss.com]  
**Sent:** 9/20/2010 3:47:36 PM  
**To:** Graber, Garry [GGraber@hodgsonruss.com]  
**Subject:** FW: All Mortgage Balances as of today

Gary: Here is a quick run down of Paul's assets, based on my "big picture" knowledge:

a. Superpumper. He owns the stock of Consolidated Western Corporation, a Nevada corporation (referred to sometimes as "CoWestCo"). At one point, Paul owned 100% of this stock. Not sure if that is still the case.

CoWest Co owns 100% of the stock of Superpumper Inc., an Arizona corporation. This is a profitable business which owns and operates 11 gas stations and convenience stores in Arizona. Paul, Edward and Sam all draw "healthy" salaries from this company (e.g. 250k to 500k). I would like to preserve this business and protect it from the Herbsts, since it pays salaries to Edward, Sam and Paul and it is a strong, going business.

b. Homes. Paul and Edward own 4 homes, jointly.

i. Reno house is worth \$4,000,000 and has a \$1,000,000 mortgage balance (per Paul). Paul owns 70% and Edward owns 30%, as tenants in common

ii. Laguna - two houses, back to back - aggregate value of 5,000,000 with 2,000,000 in mortgages. Paul and Edward own one house 50/50 as tenants in common and the other 75/25, as tenants in common. I'm not sure of the breakdown on the houses

iii. Palm Springs - owned by an LLC named Baruk Properties LLC. Paul and Edward own this company 50/50. I am not sure of the value and equity in this house.

c. Other Real Estate -

i. Baruk Properties owns two commercial properties in Laguna Beach - I don't know the exact breakdown of value, equity on these

ii. Big Wheel - a casino/truck stop under development in Fernley, NV. Paul owns part of this project, but it is probably worthless at this point.

d. Other businesses - Paul owns interests in a handful of other businesses which have little or no value. At some point, we will need a complete inventory of these businesses.

Sujata

-----Original Message-----

From: Paul Morabito [mailto:pmorabito@cowestco.com]  
Sent: Monday, September 20, 2010 2:15 PM  
To: dvacco@lippes.com; Yalamanchili, Sujata  
Subject: FW: All Mortgage Balances as of today

-----Original Message-----

From: Edward Bayuk  
Sent: Monday, September 20, 2010 11:15 AM  
To: Paul Morabito  
Cc: Edward Bayuk  
Subject: All Mortgage Balances as of today

Panorama \$1,028,864.27  
El Camino \$ 871,358.68  
Los Olivos \$1,045,045.66  
Mary Fleming \$344,921.76  
570 Glenneyre \$1,370,979.35

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HR0000311

1863

## Exhibit 9



Message

---

**From:** Graber, Garry [GGraber@hodgsonruss.com]  
**Sent:** 9/20/2010 9:52:50 PM  
**To:** 'pmorabito@cowestco.com' [pmorabito@cowestco.com]  
**Subject:** Re: Call

And I apologize for my part in the exchange. I feel as though I am being asked under very rushed circumstances with very scant information to come up with a foolproof strategy in a complicated area of law in which "foolproof" is impossible to achieve and then being prevented from explaining the issues and obstacles involved. Let's you and I spend some time on the phone without the other folks. I will explain the difficulties and pitfalls involved and you can assess your options.

-----  
Sent from my BlackBerry Wireless Handheld

---

**From:** Paul Morabito  
**To:** Graber, Garry  
**Sent:** Mon Sep 20 21:03:28 2010  
**Subject:** RE: Call

I apologize if I in any way was less than professional to you – it certainly wasn't my intention. I'm trying to understand a very confusing process. I sincerely thought I was just trading fair values to end up with a clearly defined set of assets. I'm not trying to evade/avoid anyone.

It's been a long day, and late for you there. Thank you for all your help.

**From:** Graber, Garry [mailto:GGraber@hodgsonruss.com]  
**Sent:** Monday, September 20, 2010 5:57 PM  
**To:** Paul Morabito  
**Subject:** Re: Call

Pls call my cell 716 440 1777

-----  
Sent from my BlackBerry Wireless Handheld

---

**From:** Paul Morabito  
**To:** Yalamanchili, Sujata; dvacco@lippes.com ; stan@bernstein-cpabiz.com ; Graber, Garry; MLehmanEsq@aol.com ; Edward Bayuk ; Sam Morabito  
**Sent:** Mon Sep 20 12:56:00 2010  
**Subject:** Re: Call

He is joining us

Paul Morabito

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HR0000382

1865

mobile: (775) 223-3585 efax: (480) 222-1062  
email: paulmorabito1964@gmail.com

---

**From:** Yalamanchili, Sujata <SYalaman@hodgsonruss.com>  
**To:** Paul Morabito; 'Dennis Vacco' <dvacco@lippes.com>; 'Stan Bernstein' <stan@bernstein-cpabiz.com>; Graber, Garry <GGraber@hodgsonruss.com>; 'Mark Lehman' <MLEhmanEsq@aol.com>; Edward Bayuk; Sam Morabito  
**Sent:** Mon Sep 20 09:52:25 2010  
**Subject:** RE: Call

Paul: Garry is speaking at a program today, so I don't think he will be able to make it. I am trying to track down another bankruptcy attorney in my office for this call, but I cant make any promises.

Sujata

-----Original Appointment-----

**From:** Paul Morabito [<mailto:pmorabito@cowestco.com>]  
**Sent:** Monday, September 20, 2010 12:02 PM  
**To:** 'Dennis Vacco'; 'Stan Bernstein'; Graber, Garry; Yalamanchili, Sujata; 'Mark Lehman'; Edward Bayuk; Sam Morabito  
**Subject:** Call  
**When:** Monday, September 20, 2010 1:00 PM-2:00 PM (GMT-05:00) Eastern Time (US & Canada).  
**Where:** 8883463950 dial 961325#

**Sujata Yalamanchili**

Partner

Hodgson Russ LLP

tel: 716.848.1657 | fax: 716.819.4620

[syalaman@hodgsonruss.com](mailto:syalaman@hodgsonruss.com)

www: <http://www.hodgsonruss.com/>

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1867

## Exhibit 10

Message

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**From:** Paul Morabito [pmorabito@cowestco.com]  
**Sent:** 9/20/2010 9:47:02 PM  
**To:** dvacco@lippes.com; Yalamanchili, Sujata [SYalaman@hodgsonruss.com]  
**Subject:** attorney client privileged communication

Dennis & Sujata

Garry asked what my rationale was to do this – and that I would be asked.

Judge Adams specifically exonerated Edward and Sam. I hold assets with them, and they had long standing options to own a majority of Superpumper, Inc.

We agreed amongst ourselves that I was best standing alone with my assets, and on advice of Counsel we sought independent, third party appraisers to do just that.

I have no doubt it will be challenged in court – and they may try and come up with their own appraisals. But in the end, the underlying “selling for value” will be allowed.

Snowshoe Petroleum Inc. will be an Erie County, New York company. Edward is going to be a resident of Los Angeles and Orange County, California.

The Herbsts no longer have home court, good old boy advantage.

Paul Morabito

59 Damonte Ranch Parkway, Suite B-335, Reno, Nevada 89521-1907  
tel.: (775) 682-3910 • fax: (480) 222-1062 • mobile: (775) 223-3585 • e-mail: [pmorabito@cowestco.com](mailto:pmorabito@cowestco.com)

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1870

# Exhibit 11

Message

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**From:** Yalamanchili, Sujata [SYalaman@hodgsonruss.com]  
**Sent:** 9/20/2010 9:50:32 PM  
**To:** Graber, Garry [GGraber@hodgsonruss.com]  
**Subject:** FW: Attorney Client Privileged Communication

FYI

**From:** Paul Morabito [mailto:pmorabito@cowestco.com]  
**Sent:** Monday, September 20, 2010 9:49 PM  
**To:** Yalamanchili, Sujata  
**Subject:** RE: Attorney Client Privileged Communication

Exactly. It allows sale. IF you look at what we are doing, we end up in the exact same position with stand alone assets.

**From:** Yalamanchili, Sujata [mailto:SYalaman@hodgsonruss.com]  
**Sent:** Monday, September 20, 2010 6:48 PM  
**To:** Paul Morabito  
**Subject:** RE: Attorney Client Privileged Communication

you need to be very clear on what the law says, Paul. I don't think it simply says you can transfer assets for value. I think Garry was trying to say that Fraud. Conveyance laws are complicated and they look at a lot of factors, including whether you have an intent to frustrate your creditors. I am not an expert in this area, but I want you to be very clear on what the law is.

Sujata

**From:** Paul Morabito [mailto:pmorabito@cowestco.com]  
**Sent:** Monday, September 20, 2010 9:42 PM  
**To:** Yalamanchili, Sujata  
**Subject:** RE: Attorney Client Privileged Communication

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1872



So even with appraisals, and the law explicitly saying that I can sell for value, and the exact same amount of value being left in divisible assets ...

**From:** Yalamanchili, Sujata [mailto:SYalaman@hodgsonruss.com]  
**Sent:** Monday, September 20, 2010 6:39 PM  
**To:** Paul Morabito  
**Subject:** RE: Attorney Client Privileged Communication

The problem is that there is no set formula for how to do these things. Getting fair value helps, but anything you do from the moment Judge Adams read his decision in court onward is going to be scrutinized heavily.

I don't think Garry was implying you are doing anything wrong, but he wants you to know what kind of questions and scrutiny you can expect. I think the presumption will be against you in any proceeding on these conveyances, since you are a defendant against a judgment creditor.

We are just trying to protect you.

Sujata

**From:** Paul Morabito [mailto:pmorabito@cowestco.com]  
**Sent:** Monday, September 20, 2010 9:31 PM  
**To:** Yalamanchili, Sujata  
**Subject:** RE: Attorney Client Privileged Communication

He called but I didn't take it. I thought all I was doing was what you advised – follow the law and sell for value. He said the same thing to me this morning. I end up with clearly defined assets that are just mine that they can attach and take worth the same amount had they tried to take assets jointly owned now by Edward and myself. I wasn't trying to avoid anything – just separate the assets so that they are easily identified. He made it sounds as if I was trying to defraud someone.

We didn't add any value for Fernley, by the way.

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HR0000379  
1873

**From:** Yalamanchili, Sujata [mailto:SYalaman@hodgsonruss.com]  
**Sent:** Monday, September 20, 2010 6:27 PM  
**To:** Paul Morabito  
**Subject:** RE: Attorney Client Privileged Communication

Thanks. Sorry the call earlier got testy. Hopefully, Garry has called you to clear the air.

**Sujata Yalamanchili**  
Partner  
Hodgson Russ LLP  
tel: 716.848.1657 | fax: 716.819.4620  
syalaman@hodgsonruss.com  
vCard | Biography | [hodgsonruss.com](http://hodgsonruss.com)

---



The Guaranty Building, 140 Pearl Street, Suite 100, Buffalo, New York

**From:** Paul Morabito [mailto:pmorabito@cowestco.com]  
**Sent:** Monday, September 20, 2010 9:26 PM  
**To:** Yalamanchili, Sujata; dvacco@lippes.com; Mlehmanesq@aol.com; Graber, Garry  
**Subject:** Attorney Client Privileged Communication

I'm sorry for eating into everyone's evening.

Please find attached what the estimate of the four escrows would look like, and the final 5<sup>th</sup> reconciliation amount.

Thanks.

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1875

# Exhibit 12

#FILE 10179

**APPRAISAL OF REAL PROPERTY****LOCATED AT**

370 Los Olivos  
Laguna Beach, CA 92651-2417  
N Tract 870 Lot 17 MM 27-30,31,32, 340-46

**FOR**

Arcadia Living Trust/Bayuk Edward  
371 El Camino Del Mar  
Laguna Beach, CA 92651

**OPINION OF VALUE**

1,900,000

**AS OF**

09/24/2010

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**SUMMARY OF SALIENT FEATURES**

SUBJECT INFORMATION	Subject Address	370 Los Olivos
	Legal Description	N Tract 870 Lot 17 MM 27-30,31,32, 340-46
	City	Laguna Beach
	County	Orange
	State	CA
	Zip Code	92651-2417
	Census Tract	0626.05
	Map Reference	950G3
SALES PRICE	Sale Price	\$ None
	Date of Sale	None
CLIENT	Borrower/Client	Not for lending purposes
	Lender	Arcadia Living Trust/Bayuk Edward
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	1,716
	Price per Square Foot	\$
	Location	Good
	Age	75
	Condition	Good
	Total Rooms	6
	Bedrooms	2
	Baths	3
APPRAISER	Appraiser	Daniel M Christian
	Date of Appraised Value	09/24/2010
VALUE	Opinion of Value	\$ 1,900,000

## RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 10179

SUBJECT	Property Address: 370 Los Olivos		City: Laguna Beach		State: CA		Zip Code: 92651-2417	
	County: Orange		Legal Description: N Tract 870 Lot 17 MM 27-30,31,32, 340-46					
ASSIGNMENT	Assessor's Parcel #: 644-032-04		Tax Year: 09/10 R.E. Taxes: \$ 18,068.3 Special Assessments: \$ N/A					
	Current Owner of Record: Morabito/Arcadia Living Trust		Borrower (if applicable): Not for lending purposes					
MARKET AREA DESCRIPTION	Project Type: <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		Occupant: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing		HOA: \$ N/A		<input type="checkbox"/> per year <input type="checkbox"/> per month	
	Market Area Name: Laguna Village		Map Reference: 950G3		Census Tract: 0626.05			
MARKET AREA DESCRIPTION	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)							
	This report reflects the following value (if not current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective							
MARKET AREA DESCRIPTION	Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input checked="" type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)							
	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)							
MARKET AREA DESCRIPTION	Intended Use: This report is intended for use by the client to determine current market value and estate purposes only and is not intended for any other use.							
	Intended User(s) (by name or type): Arcadia Living Trust							
MARKET AREA DESCRIPTION	Client: Arcadia Living Trust/Bayuk Edward		Address: 371 El Camino Del Mar, Laguna Beach, CA 92651					
	Appraiser: Daniel M Christian		Address: 118 S. Catalina Avenue, Suite M, Redondo Beach, CA 90277					
MARKET AREA DESCRIPTION	Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Predominant Occupancy: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)		One-Unit Housing PRICE (\$000) AGE (yrs)		Present Land Use	
	Built up: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		570 Low 1		One-Unit 50% <input checked="" type="checkbox"/> Not Likely	
MARKET AREA DESCRIPTION	Property values: <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining		Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		15,000 High 120		2-4 Unit 10% <input type="checkbox"/> Likely * <input type="checkbox"/> In Process *	
	Marketing time: <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.				1,400 Pred 50		Multi-Unit 15% * To: <input type="checkbox"/> Open Space 15%	
MARKET AREA DESCRIPTION	Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Neighborhood consists of one and two story single family homes, condominiums, and multi-family residential units reflecting a variety of age, size and styles. The area trend is to raze or remodel older structures to custom homes. The inventory (supply) is stable over the last twelve months and is considered stable at time of inspection. Currently supply and demand appears to be in a transition period. Conventional loans at 3-6% +/- are prevalent. Properties listed with a reasonable market value are selling within 30-180 days. Properties that are at the upper end of market value are sitting on the market up to 6-9 months. Orange county has been effected by increasing competition among bank owned (REO) properties. There were foreclosures noted in the subject's neighborhood, and those that have sold where within a reasonable market price. Short sales have also occurred, although are priced and sold consistently with standard sales. Many REO properties are purchased at auction or at the trustee sale and then rehabbed listed under market value to create multiple offers.							
	Dimensions: (See Plat Map) Site Area: 6,206 Sq.Ft.							
MARKET AREA DESCRIPTION	Zoning Classification: R1		Description: Single Family Residence		Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning			
	Are CC&Rs applicable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown		Have the documents been reviewed? <input type="checkbox"/> Yes <input type="checkbox"/> No		Ground Rent (if applicable) \$ /			
MARKET AREA DESCRIPTION	Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)		Actual Use as of Effective Date: Single Family Residential Use as appraised in this report: Single Family Residential					
	Summary of Highest & Best Use: Highest and best use is the current use as a single family residential.							
MARKET AREA DESCRIPTION	Utilities Public Other Provider/Description		Off-site Improvements Type		Public Private		Topography Level Above Street Grade Lot	
	Electricity <input checked="" type="checkbox"/> <input type="checkbox"/> N/A		Street Macadam		<input checked="" type="checkbox"/> <input type="checkbox"/>		Size Typical of Area	
MARKET AREA DESCRIPTION	Gas <input checked="" type="checkbox"/> <input type="checkbox"/> N/A		Curb/Gutter Concrete		<input checked="" type="checkbox"/> <input type="checkbox"/>		Shape Rectangular	
	Water <input checked="" type="checkbox"/> <input type="checkbox"/> N/A		Sidewalk Concrete		<input checked="" type="checkbox"/> <input type="checkbox"/>		Drainage Appears Adequate	
MARKET AREA DESCRIPTION	Sanitary Sewer <input checked="" type="checkbox"/> <input type="checkbox"/> N/A		Street Lights Incandescent		<input checked="" type="checkbox"/> <input type="checkbox"/>		View None	
	Storm Sewer <input checked="" type="checkbox"/> <input type="checkbox"/> N/A		Alley Macadam		<input checked="" type="checkbox"/> <input type="checkbox"/>			
MARKET AREA DESCRIPTION	Other site elements: <input type="checkbox"/> Inside Lot <input checked="" type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)							
	FEMA Spec 1 Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X FEMA Map # 06059C0417J FEMA Map Date 12/3/2009							
MARKET AREA DESCRIPTION	Site Comments: Site is a corner level street grade lot that is typical in size for this area. The title report was not made available for review and I have not checked the land records for recorded easements and have reported only apparent easements, encroachments and other apparent adverse conditions. No apparent adverse easements were noted at time of inspection.							
MARKET AREA DESCRIPTION	General Description		Exterior Description		Foundation		Basement <input checked="" type="checkbox"/> None	
	# of Units One <input type="checkbox"/> Acc. Unit		Foundation Concrete		Slab Yes		Area Sq. Ft. None	
MARKET AREA DESCRIPTION	# of Stories Two		Exterior Walls Stucco/Wood		Crawl Space Yes		% Finished N/A	
	Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/>		Roof Surface Slat Tile		Basement None		Ceiling N/A	
MARKET AREA DESCRIPTION	Design (Style) Traditional		Gutters & Dwnspts. Yes/Yes		Sump Pump <input type="checkbox"/> None		Walls N/A	
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.		Window Type Dual Pane		Dampness <input type="checkbox"/> None		Floor N/A	
MARKET AREA DESCRIPTION	Actual Age (Yrs.) 75		Storm/Screens No/Yes		Settlement None Noted		Outside Entry N/A	
	Effective Age (Yrs.) 10-15				Infestation None Noted			
MARKET AREA DESCRIPTION	Interior Description		Appliances		Attic <input type="checkbox"/> None		Amenities	
	Floors Hrdwd./Tile/Good		Refrigerator <input checked="" type="checkbox"/>		Stairs <input type="checkbox"/>		Fireplace(s) # 1	
MARKET AREA DESCRIPTION	Walls Drywall/Good		Range/Oven <input checked="" type="checkbox"/>		Drop Stair <input type="checkbox"/>		Patio Brick	
	Trim/Finish Wood/Paint/Good-Exc		Disposal <input checked="" type="checkbox"/>		Scuttle <input checked="" type="checkbox"/>		Deck None	
MARKET AREA DESCRIPTION	Bath Floor Tile/Good-Excellent		Dishwasher <input checked="" type="checkbox"/>		Doorway <input checked="" type="checkbox"/>		Porch Brick	
	Bath Wainscot Tile/Good-Excellent		Fan/Hood <input checked="" type="checkbox"/>		Floor <input type="checkbox"/>		Fence Wood	
MARKET AREA DESCRIPTION	Doors Wood/Good		Microwave <input checked="" type="checkbox"/>		Heated <input type="checkbox"/>		Pool Yes	
			Washer/Dryer <input type="checkbox"/>		Finished <input type="checkbox"/>		Hot Tub Yes	
MARKET AREA DESCRIPTION	Finished area above grade contains: 6 Rooms 2 Bedrooms 3 Bath(s)						1,716 Square Feet of Gross Living Area Above Grade	
	Additional features: Subject has court yard, brick patio, brick porch, brick work, parameter wood fencing, granite counter tops, fireplace, laundry room, recessed lighting, 2nd prep kitchen, BBQ, wetbar, hot tub (spa), pool, fire pit, alarm system, kitchen built-ins and two car garage.							
MARKET AREA DESCRIPTION	Describe the condition of the property (including physical, functional and external obsolescence): Subject property reflects typical depreciation for its age due to ongoing maintenance and recent upgrades. Subject has been upgraded and remodeled throughout. The subject reflects good condition and appeal with no adverse conditions, inadequacies or repairs noted at time of inspection. Public records indicate the subject to be 1,736, however upon inspection subject is 1,716 square feet per plans. Plans square footage is used. Subject was undergoing repairs and remodel at time of inspection. Appraisal is made as "Hypothetical Condition" that all repairs and remodeling is finished. See Photos for current condition.							
	Per owner cost to finish is \$150,000.							



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MORABITO (341).002464





**RESIDENTIAL APPRAISAL SUMMARY REPORT**

File No.: 10179

<b>COST APPROACH</b>	<b>COST APPROACH TO VALUE (if developed)</b> <input type="checkbox"/> The Cost Approach was not developed for this appraisal.	
	Provide adequate information for replication of the following cost figures and calculations.	
	Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): <u>Land value was derived by the extraction method due to lack of vacant land sales. Land to building value ratio is typical due to convenience to modern conveniences. Interviews with local builders reveal that the cost data service such as Marshal and Swift for this area do not reflect reasonable cost to build and are less than actual costs, therefore, the figures were derived from local builders and contractors, which include architectural, engineering, entrepreneur costs.</u>	
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE.....=\$ 1,200,000
	Source of cost data: Local builders and contractors.	DWELLING 1,716 Sq.Ft. @ \$ 450.00 .....=\$ 772,200
	Quality rating from cost service: N/A Effective date of cost data: N/A	Sq.Ft. @ \$ .....=\$
	Comments on Cost Approach (gross living area calculations, depreciation, etc.): <u>See attached sketch for gross living area calculations. Measurements were rounded to the nearest foot. The interior walls if noted are not to scale and supplied to aid the reader to visualize the floor plan.</u>	Sq.Ft. @ \$ .....=\$
	Functional obsolescence is noted in cost approach as this market does not recognize full cost new for pool.	Sq.Ft. @ \$ .....=\$
		Pool and Built-Ins included in base. ....=\$
		Garage/Carport 462 Sq.Ft. @ \$ 90.00 .....=\$ 41,580
	Total Estimate of Cost-New .....=\$ 813,780	
	Less Physical Functional External	
	Depreciation 108,477 10,000 .....= \$( 118,477)	
	Depreciated Cost of Improvements .....=\$ 695,303	
	"As-is" Value of Site Improvements .....=\$ 10,000	
	.....=\$	
	.....=\$	
	Estimated Remaining Economic Life (if required): 65 Years INDICATED VALUE BY COST APPROACH .....=\$ 1,905,303	
<b>INCOME APPROACH</b>	<b>INCOME APPROACH TO VALUE (if developed)</b> <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.	
	Estimated Monthly Market Rent \$	X Gross Rent Multiplier = \$ Indicated Value by Income Approach
	Summary of Income Approach (including support for market rent and GRM):	
<b>PUD</b>	<b>PROJECT INFORMATION FOR PUDs (if applicable)</b> <input type="checkbox"/> The Subject is part of a Planned Unit Development.	
	Legal Name of Project:	
	Describe common elements and recreational facilities:	
<b>RECONCILIATION</b>	Indicated Value by: Sales Comparison Approach \$ 1,900,000 Cost Approach (if developed) \$ 1,905,303 Income Approach (if developed) \$	
	Final Reconciliation <u>Direct sales comparison was given the greatest consideration as it best reflects typical reactions between buyer and seller, cost approach is merely supportive, income approach is not used due to area being predominately owner occupied single family homes.</u>	
	Exterior inspection was made and appraiser has previous appraisal report.	
	This appraisal is made <input type="checkbox"/> "as is", <input checked="" type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair:	
	<input type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.	
<b>ATTACHMENTS</b>	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 1,900,000 as of: 09/24/2010, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
	A true and complete copy of this report contains 26 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.	
	Attached Exhibits: <input type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input checked="" type="checkbox"/> Map Addenda <input checked="" type="checkbox"/> Additional Sales <input type="checkbox"/> Cost Addendum <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Manuf. House Addendum <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input checked="" type="checkbox"/> Resume <input checked="" type="checkbox"/> State Certification <input type="checkbox"/>	
<b>SIGNATURES</b>	Client Contact: Edward Bayuk Client Name: Arcadia Living Trust/Bayuk Edward	
	E-Mail: EBayuk@cowestco.com Address: 371 El Camino Del Mar, Laguna Beach, CA 92651	
	<b>APPRAISER</b>	
	<b>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</b>	
	Appraiser Name: <u>Daniel M Christian</u> Supervisory or Co-Appraiser Name: <u>Mark S. Justmann</u>	
	Company: Justmann & Associates, Inc. Company: Justmann & Associates, Inc.	
	Phone: (310) 937-6151 Fax: (310) 937-6150 Phone: 626-390-1134 Fax: _____	
	E-Mail: <u>daniel@asaprea.net</u> E-Mail: <u>just1mann@aol.com</u>	
	Date of Report (Signature): 09/28/2010 Date of Report (Signature): 09/28/01010	
	License or Certification #: AR007122 State: CA License or Certification #: AG002802 State: CA	
Designation: N/A Designation: MAI		
Expiration Date of License or Certification: 11/26/2010 Expiration Date of License or Certification: 02/25/2011		
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input checked="" type="checkbox"/> None		
Date of Inspection: 09/24/2010 Date of Inspection: Desk Review		

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MORABITO (341).002466

# ADDITIONAL COMPARABLE SALES

File No.: 10179

FEATURE	SUBJECT	COMPARABLE SALE #4			COMPARABLE SALE #5			COMPARABLE SALE #6		
Address	370 Los Olivos Laguna Beach, CA 92651-2417	542 Cress Street Laguna Beach, CA 92651			1365 Catalina Laguna Beach, CA 92651					
Proximity to Subject		0.48 miles SE			0.53 miles SE					
Sale Price	\$ None	\$ 1,849,000			\$ 1,995,000					
Sale Price/GIA	\$ /sq.ft.	\$ 1,004.35 /sq.ft.			\$ 937.94 /sq.ft.					
Data Source(s)	Inspection	APN: 644-192-30			APN: 644-201-07					
Verification Source(s)	FARES,MLS	FARES,MLS,Pending Sale			FARES,MLS,Active Listing					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-) \$ Adjust.			DESCRIPTION + (-) \$ Adjust.			DESCRIPTION + (-) \$ Adjust.		
Sales or Financing	N/A	In Escrow			Active Listing					
Concessions	N/A	N/A			N/A					
Date of Sale/Time	None	08/14/2010 LD			08/29/2010 LD					
Rights Appraised	Fee Simple	Fee Simple			Fee Simple					
Location	Good	Good			Good					
Site	6,206 Sq.Ft.	6,432 Sq.Ft.			5,250 Sq.Ft.					
View	None	None			None					
Design (Style)	Traditional	Traditional			Traditional					
Quality of Construction	Good	Good			Good					
Age	75	76			58					
Condition	Good	Good			Good					
Above Grade	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths		
Room Count	6 2 3	7 3 3			7 4 3					
Gross Living Area	1,716 sq.ft.	1,841 sq.ft.			2,127 sq.ft.					
Basement & Finished	None	None			None					
Rooms Below Grade	N/A	N/A			N/A					
Functional Utility	Good	Good			Average					
Heating/Cooling	FAU/CAC	FAU/CAC			FAU/CAC					
Energy Efficient Items	None	None			None					
Garage/Carport	2 Car Garage	1 Car Garage			2 Car Garage					
Porch/Patio/Deck	Porch/Patio	Porch/Patio			Porch/Patio					
Fencing/Pools/Amenities	Pool and Spa	None			None					
Remodel/Upgrades/Est. Age	Upgrades	Upgrades			Upgrades					
Additional Amenities	None	None			None					
Guest House/Extra Build.	None	None			None					
Days On Market: DOM	None	41 Days			26 Days					
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 37,000			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -1,000			<input type="checkbox"/> + <input type="checkbox"/> - \$		
Adjusted Sale Price of Comparables		\$ 1,886,000			\$ 1,994,000					

Summary of Sales Comparison Approach Pending comparable #4 and active listing #5 were provided as additional supportive data and was adjusted in accordance to comparables #1- #3. No adjustments were made for negotiations between buyer and seller. Market adjustments were made accordingly and were rounded to the nearest 1000th. The sales used were among the best verifiable sales data available at time of appraisal was made and have characteristics that would appeal to a similar buyer. The supplied sales data provides a good correlation of value, with the final estimated value being well supported.



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MORABITO (341).002467

File No.: 10179	
Property Address: 370 Los Olivos	City: Laguna Beach State: CA Zip Code: 92651-2417
Client: Arcadia Living Trust/Bayuk Edward	Address: 371 El Camino Del Mar, Laguna Beach, CA 92651
Appraiser: Daniel M Christian	Address: 118 S. Catalina Avenue, Suite M, Redondo Beach, CA 90277

**STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS**

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):


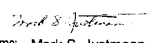
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MORABITO (341).002468

# Certifications

File No.: 10179

Property Address: 370 Los Olivos		City: Laguna Beach		State: CA		Zip Code: 92651-2417	
Client: Arcadia Living Trust/Bayuk Edward		Address: 371 El Camino Del Mar, Laguna Beach, CA 92651					
Appraiser: Daniel M Christian		Address: 118 S. Catalina Avenue, Suite M, Redondo Beach, CA 90277					
<b>APPRAISER'S CERTIFICATION</b> <b>I certify that, to the best of my knowledge and belief:</b> — The statements of fact contained in this report are true and correct. — The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions. — I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. — I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. — My engagement in this assignment was not contingent upon developing or reporting predetermined results. — My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. — My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared. — I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property. — Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report. — Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.							
<b>Additional Certifications:</b>  <b>DEFINITION OF MARKET VALUE *:</b> Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1. Buyer and seller are typically motivated; 2. Both parties are well informed or well advised and acting in what they consider their own best interests; 3. A reasonable time is allowed for exposure in the open market; 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. * This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.							
Client Contact: Edward Bayuk E-Mail: EBayuk@covestco.com				Client Name: Arcadia Living Trust/Bayuk Edward Address: 371 El Camino Del Mar, Laguna Beach, CA 92651			
<b>APPRAISER</b>   Appraiser Name: Daniel M Christian Company: Justmann & Associates, Inc. Phone: (310) 937-6151 Fax: (310) 937-6150 E-Mail: daniel@asaprea.net Date Report Signed: 09/28/2010 License or Certification #: AR007122 State: CA Designation: N/A Expiration Date of License or Certification: 11/26/2010 Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 09/24/2010				<b>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</b>   Supervisory or Co-Appraiser Name: Mark S. Justmann Company: Justmann & Associates, Inc. Phone: 626-390-1134 Fax: _____ E-Mail: just1mann@aol.com Date Report Signed: 09/28/01010 License or Certification #: AG002802 State: CA Designation: MAI Expiration Date of License or Certification: 02/25/2011 Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input checked="" type="checkbox"/> None Date of Inspection: Desk Review			

**GPRESIDENTIAL**

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 Form GPRES2AD — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE 3/2007

MORABITO (341).002469

Borrower/Client: Not for lending purposes		File No. 10179	
Property Address: 370 Los Olivos			
City: Laguna Beach	County: Orange	State: CA	Zip Code: 92651-2417
Lender: Arcadia Living Trust/Bayuk Edward			

### APPRAISAL AND REPORT IDENTIFICATION

**This Appraisal Report is one of the following types:**

☐ **Self Contained** (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)  
☒ **Summary** (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)  
☐ **Restricted Use** (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

### Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).
- Unless otherwise indicated, I have performed no services regarding the subject property within the prior three years, as an appraiser or in any other capacity.

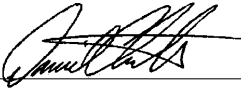
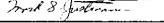
  

### Comments on Appraisal and Report Identification

**Note any USPAP related issues requiring disclosure and any State mandated requirements:**

- This is a complete summary appraisal report. This appraisal report is intended to comply with the guidelines set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) minimal appraisal standards. The purpose of this appraisal is to provide an opinion of an estimated market value of the subject property, as of the specific date provided within the report. The property rights appraised are fee simple, assuming no indebtedness or encumbrances against the property and a clear and marketable title. The appraiser has no liability or responsibility to any other person(s) or party(s) except to the client named within the appraisal report.
- The appraiser certifies under the competency rule of USPAP (Uniform Standards of Professional Appraisal Practice) that, I have the experience, education, and knowledge to complete this report competently. I have completed hundreds of appraisals of similar apartment buildings over the past twenty years.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute for Associate Members.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

<p><b>APPRAISER:</b></p> <p>Signature: </p> <p>Name: Daniel M. Christian</p> <p>Designation: N/A</p> <p>Date Signed: 09/28/2010</p> <p>State Certification #: AR007122</p> <p>or State License #:</p> <p>State: CA</p> <p>Expiration Date of Certification or License: 11/26/2010</p> <p>Effective Date of Appraisal: 09/24/2010</p>	<p><b>SUPERVISORY APPRAISER (only if required):</b></p> <p>Signature: </p> <p>Name: Mark S. Justmann</p> <p>Designation: MAI</p> <p>Date Signed: 09/28/01010</p> <p>State Certification #: AG002802</p> <p>or State License #:</p> <p>State: CA</p> <p>Expiration Date of Certification or License: 02/25/2011</p> <p>Supervisory Appraiser inspection of Subject Property:</p> <p><input checked="" type="checkbox"/> Did Not <input type="checkbox"/> Exterior-only from street <input type="checkbox"/> Interior and Exterior</p>
---	---

<b>Client:</b>	Arcadia Living Trust/Bayuk Edward	<b>Client File #:</b>	
<b>Subject Property:</b>	370 Los Olivos , Laguna Beach, CA 92651-2417	<b>Appraisal File #:</b>	10179

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraisers written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains 26 pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

**VALUE DEFINITION**
☒ **Market Value Definition (below)**
☐ **Alternate Value Definition (attached)**

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: *Appraisal Institute Dictionary of Real Estate Appraisal*

**\* NOTICE:** The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

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11/08/2005

Form AI9001 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002471

<b>Client:</b>	Arcadia Living Trust/Bayuk Edward	<b>Client File #:</b>	
<b>Subject Property:</b>	370 Los Olivos , Laguna Beach, CA 92651-2417	<b>Appraisal File #:</b>	10179

**APPRAISER CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☐ None ☐ Name(s) \_\_\_\_\_

As previously identified in the scope of work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

**Appraiser** ☐ None ☒ Interior ☐ Exterior

**Co-Appraiser** ☒ None ☐ Interior ☐ Exterior

**ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS****Appraisal Institute Member Certify:**

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

**Designated Appraisal Institute Member Certify:**

- As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.

**Designated Appraisal Institute Member Certify:**

- As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.

**APPRAISER:**

Signature \_\_\_\_\_

Name Daniel M Christian Report Date 09/28/2010

State Certification # AR007122 ST CA

or License # \_\_\_\_\_ ST \_\_\_\_\_

Expiration Date 11/26/2010

**CO-APPRAISER:**

Signature \_\_\_\_\_

Name Mark S. Justmann Report Date 09/28/2010

State Certification # AG002802 ST \_\_\_\_\_

or License # \_\_\_\_\_ ST CA

Expiration Date 02/25/2011

\* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

AI Reports™ Form AI-900.01 Assumptions and Limiting Conditions/Certification

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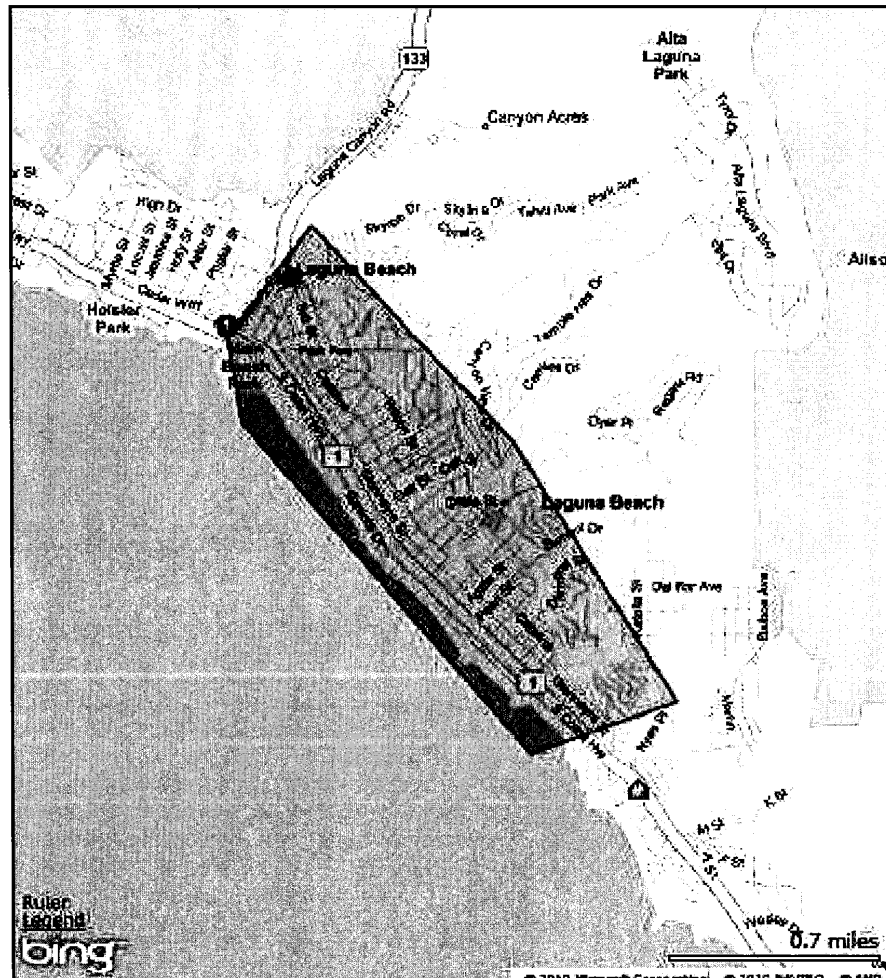
11/08/2005

Form AI9001 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002472

## Neighborhood Map/Boundaries

Borrower/Client	Not for lending purposes			
Property Address	370 Los Olivos			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			



Form MAP.Site — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002473





**Building Sketch**

Borrower/Client	Not for lending purposes			
Property Address	370 Los Olivos			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			

Sketch by Apex 1/97

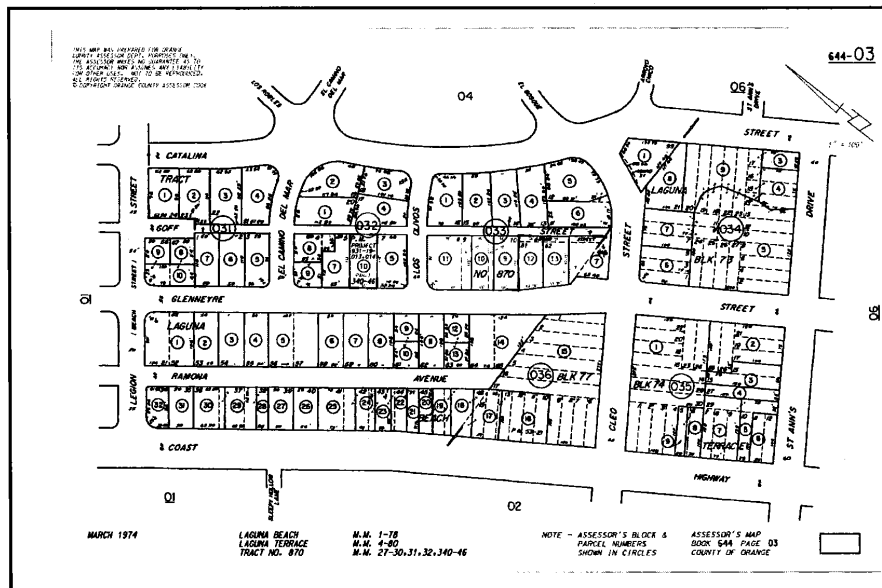
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	livable area	1364.00	1364.00
GLA2	livable area	352.00	352.00
GAR	Garage	462.00	462.00
Net LIVABLE Area		(Rounded)	1716

LIVING AREA BREAKDOWN		
Breakdown	Subtotals	
livable area		
14.00 x 20.00		280.00
6.00 x 12.00		72.00
12.00 x 35.00		420.00
16.00 x 22.00		352.00
10.00 x 24.00		240.00
6.00 x 20.00		120.00
6.00 x 20.00		120.00
8.00 x 14.00		112.00
8 Items	(Rounded)	1716

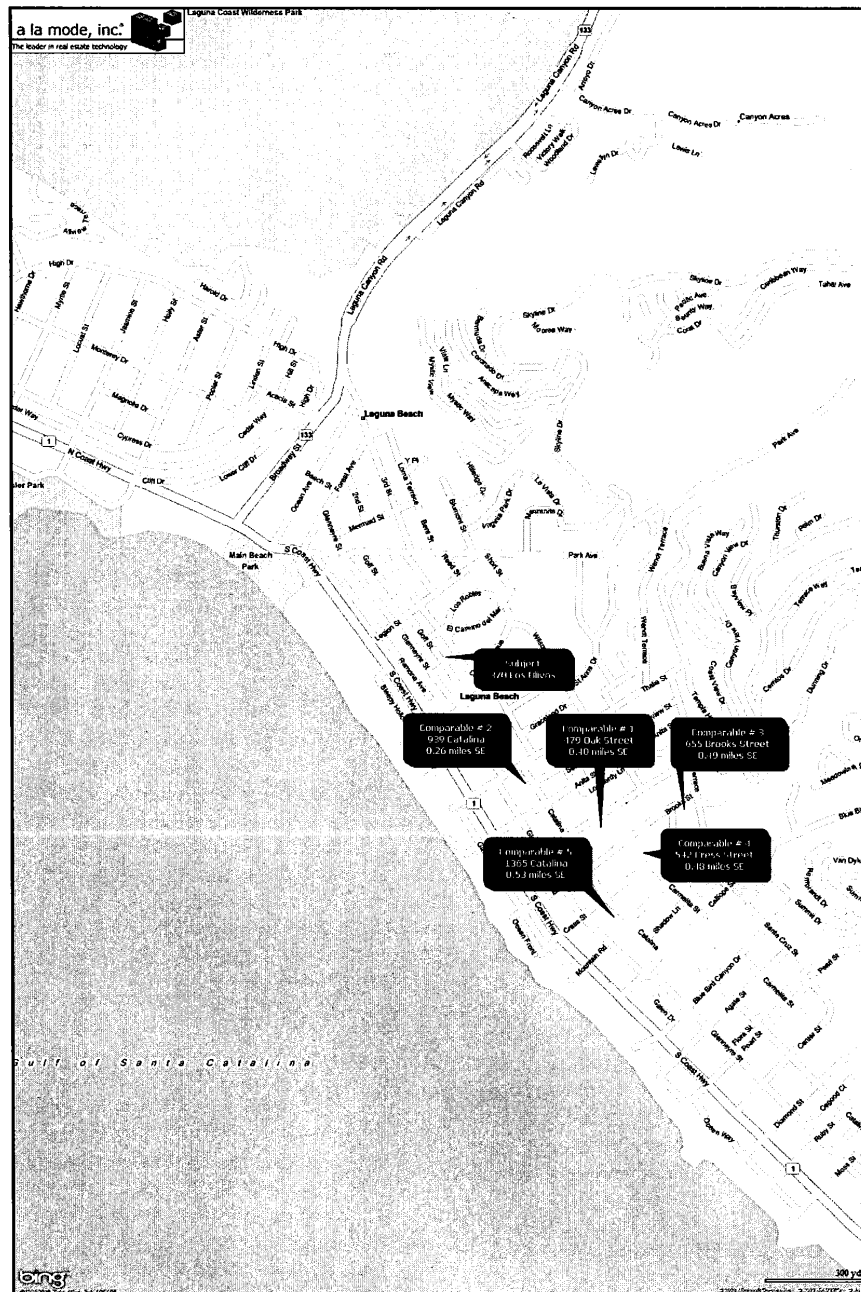
## Plat Map

Borrower/Cient	Not for lending purposes.			
Property Address	370 Los Olivos			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			



## Location Map

Borrower/Client	Not for lending purposes			
Property Address	370 Los Olivos			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			



Form MAP.LOC — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002477

## Subject Photos

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

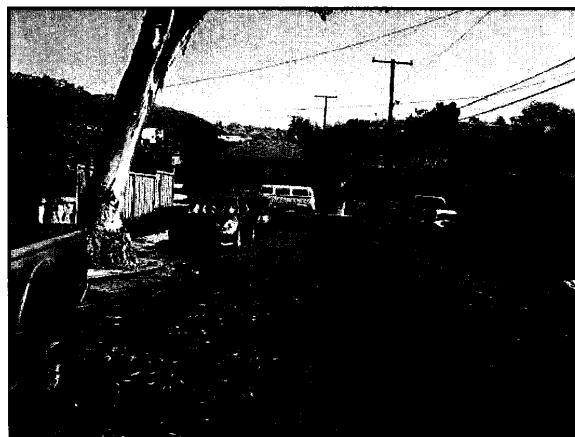


Subject Front

370 Los Olivos



Subject Rear



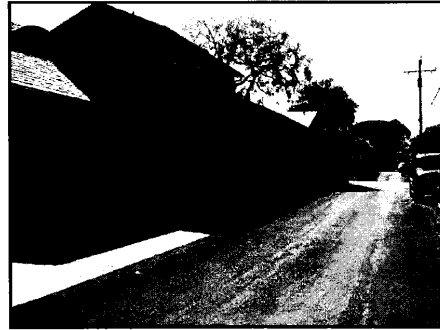
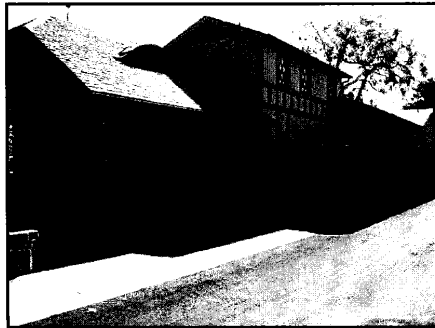
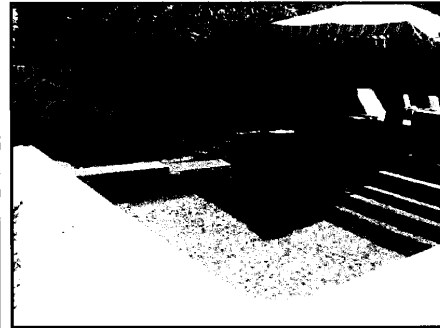
Subject Street

Form PIC3x5.TR — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002478

**Photograph Addendum**

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

**Side****Side****Garage****Pool and Spa****Street****Alley**

Form PICSIX2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002479

**Photograph Addendum**

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				



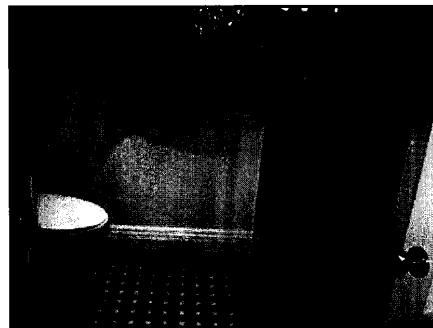
**Interior**



**Interior**



**Interior 2nd Kitchen**



**Interior**



**Interior**



**Interior**

Form PICSIX2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002480

## Photograph Addendum

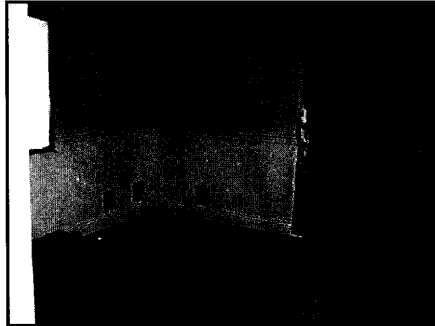
Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				



Interior



Interior



Interior



Outside Bar



BBQ



Rear/Patio Area

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MORABITO (341).002481



**Comparable Photo Page**

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				



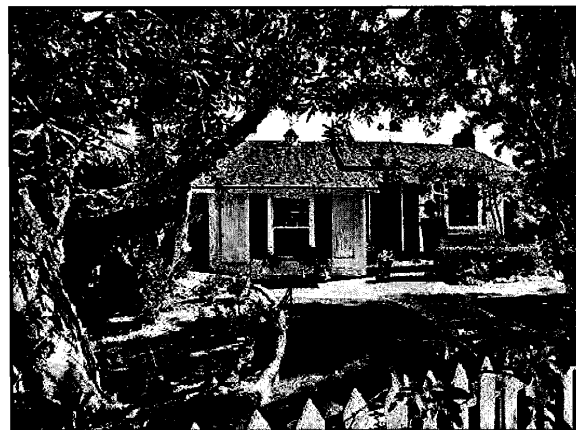
**Comparable 1**

479 Oak Street



**Comparable 2**

939 Catalina



**Comparable 3**

655 Brooks Street

## Comparable Photo Page

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				



## Comparable 4

542 Cress Street  
 Prox. to Subject 0.48 miles SE  
 Sales Price 1,849,000  
 Gross Living Area 1,841  
 Total Rooms 7  
 Total Bedrooms 3  
 Total Bathrooms 3  
 Location Good  
 View None  
 Site 6,432 Sq.Ft.  
 Quality Good  
 Age 76



## Comparable 5

1365 Catalina  
 Prox. to Subject 0.53 miles SE  
 Sales Price 1,995,000  
 Gross Living Area 2,127  
 Total Rooms 7  
 Total Bedrooms 4  
 Total Bathrooms 3  
 Location Good  
 View None  
 Site 5,250 Sq.Ft.  
 Quality Good  
 Age 58

## Comparable 6

Prox. to Subject  
 Sales Price  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location  
 View  
 Site  
 Quality  
 Age

**Resume Daniel Christian**

File No. 10179

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

**Daniel M. Christian****Qualifications****Objective**

To provide quality real estate appraisals, to a quality clientele base in a consistent and timely manner. To continually learn and grow as a real estate professional, and to share what I know to help others achieve success in the appraisal industry.

**Experience**

1988–Present

Owner – Supervisory Appraiser

**ASAP Real Estate Appraisals Inc. of Southern California ®  
Redondo Beach-Torrance, CA)**

- Founded appraisal office in 1988
- Appraisal of all residential property types and small commercial real estate
- Management, review appraisals and training of staff, associate fee appraisers, and mentor program for licensed trainees
- Distribution of appraisal assignments, appraisal review and quality control
- Maintenance of computer database, network and lender approval list
- Daily office operations, client relations, and marketing

1983–1989

Independent Fee Appraiser

**California Preferred Appraisers, Torrance, CA**

- Appraisal apprentice in 1983, completed internship in 1984
- Worked as full-time residential fee appraiser until 1989
- Preparation and completion of 1-4 unit residential Fannie Mae/Freddie Mac form reports and direct endorsement FHA – appraisal reports

1999–2003

R.E. Salesperson – Appraiser Consultant

**Shoreline West Realty, Hawthorne, CA**

- Real estate sales on referral basis only
- Preparation and negotiation of real estate transactions, and contracts
- Broker's Price Opinions for court referees, banks and clients
- Management of MLS database for office listings

1995–1998

Realtor – Real Estate Agent

**Coldwell Banker West Realty, Torrance, CA**

- Part time real estate sales when appraisal market was down
- Preparation and negotiation of real estate transactions, and contracts
- Analysis of real property for potential purchase or sale

**Education/Proficiency**

1986–1996

El Camino College

- Associated Science Degree, Real Estate Major
- State Certified Real Estate Appraiser, CA-AR007122
- State Licensed Real Estate Salesperson, CA-01195143
- Associate Member-Appraisal Institute
- HUD approved for FHA appraisals
- Testified as an expert witness in Superior Court.
- Clients include numerous banks, lenders, mortgage brokers, real estate agents and brokers, law firms, private parties, city and government agencies, appraisal firms and management companies.
- Well rounded real estate professional specializing in the appraisal of residential and investment real estate of any complexity for purposes such as sales, loans, FHA, REO, foreclosures, reverse mortgages, relocations, legal proceedings, taxes, trusts and estates.
- Knowledgeable in all aspects of real estate sales, loans and underwriting.

Form TADD — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002484

**Resume Daniel Christian**

File No. 10179

Borrower/Client	Not for lending purposes		
Property Address	370 Los Olivos		
City	Laguna Beach	County	Orange
		State	CA
		Zip Code	92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

**Classes/Seminars****Real Estate Related Course Work**

- Appraisal Institute – Course 101 – An Introduction to Appraising Real Property – 1991
- Appraisal Institute – Course 102 – Applied Residential Property Valuation – 1992
- Appraisal Institute – Course 400 & 410 (USPAP) – Standards of Professional Practice, Part A – 1991, 1996, 1999, 2004, 2006
- Appraisal Institute – Course 420 – (Institute) Standards of Professional Practice, Part B – 1995, 2004
- Appraisal Institute – Federal and State Laws and Regulations Workshop 1996, 1999
- Appraisal Institute – FHA and the Appraisal Process – 1999
- Appraisal Institute – Course 310 – Basic Income Capitalization – 2000
- Appraisal Institute – Course 510 – Advanced Income Capitalization 2000
- Appraisal Institute – Course 500 Advance Residential Form and Narrative Report Writing – 2003
- Appraisal Institute – Course 600 Income Valuation of Small, Mixed Use Properties – 2004
- Appraisal Institute – The Professional's Guide to URAR – 2005
- El Camino College – Real Estate 11 – Basic R. E. Principles – 1986
- El Camino College – Real Estate 12A – Legal Aspects of R. E. – 1992
- El Camino College – Real Estate 13 – Real Estate Practice – 1995
- El Camino College – Real Estate 14A – Real Estate Finance I – 1991
- El Camino College – Real Estate 15A – Real Estate Appraisal I – 1988
- El Camino College – Real Estate 15 B – Real Estate Appraisal II – 1989
- El Camino College – Real Estate 16 – Real Estate Economics – 1994
- El Camino College – Real Estate 19 – Property Management – 1995
- El Camino College – Real Estate 21 – Real Estate Investment – 1996
- Numerous appraisal seminars and real estate conferences

**Resume Mark Justmann**

File No. 10179

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

**MARK S. JUSTMANN, MAI**  
**REAL ESTATE QUALIFICATIONS**

**EDUCATION**

University of Wisconsin-1973 undergraduate studies 1 year; Florida State University 1978;  
 Business Administration / Real Estate Major with Bachelor of Science

During college I received two scholarships from the Florida Association of Realtors; through the Florida Real Estate Commissioner. During college I typically worked 35+ hours per week for Jerry D. Williamson an SRA. This job was coordinated through the Dean of Business (Dean Soloman) and the Chairman of the Real Estate Department (Dr. Lewis) at FSU. At this time, I generally did appraisal work on single family residences, some commercial and some feasibility analysis work. This almost succeeded in the location of a very large national brewery, Miller Brewery. My site was fourth under consideration for a \$100 million dollar brewery.

**APPRAISAL AND SPECIAL COURSES APPRAISAL FOUNDATION** I have received MAI membership. (Membership # 8468)

**BUSINESS EXPERIENCE** A Senior Appraiser in the Real Estate Valuation Group of the American Appraisal Company; the worlds largest at that time. Five years experience under (Fred George MAI), who once appraised the Pan Am Building in New York. My employment with this firm lasted eleven years until 1989. Recent employment has been with Marshall & Stevens (another national firm) for four years until 1992. I have been affiliated with the Mentor Group since late 1992.

**VALUATION EXPERIENCE** includes over thirty years of national real estate valuation engagements for commercial, industrial, multi-family, special purpose type facilities, and other types of properties for various clients in 45 states. A major emphasis was in the Western region, especially California, Nevada, Arizona, New Mexico, Utah, and Colorado. Specific properties appraised include all types of residences, office buildings, warehouses, factories, medical facilities, restaurants, service stations, theaters, apartment complexes, ranches, plantations, gravel pits and quarries, nursing homes, truck terminals, banks and other special purpose facilities such as oil refineries, churches, mortuaries, cemeteries, recording studios, golf courses, casinos, business parks, oil tank farms, mini-malls, regional malls, parks, subdivisions, car washes, bowling alleys, convalescent care facilities, food processing plants, lumber yards, mini-warehouses, poultry ranches, schools and research and development facilities. Value ranges for a large majority of these properties ranged typically from \$1,000,000 to as high as \$100 million. I have been involved in five instances where projects regarding appraisals I have conducted have been either on the front page of the LA Times or in the Business Section. Three were on the national news.

**PROFESSIONAL AFFILIATIONS** MAI designation as well as a licensed real estate Broker in California. I am currently a Certified General R.E. Appraiser in California, (AG002802) and Hawaii. I have had temporary licenses in Nevada, Arizona, New Mexico, Colorado. I have extensive State and Federal court testimony experience. Testimony situations have entailed most LA superior courts at least 35 times and depositions at least 35 times. I have appraised in most counties in California over the past 28 years. I have conducted several consultation assignments and brokerage deals as well.

**VARIOUS LENDING INSTITUTIONS AND INVESTMENT BANKER CLIENTS SERVED:**

Bank of America	Home Savings & Loan
Wells Fargo Bank	Union Bank
Mellon Bank	Franklin Savings
Crocker Bank	Goldman Sachs
Shearson Lehman	W.R. Grace
Duetch Bank	Security Pacific Asian Bank
Cathay Bank	California Pacific Bank
ransAtlantic Capital Corp.	International Bank of California
Nomura Asset Capital Corp.	Kolberg, Kravis & Roberts

**REGULATORY AGENCIES SERVED:**

Federal Deposit Insurance Corp.	Resolution Trust Corporation
Internal Revenue Service	Federal National Mortgage Assn.
Federal Aviation Administration	Department of Labor
U. S. Treasury Department	U. S. Department of Justice

**Resume Mark Justmann**

File No. 10179

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

**OTHER CLIENTS SERVED:**

AT&T  
Amoco Oil  
Crown Zellerbach  
Cannon Films  
Campbell Foods  
Goodyear  
Japan Airlines  
Metro Goldwyn Mayor  
Mitsui Inc.  
Nestles  
Shell Oil  
Summa Corp  
20th Century Fox  
United Artists  
Wickes

Anhauser Busch  
Bekins  
Copley RE Advisors  
Coca-Cola  
Fluor Corp  
Howard Hughes Realty  
Kraft Inc.  
Mobil Oil  
Max Factor  
Penn Central  
Intel  
Sears, Roebuch & Co.  
U.S. Air  
Westinghouse  
The Vatican

**LAW FIRMS SERVED:**

Gibson, Dunn & Crutcher  
Gill & Baldwin  
Latham & Watkins  
Kaplan, Kenegos & Kadin  
Gray, Cary, Ames & Frye  
Freeman, Freeman & Smiley  
Revere, Rykoff & Wallace  
Warner & Corbett  
Paul, Hastings, Janofsky & Walker  
Bronson, Bronson & McKinnon

Brobeck, Phleger & Harrison  
Harrigan, Ruff, Ryder  
Buchalter, Memer, Fields & Younger  
O'Neill & Lysaught  
Hendry, Serian, Alt & Jouanicot  
Hill, Farrer & Burrill  
Sayre, Moreno, Purcell & Bouch  
Leonard & Dicker  
Pettit & Martin  
Girardi I Keese

**CELEBRITY CLIENTS SERVED:**



Robert Redford  
Lyle Wagner  
Jimmy Jams  
Stacy Keach  
Sam Zell  
Gary Winnick  
Donald Trump

Kelsey Grammar  
Julie Newmar  
David Lee Roth  
Kim Bassinger  
Kirk Kerkorian  
Valarie Harper  
Donald Sterling

Larry Flynt  
Marion (Suge) Knight  
Glenn Fry  
David Geffen  
Marvin Davis  
Mary Grassell Radford  
Michael Jackson

## Appraisal License Addendum

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

		STATE OF CALIFORNIA Business, Transportation & Housing Agency <b>OFFICE OF REAL ESTATE APPRAISERS</b> <b>REAL ESTATE APPRAISER LICENSE</b>		AREA APPRAISER IDENTIFICATION NUMBER AR007122	<b>DANIEL M. CHRISTIAN</b>	has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified Residential Real Estate Appraiser".	This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.	OFFICE OF REAL ESTATE APPRAISERS 	Date Issued: November 27, 2008 Date Expires: November 26, 2010	Audit No. 114072
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THIS DOCUMENT CONTAINS A TRUE WATERMARK. HOLD UP TO LIGHT TO SEE. SAFE AND VERIFY FIRST.

# Exhibit 13



1	IN THE SECOND JUDICIAL DISTRICT COURT OF	
2	THE STATE OF NEVADA, IN AND FOR THE COUNTY OF WASHOE	
3		
4	WILLIAM A. LEONARD, Trustee for	)
5	the Bankruptcy Estate of Paul	)
6	Anthony Morabito,	)
		)
6	Plaintiff,	)
		)
7	vs.	)
		)
8	SUPERPUMPER, INC., an Arizona	)
9	corporation; EDWARD BAYUK,	)
10	individually and as Trustee of	)
11	the EDWARD WILLIAM BAYUK LIVING	)
12	TRUST; SALVATORE MORABITO, an	)
13	individual; and SNOWSHOE	)
14	PETROLEUM, INC., a New York	)
15	corporation,	)
16		)
17	Defendants.	)
18		)
19		)
20		)
21		)
22		)
23		)
24		)
25		)

16	Deposition of PAUL MORABITO, a witness herein,	
17	noticed by GARMAN TURNER GORDON, taken 8560 West	
18	Sunset Boulevard, Suite 400, West Hollywood,	
19	California, at 10:04 a.m., Monday, March 21,	
20	2016, before Tammie Lynn Hall, CSR No. 11525.	
21		
22	Job Number 292780	
23		
24		
25		

1     **information about your insurance policies?**

2             A.   It would be in that office.

3             **Q.   Does Mr. Bayuk obtain insurance policies for**  
4     **you?**

5             A.   I mean, the broker works with Mr. Hawkoette  
6     and Mr. Bayuk.   I know the broker.   I don't know the  
7     policies.

8             **Q.   Who is the broker?**

9             A.   Dan Kovach (phonetically).

10            **Q.   Are you currently employed?**

11            A.   No.

12            **Q.   What do you do for money right now?**

13            A.   My brother and Mr. Bayuk have been lending me  
14    money.

15            **Q.   They've been lending you money?**

16            A.   Yes.

17            **Q.   Are there formal lending agreements?**

18            A.   We update a promissory note every month, but  
19    other than that...

20            **Q.   Well, let's talk about the money that**  
21    **Mr. Bayuk has lent you.**

22            **When did he start lending you money?**

23            A.   Several years ago.

24            **Q.   Do you recall if it was before or after 2010?**

25            A.   It would have been before, I think.

1 Q. Do you recall if it was before or after 2005?

2 A. Well, I was in the hospital in 2009 for  
3 several months, and I was sort of incapacitated for a  
4 long period of time. So Mr. Bayuk had a power of  
5 attorney to handle my affairs, so...

6 Q. So was this in 2009 when he started lending  
7 you money?

8 A. Or managing my things, yes.

9 Q. You referenced a promissory note that is  
10 updated.

11 When did that note first come into existence?

12 A. Well, it's just a ledger or whatever. He  
13 keeps a record of everything that he advances me.

14 Q. Is there a formal written promissory note?

15 A. I don't recall.

16 Q. Do you know who would have that information?

17 A. No.

18 Q. Who normally drafts promissory notes on your  
19 behalf?

20 A. I don't know if I ever had anyone draft any  
21 promissory notes on my behalf.

22 Q. Do you know what the balance of the money that  
23 Ed Bayuk has lent you is today?

24 A. No.

25 Q. Do you know if it is more or less than a

1 million dollars?

2 A. I would presume more, but I'd be guessing.

3 Q. Where would that information be?

4 A. With Mr. Bayuk or Mr. Hawkoette.

5 Q. Are you aware of a specific ledger that  
6 Mr. Bayuk or Mr. Hawkoette keep regarding the money  
7 that Mr. Bayuk has lent you?

8 A. I'm assuming they do.

9 Q. And is that a continuing note that has existed  
10 since 2009?

11 A. I don't specifically recall if it's a specific  
12 note that existed in 2009 or another year or when it  
13 was.

14 Q. Do you recall if, at any time, you ever paid  
15 Mr. Bayuk in full?

16 A. I believe I've, at times, have paid him back,  
17 and then I borrowed more money since and...

18 Q. Are you aware of a time when there was a zero  
19 obligation owing?

20 A. At one point, yes.

21 Q. Do you know when that --

22 A. I think just after my surgery, around that  
23 period of time. I got to a point where I went  
24 from -- he owed me money, I owed him some money. Ever  
25 since then, I've always owed him money.

1 Q. So when you say since your surgery, we're  
2 talking about since 2009 or 2010?

3 A. 2009, 2010, during that whole period.

4 Q. And just so I'm clear, you think that that  
5 amount is more than a million dollars today, but you  
6 are not sure as to the amount?

7 A. I'm not sure.

8 Q. Do you know how high it's gotten?

9 A. I would be guessing. I don't remember. I've  
10 been told, but I just don't remember specifically.

11 Q. Who has told you?

12 A. John Hawkoette.

13 Q. What has he told you?

14 A. In the past, that he's added to an amount.

15 Q. What amount has he added it to?

16 A. That's what I'm saying. He's just told  
17 me -- he's kept a -- he keeps a record of everything.

18 Q. Has he ever given you a specific amount?

19 A. Not that I recall of late, no.

20 Q. Has he ever told you if it was more than  
21 \$5 million?

22 A. I would probably remember that, so...

23 Q. Has he ever told you if it was more than  
24 \$2 million?

25 MR. GILMORE: "He" is Mr. Hawkoette?

1 MS. PILATOWICZ: Yes.

2 THE WITNESS: I -- I -- again, I'd be guessing.

3 MS. PILATOWICZ:

4 Q. As of today, you believe there is a balance  
5 owing to Mr. Bayuk?

6 A. I believe so, yes.

7 Q. Okay. Let's talk about money that has been  
8 lent to you by Sam Morabito.

9 When did Mr. Morabito start lending you money?

10 A. When I was three.

11 Q. You have a running ledger since you were  
12 three?

13 A. Knowing my brother, he probably does.

14 Q. Well, let me ask you, in -- at the beginning  
15 of 2010, do you recall approximately how much you owed  
16 your brother?

17 A. I've been in debt to my brother my entire  
18 life, so I have no idea.

19 Q. Are you aware of any written promissory notes?

20 A. I'm sure we've done some over the years. I  
21 just don't remember any specifically.

22 Q. Do you recall any that exist as of today?

23 A. I'm sure there is one because he pays bills  
24 for me and he advances me money and he's -- I'm sure  
25 there is an amount somewhere.

1 Q. So when you say he pays bills for you, how  
2 does that happen? Do you give him a bill, and he pays  
3 it?

4 A. Well, for example, I'm driving a car, and he  
5 leases the car.

6 Q. What car is that?

7 A. It's a Mercedes Benz.

8 Q. When did he lease that car for you?

9 A. A year ago.

10 Q. What other types of bills does he pay for you?

11 A. None, other than that. None that -- he  
12 advances me money, if I ask to borrow more money.

13 Q. When was the last time you asked him to borrow  
14 more money?

15 A. This morning.

16 Q. Has he lent you money since this morning?

17 A. No, he didn't pay for breakfast.

18 Q. Do you have any idea, as we sit here today,  
19 how much you owe him?

20 A. No.

21 Q. Do you know if it's more than a million  
22 dollars?

23 A. I don't know.

24 Q. Do you know who would have that information?

25 A. No -- I presume, Sam.

1           **Q. Do you recall how often in the last year you**  
2           **have asked your brother to advance you money?**

3           A. There is no regularity to it. If I'm out of  
4           money, I ask my brother if I can have some money.

5           **Q. Well, give me an example of a situation where**  
6           **you asked him for money.**

7           A. Actually, I don't even think I asked him. I  
8           think I asked Mr. Hawkoette if he could ask my brother  
9           if I could have some money.

10          **Q. So would Mr. Hawkoette have records regarding**  
11          **money that your brother has lent you?**

12          A. I don't know.

13          **Q. Do you recall the last time you borrowed money**  
14          **from your brother?**

15          A. No.

16          **Q. Have you borrowed money from him in the last**  
17          **month?**

18          A. I think so. I don't remember. I have  
19          to -- probably -- probably, yes.

20          **Q. Do you recall any of the circumstances**  
21          **regarding borrowing that money?**

22          A. No. It's usually Mr. Hawkoette's paying  
23          bills. And if I don't have any money, I'll say, ask  
24          Sam or Edward if I can have some money.

25          **Q. What bills does Mr. -- well, let me back up.**



1 Does Mr. Hawkoette pay bills on your behalf?

2 A. Yes.

3 Q. What bills does he pay?

4 A. My "hydro" bill, my gas bill.

5 Q. Are there any other bills?

6 A. I don't have a lot of bills.

7 Q. So household bills?

8 A. Yes.

9 Q. Anything else?

10 A. That's about it.

11 Q. What about needing cash for groceries? How do  
12 you get that?

13 A. On a credit card.

14 Q. And then how are your credit cards paid?

15 A. Mr. Bayuk provides me with a credit card.

16 Q. What credit card is that?

17 A. It's a MasterCard.

18 Q. How long has he -- how long have you had that  
19 arrangement with Mr. Bayuk?

20 A. Several years.

21 Q. Do you know if it's more or less than five  
22 years?

23 A. No.

24 Q. Do you know if it was before or after 2010?

25 A. During the time of my surgery or during the

1 2009 period of time, I was unable to function, so he  
2 completely paid everything and did everything.

3 Q. Did you have a credit card that Mr. Bayuk paid  
4 prior to your surgery?

5 A. I don't recall.

6 Q. Do you know if you had a credit card that  
7 Mr. Bayuk paid in 2012?

8 A. I -- I don't know. I don't think so. I may  
9 have. I had my own credit cards as well.

10 Q. When did you stop having your own credit  
11 cards?

12 A. In the last year.

13 Q. Why did that change?

14 A. With the involuntary bankruptcy.

15 Q. Do you know why Mr. Bayuk is paying your  
16 bills?

17 A. Why he's paying my bills?

18 Q. Yes.

19 A. His personal reason for doing it?

20 Q. Yes.

21 A. You'd have to ask Mr. Bayuk that.

22 Q. Do you have any idea?

23 A. I believe that he -- I think the circumstances  
24 of our lives together and my health prior to anything  
25 to do with the Herbsts' thing or anything like this --

1           **Q. Did you have a different type of relationship**  
2   **before you were friends?**

3           A. Yes.

4           **Q. What was that?**

5           A. We were in a relationship together.

6           **Q. When did that start?**

7           A. I'd have to guess. I don't remember when.  
8 1997 or 1998.

9           **Q. So approximately 20 years ago?**

10          A. Yes.

11          **Q. How long were you guys in a relationship?**

12          A. Until approximately 2009, 2010.

13          **Q. Do you know what caused your status to change?**

14          A. Lots of things cause people's status to change  
15 in a relationship.

16          **Q. Was there anything in particular that caused**  
17 **you guys to break up?**

18          A. Lots of things cause changes in a  
19 relationship. There was no one specific thing.

20          **Q. What were the things?**

21          A. I think -- I think managing my health was very  
22 hard on him and watching me die and go on life support  
23 and come off and whatnot was very emotional and very  
24 difficult.

25          **Q. Was there anything, other than managing your**

1 health, that caused you guys to break up?

2 A. I think that was a large part of it.

3 Q. Was there anything else?

4 A. Nothing specific that I can put -- put my  
5 finger on.

6 Q. Do you recall if you guys broke up prior to or  
7 after the judgment in the underlying Herbst litigation?

8 A. I believe it was prior to. It was around the  
9 time of my -- of my health.

10 Q. And your health was in 2009?

11 A. Uh-huh. And 2010.

12 Q. Approximately until when in 2010 were you  
13 having health issues?

14 A. I still have them today.

15 Q. What business ventures have you and Mr. Bayuk  
16 been involved in?

17 A. Superpumper, Berry-Hinckley, and the Versinet  
18 business.

19 Q. Explain to me what the Versinet business is.

20 A. There was -- there is Versinet, and there is  
21 other companies that we're looking at buying an option  
22 and putting together FCC -- originally, Versinet bought  
23 a company called Chip Com that owned some licenses.  
24 And then, separately, they went out and bought and  
25 optioned other FCC licenses.

1 A. I don't know. I wasn't involved in it.

2 Q. So you presume that the lawyers were speaking,  
3 but you don't know if there was ever a conversation  
4 about the transfers occurring between the lawyers?

5 A. I wasn't involved in any of the attorneys'  
6 clients -- attorneys' communications with each other.

7 Q. And you don't recall ever telling the Herbsts  
8 that these transfers were occurring?

9 A. No.

10 Q. Let's talk about Mr. Vacco.  
11 When did you first meet Mr. Vacco?

12 A. I don't specifically remember.

13 Q. Do you know if it was more or less than five  
14 years ago?

15 A. Had to have been --

16 Q. Good point.

17 Do you know if it was more or less than ten years  
18 ago?

19 A. It was around that time, but, I mean, I don't  
20 specifically remember when.

21 Q. How did you first meet Mr. Vacco?

22 A. He was referred on to me by the attorney that  
23 I had at the time who was being named U.S. Attorney.

24 Q. And did you meet Mr. Vacco in person?

25 A. No.

1 the transfers that are the subject of the state court  
2 litigation.

3 A. He directed it. He did.

4 Q. What conversations do you have -- did you have  
5 with Mr. Vacco regarding those transfers?

6 A. Specific conversations, I don't recall.  
7 Generally, what he did was I -- my brother and Edward  
8 said, we want to -- what do you go about doing -- we  
9 had never been in this situation. What do you go about  
10 doing in order to where they are out of something and  
11 I'm in this.

12 How do we -- how do we do this in a transparent  
13 and proper way. And he ran with the ball, and he's  
14 formerly a United States attorney, attorney general in  
15 New York. He's a very prominent, ethical guy. And he  
16 said okay. How do you do this in a way where there  
17 would be no questions, and it's done properly. And he  
18 said, you know, "This is how you do it." So he did it.

19 Q. So is it a fair assessment that you told him  
20 split everything up, and then he just gave you  
21 documents to sign and that was your involvement in it?

22 A. Effectively. I mean, I wasn't involved -- I  
23 mean, I think I may have identified one -- I -- I mean,  
24 we didn't -- I didn't know any of the people involved.  
25 I never met any of the people involved. I wasn't

1 involved in any of the process, so Mr. Vacco directed  
2 the whole thing.

3 Q. When you say you weren't aware of any of the  
4 people involved in the process, who are you referring  
5 to?

6 A. Like the appraisers and stuff. I never met  
7 anybody. I wasn't involved. Haven't known them  
8 before; haven't known them since.

9 Q. Did you review any of the evaluations when  
10 they came in?

11 A. I may have, but I didn't have say in it, so it  
12 was not something that, you know -- it was done --  
13 Mr. Vacco handled the whole thing.

14 Q. So Mr. Vacco got appraisals and then laid  
15 everything out and said, here is what is going to  
16 happen and had you guys sign the documents?

17 A. Basically.

18 Q. Were there any negotiations about who would  
19 get what properties?

20 A. No, I was -- I was going to stay in Reno, and  
21 Edward wanted to go back, you know -- it was never our  
22 plan to go back to California, so he was irritated with  
23 that. But it's just what we did.

24 Q. Was there ever any discussion over what the  
25 purchase price for certain assets would be?

# Exhibit 14




# BMO Account Tracker<sup>®</sup>

**Your investment and banking report**  
MR PAUL A. MORABITO - September 1 to September 30, 2010

Here's what happened in your accounts



Date	Description	Amounts deducted from your account (\$)	Amounts added to your account (\$)	Balance (\$)
	 <b>Primary Chequing Account #</b> [REDACTED]			
	Plan type: Platinum Banking			
	Owner: MR PAUL A. MORABITO			
	Opening balance			578.17
Sep 30	Closing totals	\$0.00	\$0.00	\$578.17

Number of cheques or related items enclosed with your statement.....0

	 <b>US\$ Primary Chequing Account #</b> [REDACTED]			
	Plan type: Platinum Banking			
	Owner: MR PAUL A. MORABITO			
	Opening balance			48.53
Sep 30	Closing totals	\$0.00	\$0.00	(US)\$48.53

BMACT41000\_1159086\_004 - 0016230 HRI - 03 - 02 - 08 - 012143


15531E-R (04/2008)

BMO  Financial Group

MORABITO (341).005351

# BMO Account Tracker™

Here's what happened in your accounts (continued)

Date	Description	Amounts deducted from your account (\$)	Amounts added to your account (\$)	Balance (\$)
 <b>US\$ Premium Rate Savings # [REDACTED]</b> Plan type: Platinum Banking Owner: MR PAUL A. MORABITO				
	Opening balance			6,127,321.08
Sep 14	Incoming Wire Payment, US, CONSOLIDATED WESTERN		933,331.70	7,060,652.78
Sep 14	Wire Payment Fee, HANDLING CHG 042532000	14.00		7,060,638.78
Sep 15	Outgoing Wire Payment, WIRE PYMT 3213 321336997	6,000,000.00		1,060,638.78
Sep 15	Outgoing Wire Handling Fee	125.00		1,060,513.78
Sep 15	Outgoing Wire Comm. Fee	10.00		1,060,503.78
Sep 21	Debit Memo, TO SALVATORE MORABITO	420,250.00		640,253.78
Sep 21	Credit, ERROR CORECTION		420,250.00	1,060,503.78
Sep 21	Debit Memo, TO SALVATORE MORABITO	355,000.00		705,503.78
Sep 22	Outgoing Wire Payment, WIRE PYMT 3213 321337591	420,250.00		285,253.78
Sep 22	Outgoing Wire Handling Fee	125.00		285,128.78
Sep 22	Outgoing Wire Comm. Fee	10.00		285,118.78
Sep 23	Credit, RETURN WIRE 321337591		420,230.00	705,348.78
Sep 23	Outgoing Wire Payment, WIRE PYMT 3213 321337806	420,250.00		285,098.78
Sep 23	Outgoing Wire Handling Fee	125.00		284,973.78
Sep 23	Outgoing Wire Comm. Fee	10.00		284,963.78
Sep 23	Direct Deposit, REV. WIRE HANDLING CHG		125.00	285,088.78
Sep 28	Outgoing Wire Payment, WIRE PYMT 3213 321338167	72,418.69		212,670.09
Sep 28	Outgoing Wire Handling Fee	125.00		212,545.09
Sep 28	Outgoing Wire Comm. Fee	10.00		212,535.09
Sep 29	Outgoing Wire Payment, WIRE PYMT 3213 321338392	16,000.00		196,535.09
Sep 29	Outgoing Wire Handling Fee	32.00		196,503.09
Sep 29	Outgoing Wire Comm. Fee	10.00		196,493.09
Sep 30	Interest Earned		658.21	197,151.30
Sep 30	Closing totals	\$7,704,764.69	\$1,774,594.91	(US)\$197,151.30

BMACT41000\_1199086\_004 - 0016230 012144

155316-R (04/2008)

BMO  Financial Group

MORABITO (341).005352

# Exhibit 15

1 UNITED STATES BANKRUPTCY COURT  
2 DISTRICT OF NEVADA  
3  
4  
5 IN RE: )  
6 PAUL A. MORABITO, an )  
7 individual, )  
8 Alleged Debtor. )  
9 ) Chapter 7  
10 ) Case No.  
11 ) BK-N-13-51237-GWZ  
12 )  
13 ) VOLUME II  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24 REPORTED BY: KATHERINE M. SILVA, CCR #203  
25 JOB NO: 254087

1   worth of expenses that can go through every  
2   single dime and see how much money I spend and  
3   what it is and it's virtually all business.

4                   I don't have a personal life and I  
5   haven't had a personal life for decades.

6                   TRUSTEE LEONARD:   Wasn't Mr. Bayuk  
7   paying the American Express bills?

8                   MR. MORABITO:   If Mr. Bayuk advanced  
9   the American Express bills, then a good portion  
10   would be reimbursed by the company or he would  
11   have been given credit for the business portion  
12   which is the vast majority.

13                  TRUSTEE LEONARD:   So what is your best  
14   guess of how much you owed Mr. Bayuk on December  
15   31st, 2013?

16                  MR. MORABITO:   I would have -- it would  
17   be a guess.   It could be in the millions of  
18   dollars.   I don't know.

19                  TRUSTEE LEONARD:   How much do you think  
20   you owed him on December 31st, 2014?

21                  MR. MORABITO:   It would be a guess but  
22   I'm sure -- I'm sure I owed him a significant  
23   amount of money.   I would think.   I don't know.

24                  TRUSTEE LEONARD:   Is there a way that  
25   you could find that information out?

1 MR. GORDON: And that would be a  
2 question then that we would both have for --

3 MR. MORABITO: Yeah.

4 MR. GORDON: For Lippes.

5 MR. MORABITO: Yeah, because I think  
6 when you look through this you realize that all  
7 these things just -- it's done foolishly.

8 MR. GORDON: Before we conclude, just a  
9 couple questions here coming to a close and I'll  
10 reserve all the rest.

11 Looking at this Exhibit 18, now I see  
12 some contributions from you, the first one  
13 \$439,980 but then I go down to the fifth one and  
14 it's coming up Liburd and Dash and they deposited  
15 on 1/29/2011, \$1,999,950.

16 What is Liburd and Dash?

17 MR. MORABITO: They are a law firm that  
18 was representing a trust.

19 MR. GORDON: And which law --

20 Where is that law firm located?

21 MR. MORABITO: I don't know.

22 MR. GORDON: Is it located in Nevis,  
23 does that refresh your memory?

24 MR. MORABITO: It's an offshore  
25 account.

1 MR. GORDON: Was it representing the  
2 Meadows Trust?

3 MR. MORABITO: No.

4 MR. GORDON: Which trust was it  
5 representing?

6 MR. MORABITO: The money you are  
7 referring to Mr. Marsland.

8 MR. GORDON: By who?

9 MR. MORABITO: The money -- the six  
10 million dollar money that was put abroad for  
11 Mr. Marsland so we let him out, that Seppen  
12 (phonetic) Trust.

13 MR. GORDON: That's the Seppen Trust?

14 MR. MORABITO: It's the attorneys for  
15 the Seppen Trust, I believe.

16 MR. GORDON: And is that trust  
17 established --

18 MR. MORABITO: When I say trust, small  
19 T.

20 MR. GORDON: Is it the Seppen Trust or  
21 is it trustee?

22 MR. MORABITO: Seppen Trust was a  
23 trustee.

24 MR. GORDON: Right.

25 MR. MORABITO: But there was no trust.

# Exhibit 16



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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

In re:	) Case No.
	) BK-N-13-51237-GWZ
PAUL A. MORABITO,	)
an individual,	) Chapter 7
	)
Debtor.	)
_____	)

VOLUME IV

EXAMINATION UNDER OATH OF PAUL ANTHONY MORABITO,  
the debtor herein, noticed by Woodburn & Wedge,  
taken at 1 Park Plaza, Irvine, California, at  
10:10 a.m. on Monday, December 5, 2015, before  
Delia M. Satterlee, CSR 9114.

Job No. 355550

1 A. With Mr. Bayuk.

2 Q. Okay. So Mr. -- Do you no longer rent your  
3 property from La -- La Cienza or something of that  
4 nature?

5 A. I received six months free rent from  
6 Mr. Cusenza and moved out of the house in the middle of  
7 the year.

8 Q. Okay. So you're no longer residing where you  
9 resided in February of this year.

10 A. Correct.

11 Q. And you're residing where now?

12 A. I reside in Palm Springs.

13 Q. What address?

14 A. 1254 Mary Fleming Circle.

15 Q. And that's one of the addresses that was part  
16 of the trade of property that you were talking about  
17 earlier?

18 A. That's correct.

19 Q. I don't want to waste my valuable time because  
20 it is valuable time. Can you tell me right now that you  
21 have no estimate of what your monthly expenses are?

22 A. It would be approximate, close to what this is  
23 (indicating).

24 Q. Approximately 30,000?

25 A. Give or take.

1           **Q. Okay. Has Mr. Bayuk been loaning you money**  
2   **each month to pay your monthly expenses?**

3           A. A combination of Mr. Bayuk and my brother Sam  
4   have lent me money, yes.

5           **Q. Okay. And that's since February 25th of this**  
6   **year?**

7           A. Not necessarily. I don't know -- I can't think  
8   of the answer to that. I don't know.

9           **Q. Okay. So Mr. Edward Bayuk and Mr. Salvatore**  
10   **Morabito have made loans to you since February of this**  
11   **year.**

12          A. Since February of this year?

13          **Q. Yes.**

14          A. I can't be specific whether or not it's from  
15   the proceeds before or after. I don't know.

16          **Q. It can't be what? I'm --**

17          A. I don't know if I received money before that  
18   and still use it. I'm not sure.

19          **Q. Okay. And you have no idea how much**  
20   **Mr. Salvatore Morabito has loaned to you in 2016?**

21          A. In 2016? It would be a guess.

22          **Q. And do you have any idea how much Mr. Bayuk has**  
23   **loaned to you in 2016?**

24          A. It would -- It would be a guess, but it would  
25   approximate the -- these numbers, less than the numbers

1 here (indicating).

2 **Q. Okay. Are these loans documented in any**  
3 **fashion such as with a promissory note?**

4 A. There is a -- an original promissory note that  
5 gets modified every month with interest, et cetera.

6 **Q. And when was this promissory note originally**  
7 **created?**

8 A. I don't recall.

9 **Q. No idea?**

10 A. I -- I -- I think we've spoken to -- of it  
11 earlier. I don't maintain the update of it and the  
12 interest on it.

13 **Q. Okay. There was a note of \$1,617,000 that was**  
14 **created as part of the property trade we talked about**  
15 **earlier. Is that the note you're referring to?**

16 A. No.

17 **Q. There's a different note?**

18 A. I believe we've, on prior testimony, have said  
19 that we -- any money that's been lent to me by Mr. Bayuk  
20 since that point in time, that we had paid that note.  
21 It's gone, satisfied. And then on a go-forward basis, I  
22 have borrowed money from him off and on.

23 **Q. But you said you paid the original note of a**  
24 **million six hundred and seven- --**

25 A. He paid me the original note.

1 Q. He paid you the original note?

2 A. Yes.

3 Q. And then it got into a situation where he was  
4 lending you more money. And my question is, that  
5 loan --

6 A. I paid him. So he wouldn't be lending me more  
7 money; he'd be lending me new money.

8 Q. If he's paying your monthly expenses --

9 A. He's not paying my monthly expenses.

10 Q. He's lending you money to pay your monthly  
11 expenses.

12 A. He's lending me my -- my money, and what I do  
13 with it he has no knowledge of.

14 Q. Okay. Is there a promissory note that reflects  
15 Mr. Bayuk's loan to you?

16 A. There is a updated accounting of it. And --  
17 And how -- whether it's the attach- -- whether -- We  
18 don't -- We certainly don't update the promissory note  
19 every month by signing a new promissory note.

20 Q. But is there a promissory note?

21 A. I believe there to be.

22 Q. And do you know when that promissory note was  
23 dated?

24 A. I -- I don't recall.

25 Q. No idea?

1 A. No.

2 Q. And you don't know whether it's updated each  
3 time Mr. Bayuk loaned you more money?

4 A. I would assume the accounting would be kept  
5 accurate.

6 Q. Okay. I think you've already answered this  
7 question, but just make me -- let me make sure I have it  
8 for the record.

9 Since February 25th of 2016 --

10 A. Yes.

11 Q. -- have you received any money --

12 A. Yes.

13 Q. -- for any reason --

14 A. Yes.

15 Q. -- whether in the form of a loan or a direct  
16 payment or for salary from Virsenet, LLC, Globe  
17 Wireless, Bushwick & Myrtle, USHFCC, Global Wideband or  
18 Maple Leaf?

19 A. No.

20 Q. Since February 25th of 2016, have you received  
21 any money for any reason in any format from Meadowwood  
22 Farms -- I mean Meadow Farms Irrevocable Trust?

23 A. Not that I'm aware of.

24 Q. Okay. Are you telling me that since  
25 February 25 of 2016, your sole source of funds, whether

1 Q. So you have not incurred expenses --

2 A. No.

3 Q. -- for USHFCC --

4 MR. GILMORE: Listen to the question, please.

5 MR. MURTHA:

6 Q. -- in 2016.

7 A. No.

8 Q. You have not incurred expenses on behalf of  
9 Virsenet in 2016?

10 A. No.

11 Q. Are you working for Virsenet currently?

12 A. No.

13 Q. Okay. So let's get to the chase then.

14 You incur expenses each month to live; is that  
15 correct?

16 A. Yes.

17 Q. They are somewhere in the range of \$30,000 a  
18 month, plus or minus.

19 A. Approximately.

20 Q. Okay. And your sole source of be- -- sole  
21 source of money to be able to pay those expenses are  
22 either Salvatore Morabito or Edward Bayuk.

23 A. Lending me money.

24 Q. You call them loans. It -- And my question:

25 Other than those two individuals, have you received any

1 money from any other person or entity for the purpose of  
2 paying your living expenses?

3 MR. GILMORE: From February to the present.

4 MR. MURTHA: Yes.

5 THE WITNESS: No, not that I can recall, not at  
6 all.

7 MR. MURTHA:

8 Q. And you're telling me now that the money that  
9 you have received from Mr. Bayuk was either in the form  
10 of a loan or a gift or just a loan.

11 A. Loan.

12 Q. Loan only.

13 A. Yes.

14 Q. And the money you've received from  
15 Mr. Salvatore Morabito is in the nature of a loan or a  
16 gift or only a loan?

17 A. Loan.

18 Q. Okay.

19 MR. GILMORE: From February of this year to the  
20 present.

21 MR. MURTHA:

22 Q. From February --

23 A. To the best --

24 Q. -- to the present.

25 A. -- of my knowledge, yes, from my brother.



1 A. For -- For not -- I don't know if that was...

2 Q. Okay.

3 A. That wasn't a statement from me.

4 Q. All right. When we broke, we were talking  
5 about Sefton Trustees. Could you tell me when and how  
6 you learned about the Sefton Trustees?

7 A. I don't recall.

8 Q. And is it correct to call them "Sefton  
9 Trustees," or is it "Sefton Trust"?

10 A. I don't know.

11 Q. You don't know.

12 A. No.

13 Q. Not at all, even though you transferred  
14 \$6 million to them.

15 A. Yes.

16 Q. Okay. You can't recall how you learned about  
17 Sefton Trustees?

18 A. Not specifically, no.

19 Q. But you are familiar with an entity called  
20 Sefton Trustees or something similar to that.

21 A. Yes.

22 Q. Okay. And you transferred \$6 million to them.

23 A. Yes.

24 Q. Do you know where the -- Sefton Trustees is  
25 located?

1 A. No.

2 Q. Is it in New Zealand?

3 A. I -- I don't recall. I -- No. I don't...

4 Q. You -- You sent \$6 million to an entity that  
5 you can't recall the name and you can't recall where  
6 they're located.

7 A. This is now 2016. That was several years ago,  
8 and I don't specifically recall the corporate  
9 information about them. I mean we can look at the old  
10 statements to see what we said. I didn't -- I didn't  
11 notice it.

12 Q. Okay. Do you know if Sefton Trustees  
13 specializes in asset protection trust?

14 A. I have -- I don't know.

15 Q. And you can't recall the first time you  
16 communicated with Sefton Trustees?

17 A. No.

18 Q. How did you communicate with Sefton Trustees?

19 A. I -- I don't recall.

20 Q. Did you communicate by e-mail? By telephone?  
21 By written correspondence?

22 A. I -- I don't recall.

23 Q. You can't recall at all.

24 A. No.

25 Q. Did you use an intermediary to communicate with

1     **Sefton Trustees? For example, Mr. Vacco.**

2             A. I don't believe so. No, I -- I don't think so.

3             **Q. So your communications with Sefton Trustees**  
4     **would have been direct from you to Sefton?**

5             A. I didn't say that. I -- I just don't think  
6     Mr. Vacco...

7             **Q. Okay. Did you use any other intermediary?**

8             A. Not that I -- I -- I don't recall the  
9     circumstances that led to Sefton Trustees.

10            **Q. How did you know which bank account or -- yes.**  
11     **How did you know which bank account to send \$6 million**  
12     **to to Sefton Trustees?**

13            A. I don't know if I sent it to a specific bank  
14     account. I mean, I -- I don't know the -- I don't have  
15     the details in front of me or know the -- remember the  
16     details of how it all came about.

17            **Q. Okay. And you can't recall how those funds**  
18     **were transferred, whether you did it directly or whether**  
19     **you went through an intermediary?**

20            A. You -- You -- We ear- -- saw earlier they came  
21     out of Bank of Montreal.

22            **Q. Yes. We had -- That's where the funds came**  
23     **from, but we don't know where they went to.**

24            A. Oh. You had said earlier that they went to  
25     Sefton Trustees, so I'm presuming --

1 Q. Well, I'm --

2 A. -- you --

3 Q. -- asking you.

4 A. I -- I would be presuming.

5 Q. And you can't recall whether you communicated  
6 with Sefton Trustees versus -- by way of e-mail or  
7 written correspondence?

8 A. Whether it was by e-mail or written  
9 correspondence or a third party, I can't recall.

10 Q. Okay. Are you aware of a file, whether it's  
11 electronic or paper, maintained by anyone anywhere in  
12 regard to your dealings with Sefton Trustees?

13 A. I -- I don't know. I -- I -- A file -- I'm  
14 sure Sefton Trustees must have something.

15 Q. But do you have something?

16 A. Not that I can -- No.

17 Q. Do you have something on a computer that  
18 contains your correspondence or your e-mails or anything  
19 else to do with Sefton Trustees?

20 A. Not from several years ago. I don't have any  
21 of that.

22 Q. Do you still use the same computer you used six  
23 years ago?

24 A. I've gone through a dozen.

25 Q. Okay. But have you changed the server?

1           A. Absolutely. I've had them blow up several  
2 times, yes.

3           **Q. Okay. So you can't access your communications**  
4 **with Sefton Trustees even if you tried?**

5           A. Just like I couldn't access my Berry-Hinckley  
6 e-mails during the trial, I don't think I could have  
7 gone further back to do that when I couldn't have done  
8 that.

9           **Q. Did you ever execute a trust agreement with**  
10 **Sefton Trustees?**

11          A. I don't know.

12          **Q. What would it take for you to obtain some**  
13 **recollection about Sefton Trustees?**

14          A. Other than what we've already said in a prior  
15 341, I don't know what other inquiry I can make.

16          **Q. Okay. You sent them \$6 million.**

17          A. (Nods head in the affirmative.)

18          **Q. And you don't know whether you signed a trust**  
19 **agreement with them.**

20          A. That's...

21          MR. GILMORE: This is in your --

22          MR. MURTHA:

23          **Q. Did --**

24          MR. GILMORE: John, these are -- I -- I know you're  
25 dissatisfied with the answer. It's --

1 MR. MURTHA: I am.

2 MR. GILMORE: -- clear to me that you're  
3 dissatisfied. But just re-asking it is not going to  
4 eli-...

5 MR. MURTHA: Okay.

6 Q. Other than a trust agreement, do you recall  
7 signing any documents with Sefton Trustee?

8 A. With -- You're asking me to be specific in  
9 saying what was the process that occurred, and I do not  
10 recall the process that occurred at that time. That  
11 was --

12 Q. Okay.

13 A. -- seven or eight years ago.

14 Q. Okay. And so I'm asking some specific  
15 questions in the hope that they might jar your memory.

16 A. All right.

17 Q. You said you don't recall whether you executed  
18 a trust agreement. My next question is: Do you recall  
19 executing anything in writing with Sefton Trustees?

20 A. Do I recall? No.

21 Q. Did you ever authorize anyone to execute a  
22 trust agreement on your behalf with Sefton Trustees?

23 A. Not that I recall. I wouldn't -- I don't know  
24 why I would. I don't think so.

25 Q. Did you ever authorize anyone to execute any

1 other written document with Sefton Trustees on your  
2 behalf?

3 A. Not that I can recall.

4 Q. Assuming -- and I know this -- this is an  
5 assumption. But assuming written documents with Sefton  
6 Trustees exist, who would have copies of those documents  
7 besides Sefton Trustees?

8 A. I'd be guessing. I mean, Mr. Bernstein or -- I  
9 don't know.

10 Q. Okay. Did you or anyone acting on your behalf  
11 ever provide Sefton Trustees with any written  
12 instructions on what to do with the \$6 million that you  
13 transferred to Sefton in September of 2010?

14 A. I can say unequivocally that I cannot sit here  
15 today and recall the events or the process that went  
16 through to initiate or go through that process.

17 Q. Okay. Once again, can you recall giving Sefton  
18 Trustees written instructions on what to do with the  
19 \$6 million?

20 A. I can't recall any specific or even general  
21 process as to how that came about.

22 Q. Can you recall whether you used the services of  
23 an attorney or a law firm to assist you with your  
24 communications with Sefton Trustees?

25 A. I -- I would -- I would only be assuming

1           **Q. Okay. Matt Russan. I think you said you**  
2   **could --**

3           A. Oh, Rus- -- Okay. Rus- -- You said Russo.  
4           Yeah. He was a clerk doing -- what do you call  
5   it? -- web design and stuff like that.

6           **Q. For what entity?**

7           A. I don't remember.

8           **Q. Was it WatchMyBlock?**

9           A. I don't think so.

10          **Q. TalkToMyBlock?**

11          A. Same thing.

12          I don't remember what Matt did.

13          **Q. Can't remember why you paid him \$9,100?**

14          A. I don't specifically recall what he did. I  
15   know we ended up firing him.

16          **Q. Why?**

17          A. He's a very difficult individual, wasn't  
18   particularly responsible.

19          **Q. Now that you recognize the name, do you recall**  
20   **the last time you spoke to him?**

21          A. Oh. I haven't spoke to him for -- probably  
22   since 2013.

23          **Q. Okay. I'd like to now change subjects. Bear**  
24   **with me one minute.**

25          **We've been going one hour. Do you want to take a**



1    **break?**

2           A.   I'm fine.   I have a cookie.

3           **Q.   You're --**

4           MR. MONSOUR:   I -- I'm going to interrupt.

5           Can we take a five-minute break?

6           And, Paul, I -- I suggest you get some air and take  
7   a cookie because I'm having real trouble hearing you.

8   And you're kind of slurring and slowing down.   And you  
9   may not realize it.   But I think you need some air to --  
10   to -- to --

11          THE WITNESS:   Yeah.

12          MR. MONSOUR:   -- recall a lot of this stuff it'll  
13   help the trust to get out.

14          MR. MURTHA:   That's fine with we.   I'll just stop  
15   my stop watch and --

16          THE WITNESS:   That's fine.

17          MR. MURTHA:   -- preserve my --

18          MR. MONSOUR:   Taking five, we can back up.

19          MR. MURTHA:   Okay.   And I stopped my watch.

20          THE WITNESS:   Can you hear me?

21          MR. MURTHA:   Yes, I can hear you.

22          But before we leave --

23          MR. MONSOUR:   I was having trouble hearing you,  
24   Paul.   I'm sorry.   You -- You sound like you were kind  
25   of get- -- mumbling, and I was worried that your -- your

1 (Exhibit 14 identified.)

2 MR. MURTHA:

3 **Q. Do you see that, sir?**

4 A. Yep, "formerly P.A. Morabito AZ & Company,  
5 Limited."

6 **Q. Mm-hmm.**

7 A. So it probably changed the name during 2010.

8 **Q. Okay. And do you recognize this tax return as**  
9 **a Consolidated Neva- -- Western Corporation tax return?**

10 A. It says so.

11 **Q. Okay. Could you go to page 685.**

12 A. Mm-hmm.

13 **Q. And that would be the --**

14 A. Bates number.

15 **Q. -- Bates numbers on the bottom, 685.**

16 A. Yep. Got it.

17 **Q. Okay. And it is identifying Superpumper, Inc.**  
18 **and Big Wheel Hospitality.**

19 **Were those assets that were owned by CWC at the end**  
20 **of the year 2010?**

21 A. If you look at the top of the -- that page --

22 **Q. Mm-hmm.**

23 A. -- it says "9/12/11, 3:50 p.m."

24 **Q. Mm-hmm.**

25 A. I -- I don't know if this is for the full year

1 or if this is for a partial year. I -- I don't know.  
2 I -- I know it's for the -- for 2010. Whether or not it  
3 had it for the full year, you'd have to look through  
4 here (indicating) and find out.

5 Q. Okay.

6 A. You're making --

7 Q. All right.

8 A. -- an assumption that I won't jump with.

9 Q. All right. We'll have our tax experts go over  
10 that -- that information then.

11 A. Yeah.

12 Q. Bear with me a second.

13 Could you go to Exhibit 13.

14 A. 13?

15 Q. Yes.

16 A. Got it.

17 Q. Here's why I was confused as to whether  
18 Consolidated Western or Consolidated Nevada Corporation  
19 was affiliated with Raffles Insurance.

20 Exhibit 13 is identified as an "Informational  
21 Return" -- "Information Return of U.S. Persons with  
22 Respect to Certain Foreign Corporations," Form 5471.

23 (Exhibit 13 identified.)

24 THE WITNESS: Yeah.

25 MR. MURTHA:

1 Q. And in there it indicates it's for the period  
2 from April 1, 2009 to March 31, 2010.

3 Do you see that, sir?

4 A. I do.

5 Q. And in block 1a it is identifying Raffles  
6 Insurance Limited as the foreign entity owned by  
7 Consolidated Western Corporation; is that correct?

8 A. I think you're misunderstanding it, but yeah,  
9 that's what it says. It doesn't own Raffles Insurance,  
10 Limited.

11 Q. It has shares.

12 A. It has an intere- -- It -- It has a cooperative  
13 interest in it. It doesn't own Raffles Insurance,  
14 Limited.

15 Q. Okay. Doesn't own Raffles Insurance --

16 A. No.

17 Q. -- in its entirety, but this is indicating that  
18 Consolidated Western and not Consolidated Nevada was the  
19 entity that owned the shares in Raffles; is that  
20 correct?

21 A. At the -- At --

22 MR. GILMORE: Listen to the question.

23 THE WITNESS: I -- I heard the question very, very  
24 well.

25 At this point in time maybe, but the company

1 that's -- that originally owned Raffles was Consolidated  
2 Nevada Corporation.

3 Q. Okay.

4 A. Raffles was started by the Hinckleys.

5 Q. I understand that.

6 A. At -- At --

7 Q. But I was focus- --

8 A. -- this point in time, it could have  
9 transferred to this company. I don't know.

10 Q. Okay. Well, that was my question when I was  
11 talking to you about the end of 2010, which entity owned  
12 the interest in Raffles Insurance.

13 A. Well, thank you for showing me Schedule 13.

14 Q. Okay. Schedule 13. And do you have any reason  
15 to disbelieve the -- the information on Exhibit 13?

16 A. I'd have to better understand the numbers or  
17 the dates. You're -- You're -- You're going through a  
18 process that's very detailed; and if we're going to do  
19 it, then I need to see all the information in order to  
20 give you a complete answer.

21 Q. Okay. Towards the bottom of the page, first  
22 page of Exhibit 13, it identifies common and preferred  
23 stock of the foreign corporation. Do you see that?

24 A. Yes.

25 Q. And it says at the beginning of the period

1    there were 314 shares of each, and then at the end of  
2    the period there were 323?

3           A.   Yes.

4           Q.   Do you know why that was increased?

5           A.   Proba- -- Well, if you know anything about  
6    captive insurance companies, it means somebody left, so  
7    it pro rata increases across the board.

8           Q.   Okay. Describe for me "captive insurance  
9    company."

10          A.   Webster's dictionary or common sense?

11          Q.   The business entity, a captive insurance  
12   company. You --

13          A.   Yeah.

14          Q.   You've said "If you know anything about  
15   captives" --

16          A.   Yep.

17          Q.   -- which to me means some sort of a specific  
18   business model, then I want to know what you're talking  
19   about when you say "captives."

20          A.   Well, my understanding of captives -- Every  
21   captive is different. But what it is is a bunch of  
22   people come together and pool the risk. And it's no  
23   different than if you own a Domino's Pizza franchise and  
24   you have ten delivery vehicles, your local Farmers agent  
25   is not going to insure ten people who have to deliver a

1 hot pizza in 15 minutes or less because they drive like  
2 maniacs --

3 Q. Okay.

4 A. -- and they smack their cars.

5 So when you get high-risk businesses like ones that  
6 have triple ta- -- oil trailer like Berry-Hinckley  
7 did --

8 Q. Mm-hmm.

9 A. -- and where they had one of them blow up over  
10 the -- over the pass in -- in Lake Tahoe and kill a  
11 family, you can't go and get insurance. So you have to  
12 self insure. And the way you self insure is you go to a  
13 group or a cooperative, and that cooperative pools its  
14 risk. And you may be in there with some Dunkin' Donut  
15 franchisees, who have really low risk, and some people  
16 who produce dynamite, who have really high risk.

17 So this list of people you have in Number 13, the  
18 directors and whatnot, could have any -- you -- the --  
19 In other words, this wouldn't be a bunch of oil  
20 companies in one thing. That would be stupid. You'd  
21 have a bunch of low-risk things, a bunch of high-risk  
22 things --

23 Q. Okay.

24 A. -- and they all throw themselves in together.  
25 It's actually a really stupid way to be in business.

1 But it's --

2 Q. But -- But as I understand --

3 A. A lot of people --

4 Q. -- it --

5 A. -- do it.

6 Q. -- being a captive, the shareholders, if you  
7 will -- the owners, if you will -- are not only insured  
8 but they're the -- also the owners of the company.

9 A. It's one and the same.

10 Q. Okay. Okay.

11 A. But no one's allowed to have control.

12 Q. But you have gone through the list of directors  
13 and -- unfortunately these pages --

14 A. Directors?

15 Q. -- aren't --

16 Well, the owners? You're looking at it right now.

17 A. Yeah. Every owner is considered a dire- --  
18 It's -- It's not like the United States where it's a  
19 corporate director.

20 Q. Okay. These pages aren't numbered --

21 A. Nope.

22 Q. -- but it's identifying all of the individuals  
23 who are directors.

24 A. All American.

25 Q. Okay. And again, I wish these pages were



# Exhibit 17

## PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** (this "Agreement") is made and entered into effective as of September 27, 2010 between and among **PAUL A. MORABITO** ("**P. Morabito**") individually and in his capacity as **TRUSTEE OF THE ARCADIA LIVING TRUST DATED 2/14/2006** ("**Arcadia Trust**") (collectively "**Morabito**") on the one hand, and **EDWARD W. BAYUK** ("**E. Bayuk**") individually and in his capacity as **TRUSTEE OF THE EDWARD WILLIAM BAYUK LIVING TRUST DATED 6/18/2008**, ("**Bayuk Trust**") (collectively "**Bayuk**") on the other hand.

Each of those parties is sometimes referred to herein as a "Party" and collectively as the "Parties" to this Agreement.

### RECITALS

A. Arcadia Trust as to an undivided 75.00% interest and Bayuk Trust as to an undivided 25.00% interest, as tenants in common, own the residential real property and all buildings and improvements thereon commonly known as 371 El Camino Del Mar, Laguna Beach, CA 92651, more particularly described as:

All that certain real property situated in the County of Orange, State of California, described as follows:

Lot 20 of Tract No. 870, in the City of Laguna Beach, County of Orange, State of California, as per Map recorded in Book 27, Pages 30 to 32 inclusive of Miscellaneous Maps, in the Office of the County Recorder of said County..

Assessor's Parcel Number: **644-032-01**

hereinafter (the "El Camino Property"). The El Camino Property has a current fair market value of \$2,500,000.00, is subject to mortgages in the total amount of \$871,359.00 and has an estimated net approximate current value of \$1,628,641.00. Associated with the El Camino Property are all of the furniture, fixtures, appliances, equipment, art, furnishings and personal property located therein (the "El Camino Personal Property").

B. Arcadia Trust as to an undivided 50.00% interest and Bayuk Trust as to an undivided 50.00% interest, as tenants in common, own the residential real property and all buildings and improvements thereon commonly known as 370 Los Olivos, Laguna Beach, CA 92651, more particularly described as:

All that certain real property situated in the County of Orange, State of California, described as follows:

Lot 17 of Tract 870, in the City of Laguna Beach, County of Orange, State of California as per Map recorded in Book 27, Page(s) 30, 31 and 32, of Miscellaneous Maps in the Office of the County Recorder of said County.

Assessor's Parcel Number: **644-032-04**

hereinafter (the "Los Olivos Property"). The Los Olivos Property has a current fair market value of \$2,500,000.00, is subject to mortgages in the total amount of \$1,045,046.00 and has an estimated net current value of \$1,454,954.00. Associated with the Los Olivos Property are all of the furniture, fixtures, appliances, equipment, art, furnishings and personal property located therein (the "Los Olivos Personal Property").

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C. P. Morabito, as to an undivided 2/3 interest and E. Bayuk as to an undivided 1/3 interest, as tenants in common, own the residential real property and all buildings and improvements thereon commonly known as 8355 Panorama Drive, Reno, NV 89511, more particularly described as:

The land referred to herein is situated in the State of Nevada,  
County of Washoe, described as follows:

Beginning at a point on the West line of the NE 1/4 of the SE 1/4 of Section 1, Township 18 North, Range 19 East, M.D.B&M., as shown on record of License Survey for John J. Dieringer, File No. 232365, whence the Northwest corner of said subdivision bears North 0°03'50" East 1200.96 feet in center line of Huffaker Lane; thence South 89°56'10" East 930.00 feet to the Western line of a 50 foot road; thence South 0°03'50" West along said road 25.0 feet; thence South 49°28'50" West 381.8 feet; thence North 89°56'10" West 640.0 feet; thence North 0°03'50" East 273.4 feet to the point of beginning; situate in the E 1/2 of SE 1/4 of said Section 1.

APN: 040-620-09

Document Number 2772474 is provided pursuant to the requirements of Section 1. NRS 111.312

hereinafter the "Panorama Property". The Panorama Property has a current fair market value of \$4,300,000.00, is subject to mortgages in the total amount of \$1,028,864.00 and has an estimated net current value of \$3,271,136.00. Associated with the Panorama Property are all of the furniture, fixtures, appliances, equipment, art, furnishings and personal property located therein (the "Panorama Personal Property").

D. Associated with the Panorama Property are excess water rights (the "Excess Water Rights") owned 70% by P. Morabito and 30% by E. Bayuk, with a current fair market value of \$300,000.00. In addition there is theater equipment not affixed to but located at the Panorama Property (the "Theater Equipment") paid for 100% by E. Bayuk with an estimated current fair market value of \$300,000.00.

E. The Parties desire to enter into this Agreement whereby, among other things, in exchange for the consideration described in this Agreement, the Arcadia Trust will hold a 100% interests in the Panorama Property and the Excess Water Rights and the Bayuk Trust will hold 100.00% interests in the El Camino Property, the Los Olivos Property, the El Camino Personal Property, the Los Olivos Personal Property, the Theater Equipment and the Panorama Personal Property, subject to any and all existing all liens, claims and monetary encumbrances on each such property, all in accordance with the following terms and conditions.

**NOW, THEREFORE**, in consideration of the mutual promises, and subject to the conditions set forth below, the parties now agree as follows:

1. **Exchange of Property Interests and Promissory Note.** At Closing (as defined in Section 2.1 below), Arcadia Trust shall grant to Bayuk Trust its 75.00% interest in the El Camino Property, its 50.00% interest in the Los Olivos Property, confirm that E. Bayuk owns

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100% of the Theater Equipment and transfer possession of same to E. Bayuk, transfer to E. Bayuk its interests in the El Camino Personal Property, the Los Olivos Personal Property and the Panorama Personal Property and allow E. Bayuk to take possession of the Panorama Personal Property.

In exchange, at Closing, E. Bayuk shall grant to Arcadia Trust his 1/3 interest in the Panorama Property, transfer to Arcadia Trust his 30% interest in the Excess Water Rights, take possession of the Theater Equipment, El Camino Personal Property, the Los Olivos Personal Property and the Panorama Personal Property and shall deliver to Arcadia Trust his Promissory Note in the principal amount of \$500,000.00 in a form mutually agreeable to the parties, accruing interest at the rate of four percent (4%) per annum fully amortized over a 30 year terms, payable in equal monthly installments (the "Promissory Note"), secured by a Deed of Trust against the real property commonly known as 1461 Glenneyre, Laguna Beach, CA.

**2. Closing; Escrow Holder.**

**2.1. Escrow Holders; Closing Date.** West Coast Escrow ("CA Escrow Holder") shall be escrow holder with respect to the grant of Arcadia Trusts' interests in the El Camino Property and the Los Olivos to Bayuk Trust. First American Title ("NV Escrow Holder") shall be escrow holder with respect to the grant of E. Bayuk's interest in the Panorama Property to Arcadia Trust and the transfer of interests in the Excess Water Rights and Theater Equipment to the Arcadia Trust.

The Parties shall share all reasonable and customary escrow and title insurance fees in the same proportion of their ownership interests. The exchange of documents contemplated hereby (the "Closing"), shall occur before October 1, 2010, unless otherwise mutually agreed by the parties (the "Closing Date"). Promptly after mutual execution of this Agreement, Buyer and Seller shall open escrows with CA Escrow Holder and NV Escrow Holder, and shall execute such instructions as each escrow holder may reasonably request which are not inconsistent with the provisions of this Agreement. CA Escrow Holder and NV Escrow Holder are each hereby authorized and instructed to conduct escrow in accordance with this Agreement, applicable law and custom and practice of the community in which the escrow holder is located, including any reporting requirements of the Internal Revenue Code.

**2.2. Other Obligations at Closing.** At Closing, the parties shall execute and deliver to one another all documents set forth in this Agreement, and, in addition, such other documents as may be necessary or appropriate to accomplish in a complete and proper manner the transaction contemplated by this Agreement. At Closing and except as elsewhere provided in this Agreement, appropriate proration shall be made for such items for which proration would be appropriate.

**2.3. Other Undertakings At Closing.** Immediately after the Closing the party to whom title is being transferred shall be put into full possession and enjoyment of the property that is subject to the transfer and shall deliver the property and all properties to be conveyed and transferred by this Agreement.

**3. Title Report; Title.** As to the real property interests being transferred hereunder, the transferor of title in each such instance shall pay for and furnish to the transferee a preliminary title report on the property being transferred (the "Report"), together with full legible copies of all exceptions in the Report within three (3) days of opening escrow. The transferee shall have

twenty-four (24) hours after receipt of the Report and said copies of exceptions within which to notify transferor and the applicable Escrow Holder in writing of transferee's reasonable disapproval of any such exceptions. Failure of transferee to disapprove in writing any exceptions within the aforementioned time limit shall be deemed to be an approval of the Report. In the event transferee disapproves any exception(s) in the Report, transferor shall have until two (2) days before the Closing Date to eliminate any disapproved exceptions from the proposed policy of title insurance to be issued in favor of transferee, and if such exceptions are not eliminated then the escrow shall be cancelled, this Agreement shall be null and void, and the deposit returned to transferee unless transferee then elects to waive its prior disapproval. Transferor, at its expense, shall provide marketable title, as evidenced by Escrow Holder's standard policy of title insurance in the amount of the value of its transferred interest in the property, showing title in transferee. Transferor agrees to execute and deliver to transferee at the Closing Date such instruments of transfer, assignment and conveyance as shall be necessary to vest in transferee good and marketable title to the property, subject to all existing mortgages, liens, security interests, pledges, charges and other monetary encumbrances other than as specifically assumed by the transferee as set forth in this Agreement.

Except as otherwise set forth in this Agreement, all existing fixtures, furnishings, equipment and fittings attached to or contained in each respective property shall be transferred to transferee at the Closing Date.

#### **4. Conditions to Closing.**

**A. Transferee's Conditions to Closing.** With respect to each real property subject to transfer herein, the transferee's obligation to close shall be subject to and conditioned on the following conditions precedent in favor of transferee to the reasonable satisfaction of transferee, all of which may be waived or disapproved in writing in whole or in part by transferee, at any time, and from time to time, on or before the Closing. Transferee may waive any or all of these conditions in whole or in part without prior notice; provided however, that no such waiver of a condition constitutes a waiver by transferee of any of its rights or remedies, at law or in equity, if transferor is in default of any of its representations, warranties or covenants under this Agreement. If, within the time frame specified, transferee gives written notice to transferor of its disapproval of any of the contingencies set forth in this Agreement, this Agreement shall be deemed cancelled and terminated with respect to the real property at issue. Escrow Holder shall promptly provide all parties with copies of any written disapproval or conditional approval which it receives.

**4.1 Deeds and Title Insurance on Property.** Transferee's approval of the Report and Escrow Holder issuing Title Insurance on the property at issue in the manner specified in Paragraph 3 hereinabove.

**4.2 Performance by Transferor.** On or before the Closing Date, transferor will have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required of any of them by this Agreement.

**4.3 Other Documents.** The parties having entered into all other mutually acceptable written agreements and other documents reasonably necessary to accomplish the terms, conditions and intents of this Agreement and the form and substance of all certificates, instruments and other documents delivered to transferee under this Agreement being approved in all reasonable respects by Transferee.

**B. Transferor's Conditions to Closing.** Transferor's obligation to close shall be conditioned on the satisfaction of the following conditions precedent in favor of transferor, all of which may be waived or disapproved in writing in whole or in part by transferor, at any time, and from time to time, at or before the Closing Date.

**4.4. Performance by Transferee.** On or before the Closing Date, transferee will have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required of any of them by this Agreement.

**4.5. Other Documents.** The parties having entered into all other mutually acceptable written agreements and other documents reasonably necessary to accomplish the terms, conditions and intents of this Agreement and the form and substance of all certificates, instruments and other documents delivered to transferee under this Agreement being approved in all reasonable respects by transferor.

**5. Indemnities.**

**5.1 Transferor's Indemnities.** As to each of the properties being transferred hereunder, the transferor shall indemnify, defend and hold harmless the transferee from and against any damage, deficiency, loss, or claim resulting from any of transferor's misrepresentations, breaches of warranty, or other or defaults of the terms of this Agreement or any closing document which cause monetary damage to transferee.

**5.2 Transferee's Indemnities.** Transferee shall assume all debts, mortgages, liens, encumbrances, claims, losses, liabilities, suits, demands, damages, costs, tax obligations, employment claims, judgments, interest, fines, penalties and expenses associated with the interest being transferred by transferor and the underlying property (the "Claims") and indemnify, defend and hold harmless transferor from and against any and all such Claims, including reasonable attorneys' fees and expenses, reasonable consultants' fees and expenses, court costs and all other reasonable out-of-pocket expenses and causes of actions of any nature whatsoever relating to transferor's interest in such property which may be asserted against transferor by any third party or against the transferor's interest in such property being transferred; (ii) any damage, deficiency, loss, or claim resulting from any of transferee's misrepresentations, breaches of warranty, or other or defaults of the terms of this Agreement or any closing document which cause monetary damage to transferor.

**5.3 Survival.** The provisions of this Article 5 shall survive termination or consummation of this Agreement.

**6. REPRESENTATIONS AND WARRANTIES OF THE PARTIES.** As a material inducement to one another to enter into this Agreement and to consummate the transactions contemplated hereby, each Party hereto makes the following representations and warranties to each of the other Parties:

**6.1 Authority Relative to this Agreement.** This Agreement and all agreements, instruments of transfer, documents and deeds to be executed in connection with the closing of this transaction, have been or will be, as applicable, duly executed and delivered by the Party and constitute valid and binding obligations of the Party, enforceable against the Party, in accordance with their terms. Each of the Parties has the right, power, legal capacity and authority to enter into and perform its respective obligations under this Agreement, and except as otherwise provided for or disclosed in this Agreement, no approvals or consents of any persons other than

the Party are necessary in connection with it. The execution and delivery of this Agreement by the Party have been duly authorized by all necessary action on the part of Party.

**6.2 Title to Assets and the Property.** Except as otherwise provided for or disclosed in this Agreement, the Party has good and marketable title to the interests being transferred by the Party under this Agreement.

**6.3 Valid and Binding Agreement.** The representations, warranties, and covenants made under this Agreement constitute valid and binding obligations of the Party and are enforceable against the Party.

## **7. ADDITIONAL AGREEMENTS.**

**7.1 Fees and Expenses.** The Parties shall each bear their own expenses for legal and accounting fees, costs and expenses incurred in negotiating and preparing this Agreement, negotiating and preparing all of the other paperwork in connection with this Agreement, and carrying out the transactions contemplated by this Agreement.

**7.2 Further Acts.** The Parties agree to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement and to cooperate with each other in connection with the foregoing.

**7.3 Controlling Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of State of California.

**7.4 Attorneys' Fees and Costs.** If any Party hereto institutes any legal action or proceeding arising out of or related to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and expenses, and all other recoverable costs and damages, including any and all such costs on appeal.

**7.5 Parties in Interest.** This Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their respective successors and permitted assigns and nothing in this Agreement, express or implied, is intended to confer upon any other person any right or remedies of any nature whatsoever under or by reason of this Agreement.

**7.6 Assignment.** This Agreement (including the other documents and instruments referred to herein) may not be assigned without the written consent of each other party hereto, which consent may be withheld in each of the Parties sole discretion.

**7.7 Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the Parties reflected hereon as the signatories.

**7.8 Provisions Separable.** The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

7.9 **Integration.** This Agreement contains the entire understanding among the Parties hereto with respect to the subject matter hereof, and except as herein contained supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written. This Agreement may not be modified or amended other than by an agreement in writing signed by each of the Parties named on the first page of this Agreement.

7.10 **Construction of Agreement.** This Agreement has been prepared, and negotiations in connection with it have been conducted, by the joint efforts of each of the Parties. This Agreement is to be construed simply and fairly, and not strictly for or against any of the Parties.

7.11 **Time is of Essence.** Time is of the essence of this Agreement, all documents and all transactions contemplated herein.

7.12 **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received only when (1) delivered (personally, by courier service such as Federal Express, or by other messenger); (2) if transmitted by facsimile transmission, then on the date of transmission as confirmed by the facsimile equipment the recipient location; provided that if transmission is after 5:00 p.m. on any day, then notice shall not be deemed given until the following business day; or (3) or the date mailed, when deposited in the United States mails, certified mail, postage prepaid, return receipt requested, addressed as set forth below:

TO: **P. Morabito and Arcadia Trust:**

9255 Doheny Road, Apartment 2906  
Los Angeles, California 90069  
e-fax: (480) 222-1062

TO: **E. Bayuk and Bayuk Trust:**

668 North Pacific Coast Highway, Suite 517  
Laguna Beach, California 92651  
e-fax: (480) 222-1063

Notice by mail shall be by airmail if posted outside of the continental United States. Any Party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section for the giving of notice.

## 8. **TERMINATION, AMENDMENT AND WAIVER.**

8.1 **Termination.** In addition to the termination provisions set forth herein, this Agreement may be terminated and the transactions contemplated hereby may be abandoned:

8.1.1 By mutual written consent of all of the Parties, or in accordance with Section 8; or

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8.1.2 By any of the Parties if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or shall have taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable; or

IN WITNESS WHEREOF, each of the Parties have executed this Agreement as of the date so indicated

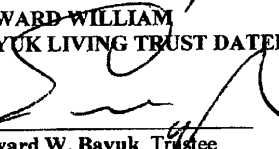
  
\_\_\_\_\_  
Paul A. Morabito  
Dated: September 28<sup>th</sup>, 2010

ARCADIA LIVING TRUST DATED 2/14/2006

By:   
\_\_\_\_\_  
Paul A. Morabito, Trustee  
Dated: September 28<sup>th</sup>, 2010

  
\_\_\_\_\_  
Edward W. Bayuk  
Dated: September 28<sup>th</sup>, 2010

EDWARD WILLIAM  
BAYUK LIVING TRUST DATED 6/18/2008

By:   
\_\_\_\_\_  
Edward W. Bayuk, Trustee  
Dated: September 28<sup>th</sup>, 2010

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# Exhibit 18

## FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

This **FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this "**Amendment**"), is made and entered into effective as of September 28, 2010 (the "**Effective Date**"), between and among **PAUL A. MORABITO** ("**P. Morabito**") individually and in his capacity as **TRUSTEE OF THE ARCADIA LIVING TRUST** ("**Arcadia Trust**") on the one hand, and **EDWARD WILLIAM BAYUK** ("**E. Bayuk**") individually and in his capacity as **TRUSTEE OF THE EDWARD WILLIAM BAYUK LIVING TRUST DATED 6/18/2008**, ("**Bayuk Trust**") (collectively "**Bayuk**") on the other hand. Each of those parties is sometimes referred to herein as a "**Party**" and collectively as the "**Parties**" to this Agreement.

### RECITALS

A. The Parties are parties to that certain Purchase and Sale Agreement Residential dated September 27, 2010 (collectively the "**Agreement**").

B. The Parties now desire to amend the Agreement, to among other things, correct the name of Arcadia Living Trust, correct the trustee's name of the Edward William Bayuk Trust dated 6/18/2008 to be Edward William Bayuk and otherwise revise the terms of the contemplated transactions as set forth in this Amendment. Capitalized terms used herein and not herein defined shall have the meanings given to such terms in the Agreement.

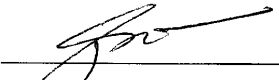
NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby specifically acknowledged, the Parties agree to the following:

1. **Correctly Identifying Arcadia Living Trust and Trustee of the Edward William Bayuk Trust dated 6/18/2008.** In the introduction and elsewhere where applicable in the Agreement, the term and Party "**ARCADIA LIVING TRUST DATED 2/14/2006**" is hereby changed to correctly reflect the Party's actual name "**ARCADIA LIVING TRUST**" and the trustee of the Edward William Bayuk Trust dated 6/18/2008 is hereby changed to correctly identify the name of the Trustee as "Edward William Bayuk. As such it is understood and agreed that the Capitalized Term "Arcadia Trust" throughout the Agreement refers to Arcadia Living Trust and the Capitalized Term "E. Bayuk" throughout the Agreement refers to Edward William Bayuk.
2. **Correcting Values of Properties and Interests.** MAI appraisals were conducted and the Parties hereby replace the fair market values and current values of the following properties stated in the Recitals as follows to more accurately reflect the values established by the appraisals:
  - 2.1 The El Camino Property has a current fair market value of \$1,950,000.00 and a current net value of \$1,078,641.00; and

2.2 The Los Olivos Property has a current fair market value of \$1,900,000.00 and a current net value of \$894,954.00.


3. **Deletion of Promissory Note** In recognition of the now current fair market values and current net values of the El Camino Property and the Los Olivos Property established by MAI appraisals, the Parties hereby agree that in lieu of delivering his Promissory Note secured by a Deed of Trust against the real property commonly known as 1461 Glenneyre at Closing, E. Bayuk shall instead make payment in the sum of \$60,117.00 to Arcadia Trust at Closing.
4. **Miscellaneous**. This Amendment amends the Agreement. Except as amended by this Amendment the Agreement shall otherwise remain in full force and effect. In the event of a conflict between this Amendment and the Agreement, this Amendment shall take precedence and control. A signature on this Amendment sent via e-mail or facsimile shall be deemed an original signature for the purposes of enforcement. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Amendment shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date indicated.

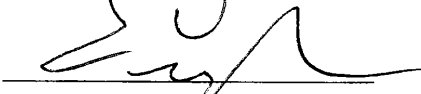
  
\_\_\_\_\_  
Paul A. Morabito

Dated: 9/29, 2010

ARCADIA LIVING TRUST

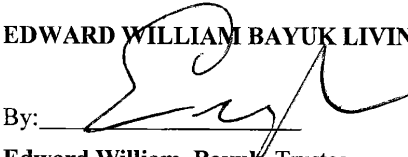
By:   
\_\_\_\_\_  
Paul A. Morabito, Trustee

Dated: 9/29, 2010

  
\_\_\_\_\_  
Edward William Bayuk

Dated: 09/29, 2010

EDWARD WILLIAM BAYUK LIVING TRUST DATED 6/18/2008

By:   
\_\_\_\_\_  
Edward William Bayuk, Trustee

Dated: 09/29, 2010

# Exhibit 19

An Appraisal of



Appraised for  
**PAUL MORABITO**

Legal Owners  
**ARCADIA LIVING TRUST**

**Market Value Indicated to Subject Property**  
**as of December 7, 2011 is:**  
**\$4,000,000**  
**(Four Million Dollars)**

**Alves Appraisal Associates**  
**320 Wonder Street**  
**Reno, NV 89502**

**Phone: 775-329-8487**

MORABITO (341).007063

December 29, 2011

Paul Morabito  
59 Damonte Ranch Parkway, Suite B  
Reno, NV 89521

Re: Legal Owners: Arcadia Living Trust  
Property Type: Luxury Single Family Residence  
Address: 8355 Panorama Drive, Reno, Nevada

Dear Mr. Morabito:

This is in answer to your request for an appraisal report providing a market value estimate of the real property located at 8355 Panorama Drive, Reno, Washoe County, Nevada. The subject property is located on the west side of Panorama Drive, approximately ¼ mile south of Huffaker Lane. It is legally described as a portion of the East ½ of the Southeast ¼ of Section 1, T18N, R19E. It is further described as Washoe County Assessor's Parcel Number 042-620-09.

It is recognized that I last appraised this property as of September 10, 2010. This Appraisal Report complies with the reporting requirements set for under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it presents limited discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraisers' files. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated herein. The appraiser is not responsible for unauthorized use of this report.

It has been indicated to the appraisers that the purpose of this appraisal is to estimate current, "as-is" market value of the subject for internal decision making purposes. This valuation assumes Fee Simple ownership of the subject property, *without regard to encumbrances or liens* on the property, if any.

### **HAZARDOUS OR TOXIC MATERIALS**

No responsibility is taken by the appraisers for the possibility of hazardous or toxic materials that may or may not be present on the subject property. No surveys have been provided the appraisers that would indicate the presence of items that might have caused or resulted in, ground or air pollution. The value expressed in this appraisal report could be affected by cost-to-cure any existing pollution.

### **MARKET VALUE DEFINITION**

Market Value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each is acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is term of cash in U. S. dollars or in terms of financial arrangements comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the transaction.

### **HIGHEST AND BEST USE ANALYSIS**

A determination of highest and best use for the subject site as if a vacant, unimproved property ready for development was carried out. This analysis is based on market study of the subject neighborhood and surrounding area. This analysis takes into account applicable laws/regulations governing the development of the subject sites as if vacant, physical characteristics, and economic feasibility as reflected in the subject market. It was this appraiser's determination that the subject site is suitable for single family residential development. The subject's highest and best use as developed is considered to be its current single family residential development.



**DESCRIPTION OF SUBJECT PROPERTY**

**Site:** The subject parcel is a slightly irregularly shaped parcel containing 5.0± acre of land. It is located on the west side of Panorama Drive, approximately ¼ mile south of Huffaker Lane.

**Zoning:** The subject parcel is zoned HDR (High Density Rural). This Regulatory Zone is intended to preserve and create areas of single-family, detached dwellings in a semi-rural setting. Livestock grazing and agricultural activities are common secondary uses. The maximum number of dwelling units that may be located in this regulatory zone is 1 unit per 2.5 acres. The minimum lot area in this regulatory zone is 2 acres. The subject's current usage as a single family residential development on 5 acres is allowed under its existing zoning status.

**Utilities:** Public utilities, including telephone, water, sewer, gas and electric, are available and installed to the subject.

**Current Property Taxes:**

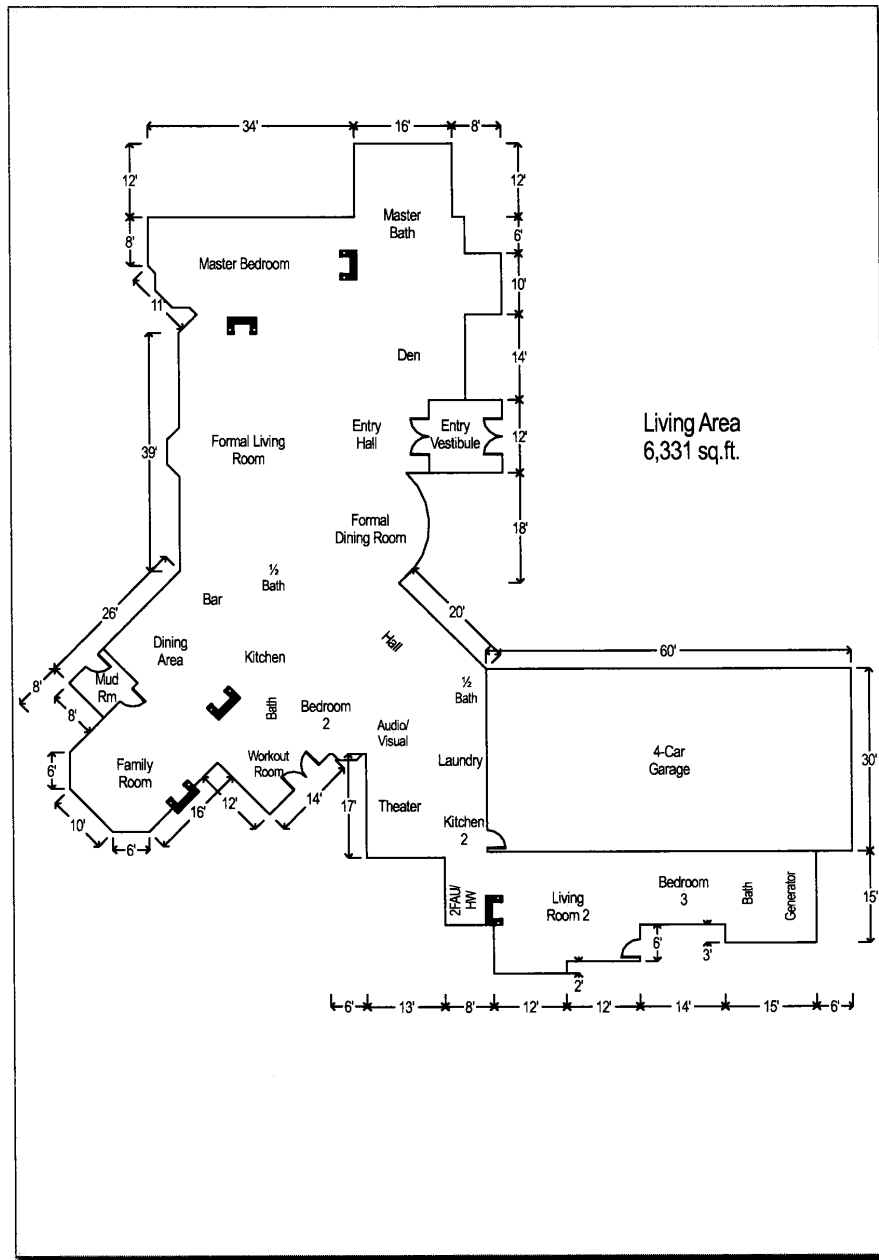
	Assessed Values			
APN	Land	Improvements	Total	11/12 Taxes
040-620-09	\$157,500	\$248,216	\$405,716	\$12,879.08

Assessed values represent 35% of Washoe County Assessor's Office appraised value.

**Sale/Listing History:** The subject property transferred on November 10, 2005 for \$2,650,000. It has not been listed for sale since that purchase. It's most recent transfer was a non-arms-length transfer from Paul Morabito, et al to Arcadia Living Trust (Paul Morabito, Trustee) on December 1, 2010.

**Projected Exposure and Marketing Time:** Through an analysis of custom luxury residential properties in the Reno/Sparks area, it is estimated that the subject's marketing time is 12-24 months.

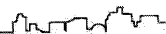
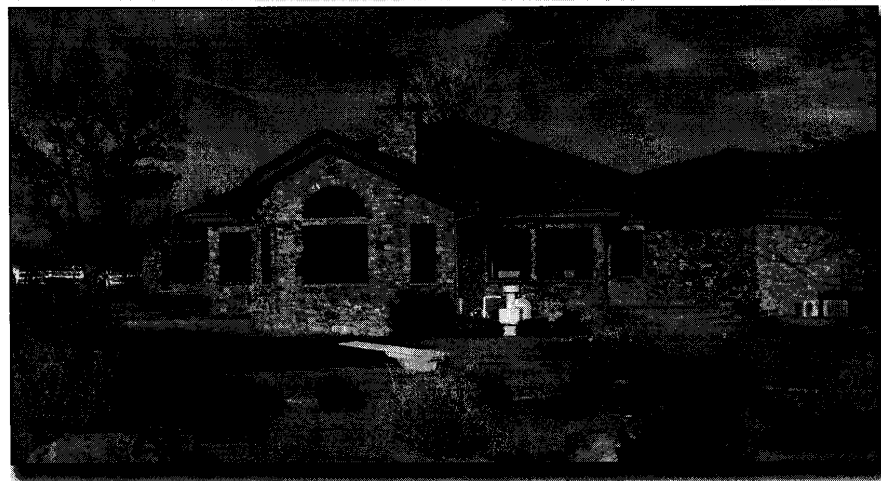
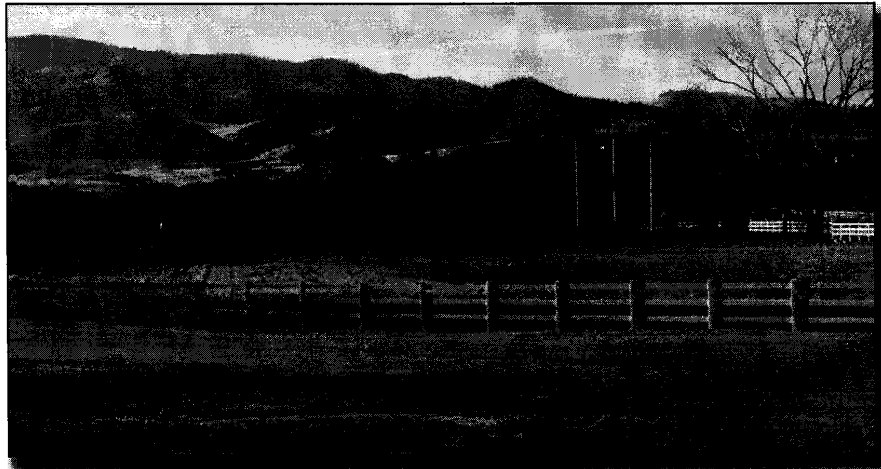
**SUBJECT FLOOR PLAN SKETCH**



**DESCRIPTION OF SUBJECT PROPERTY**

**Exterior :**

- ❖ Stone Exterior
- ❖ Concrete Tile Roof
- ❖ Wood Clad Dual Pane Windows
- ❖ Extensive Concrete Driveway
- ❖ Security Gate
- ❖ Extensive Landscaping surrounding house
- ❖ Stamped Concrete Patio
- ❖ In-ground Pool
- ❖ Barn w/ Guest Quarters Above
- ❖ Pasture w/ Water Rights

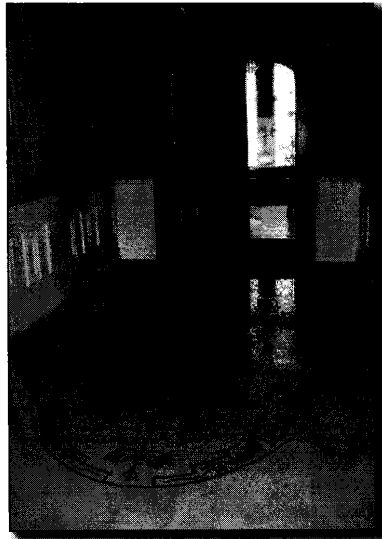


**DESCRIPTION OF SUBJECT PROPERTY (Continued)**

**Interior:**

**Entry**

- ❖ Entry Vestibule
- ❖ Stone Walls
- ❖ Custom Arched Doors
- ❖ Granite Tile Flooring
- ❖ Custom Mosaic Granite Tile Inlays
- ❖ Chandelier in Oval Coffered Ceiling



**Living Room**

- ❖ High Quality Carpet
- ❖ Gas Fireplace w/ Granite Surround
- ❖ Extensive Wood Built-ins
- ❖ Bay Window

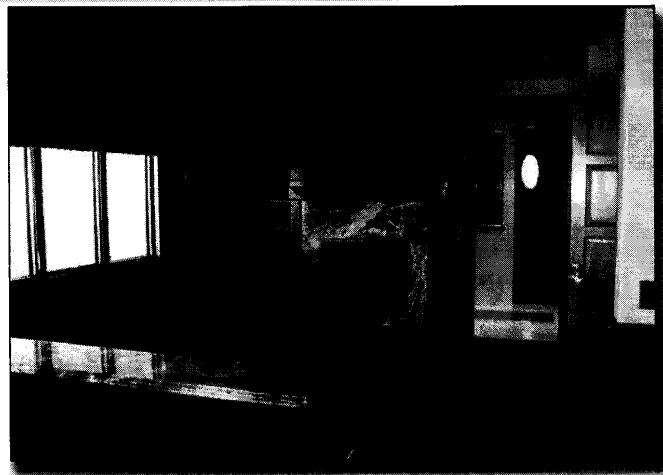


**DESCRIPTION OF SUBJECT PROPERTY (Continued)**

**Interior:**

**Master Bedroom**

- ❖ High Quality Carpet
- ❖ Gas Fireplace w/ Blue Granite Surround
- ❖ Built-in Bench surrounding Fireplace
- ❖ Wood Wainscot
- ❖ Coffered Wood Ceiling
- ❖ Den w/ Built-in Desk and Extensive Wood Shelving



**DESCRIPTION OF SUBJECT PROPERTY (Continued)**

**Interior:**

**Master Bath**

- ❖ White Marble Flooring w/ Custom Blue Granite Tile Moasics
- ❖ Blue Granite Counters
- ❖ Custom Wood Cabinetry
- ❖ Two Sinks
- ❖ Oversized Jetted Tub
- ❖ Steam Shower w/Multiple Shower Heads
- ❖ Two Walk-in Closets w/Extensive Shelving



**Dining Room**

- ❖ Oval Dining Room
- ❖ Built-in Curio Cabinets
- ❖ Painted Wood Wainscot
- ❖ Fabric Wall Treatment

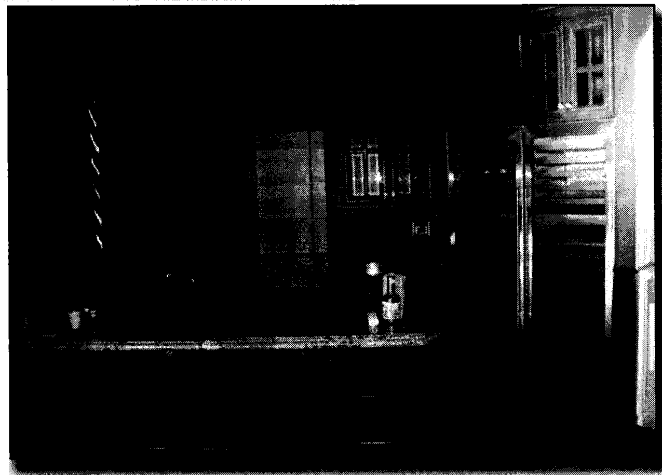


**DESCRIPTION OF SUBJECT PROPERTY (Continued)**

**Interior:**

**Kitchen**

- ❖ Appliances: Sub-Zero® refrigerator/freezer, Dacor® microwave oven, Gaggenau® convection oven, warming drawer, Wolf® commercial grade range, 2 Fisher & Paykel® double drawer dishwashers
- ❖ Double drop-in sink
- ❖ Large Center Island
- ❖ Breakfast Nook
- ❖ Custom wood cabinets
- ❖ Granite slab countertops backsplash
- ❖ Coffered Wood Ceiling
- ❖ Dining Area
- ❖ Full Wet Bar with Wine refrigerators and Granite Slab Counter

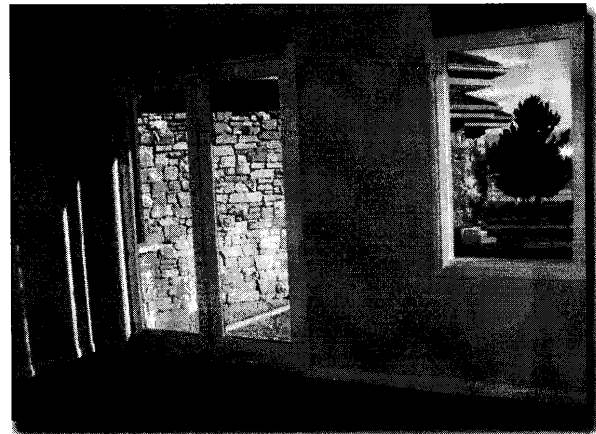
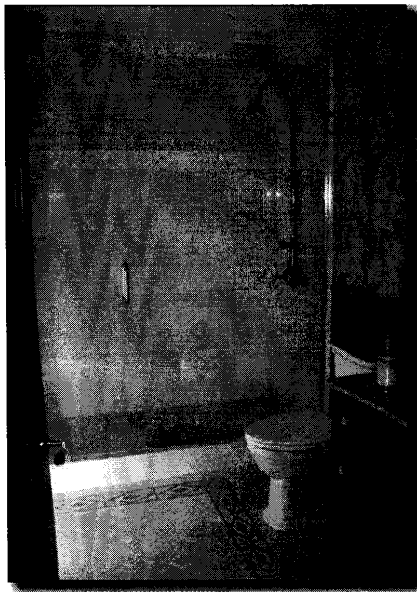


**DESCRIPTION OF SUBJECT PROPERTY (Continued)**

**Interior:**

**Bedroom 2/Bath 2**

- ❖ High Quality Carpet and Wallpaper
- ❖ Crown Molding
- ❖ Exercise Room
- ❖ Granite Tile Flooring w/Mosaic Pattern
- ❖ Granite Wainscot



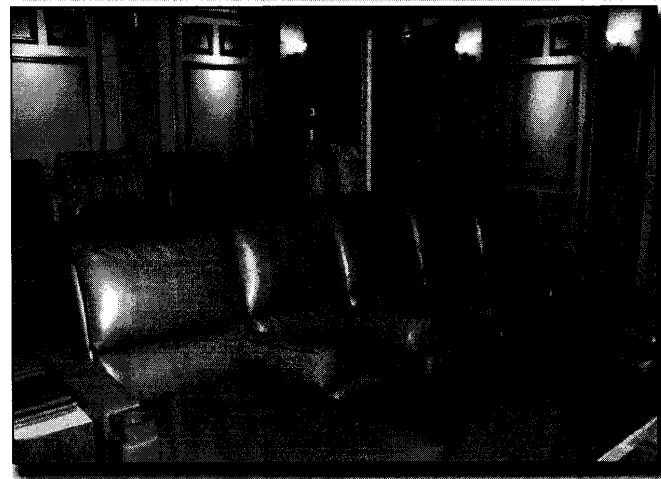


**DESCRIPTION OF SUBJECT PROPERTY (Continued)**

**Interior:**

**Home Theater**

- ❖ High End Leather Theater Seating for 10
- ❖ High Quality Carpeting
- ❖ Sound-proofed
- ❖ High Quality Picture and Sound
- ❖ Crown Molding
- ❖ Raised Panel Molding

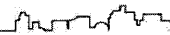
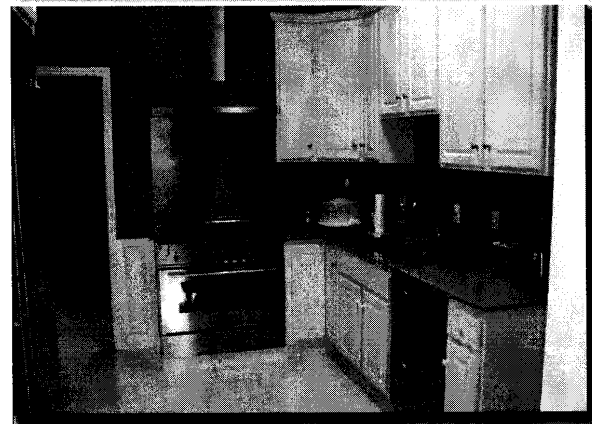
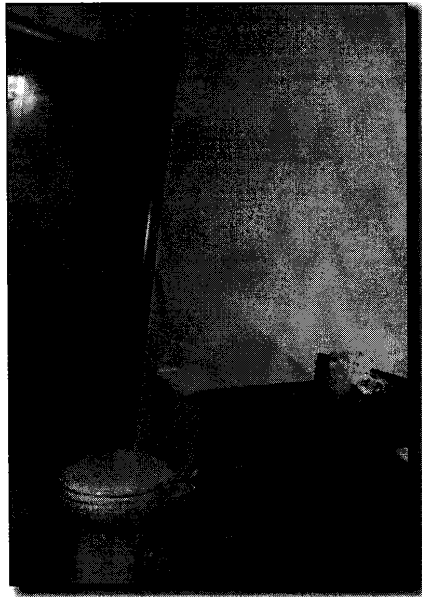
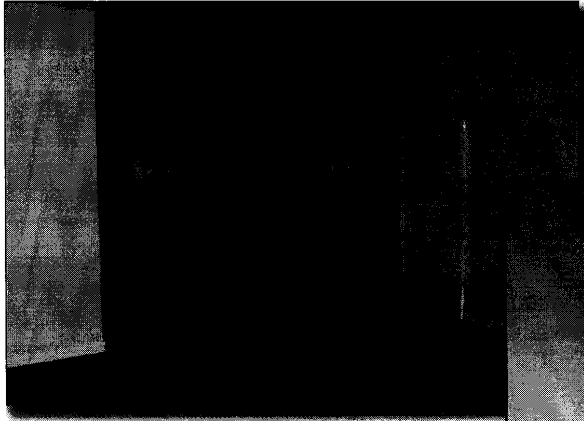


**DESCRIPTION OF SUBJECT PROPERTY (Continued)**

**Interior:**

**Rear Living Quarters**

- ❖ Living Room w/ Fireplace and Hard-wood Flooring
- ❖ Bedroom
- ❖ Bath w/ Terrazzo Tile Floors, Shower Surround and Granite Slab Counter
- ❖ Kitchen w/ Commercial Range, Fisher & Paykel® double drawer dishwasher, commercial refrigerator/freezer

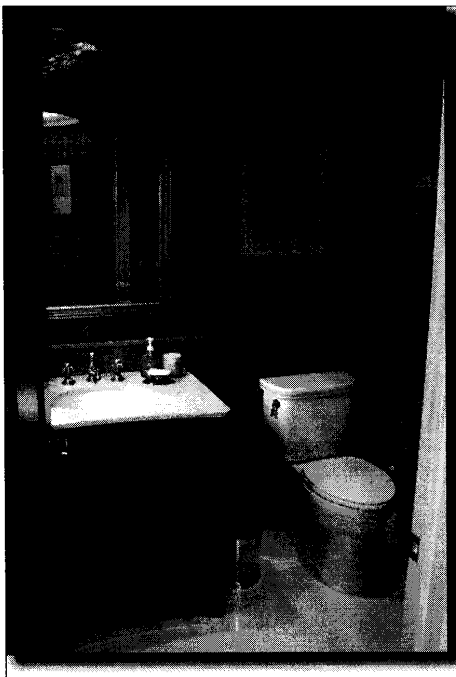
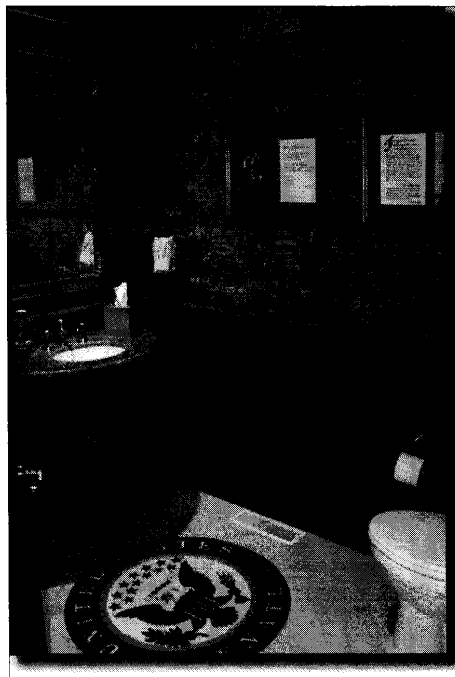


**DESCRIPTION OF SUBJECT PROPERTY (Continued)**

**Interior:**

**Two Half-Baths**

- ❖ Granite Flooring/Wainscot and Furniture Quality Vanities
- ❖ High Quality Wallpaper



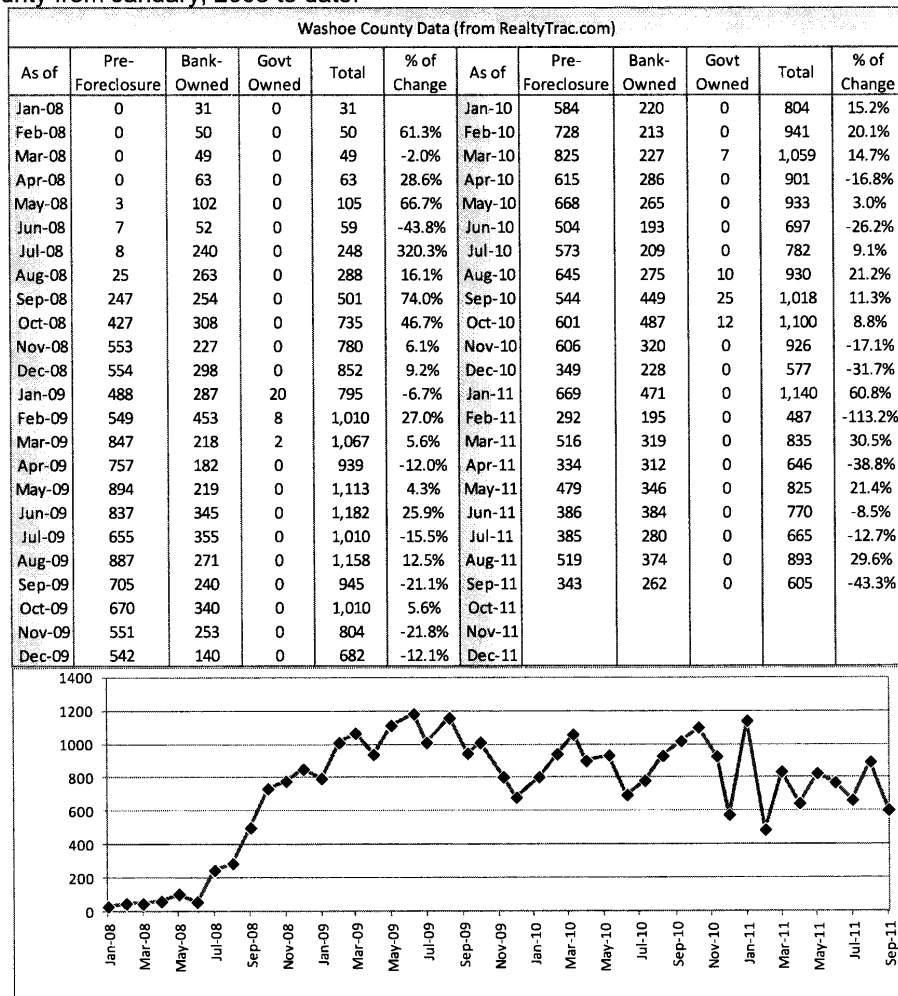
**Other Features**

- ❖ High Quality Lighting Fixtures Throughout
- ❖ Barrel Vaulted Ceiling in Hallway
- ❖ Wine Refrigerators, Refrigerator, and Sink in Granite Slab Countertop in Hallway
- ❖ 5 Fireplaces
- ❖ Oversized 4 Car Garage
- ❖ Large Laundry Room w/Granite Tile Floor and Countertop
- ❖ Whole-House Backup Generator
- ❖ Alarm System

### **CURRENT MARKET CONDITIONS**

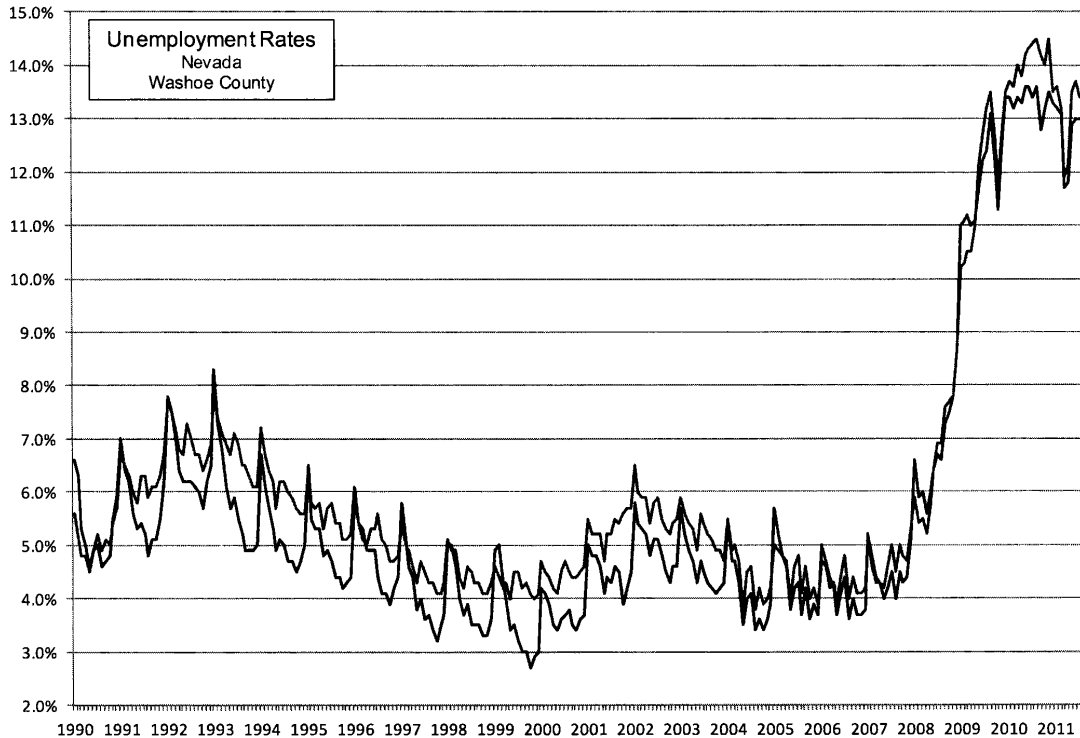
It must be noted that real property values increased substantially in the 2003 to 2007 time frame in the largest real estate boom in history for the US. This "bubble" has since collapsed with property values declining drastically since mid-2007 with foreclosures at an all time high, uninsured loan defaults, and high residential/commercial vacancy.

RealtyTrac.com monitors foreclosure activity in throughout United States. A recent report by RealtyTrac shows Florida, Nevada, and California to have the highest rates of foreclosure in the nation. The following illustrates the trend of foreclosures in Washoe County from January, 2008 to date:



**CURRENT MARKET CONDITIONS (Continued)**

In December, 2010, Nevada's unemployment rate hit an all-time high of 14.5% (since figures started being kept in 1976). It has dropped slightly and has remained around 13.5% since then. The highest unemployment rate in the state prior to that was in December, 1982 at 10.7%. Washoe County has unemployment figures similar to the overall State of Nevada at 13.0% in August, 2011 (the most recent data available).



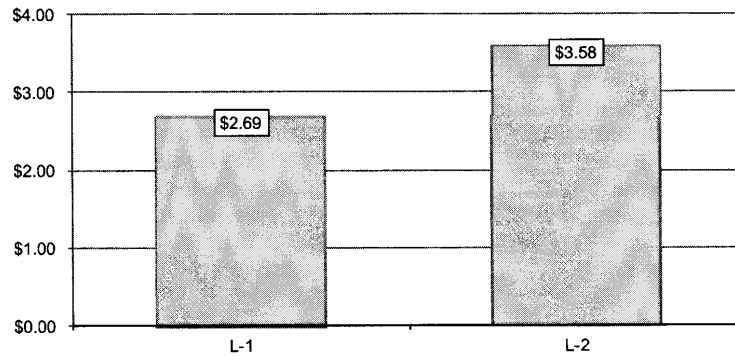
The ongoing national housing crisis and national economic recession has brought a great deal of uncertainty in the local real estate market. This has brought a slowdown in new commercial and residential development and resales of existing properties throughout the Reno/Sparks area and showing decreasing values from the market peak.

These factors are taken into account in the valuation process of this appraisal assignment.

### **COST APPROACH**

Recent sales of land transactions were utilized to reach an indication of subject site value under highest and best use considerations. In the Cost Approach, the subject site is valued as vacant, unimproved land. Reference is made to the following sales chart:

Comparable Land Sales						
Sale Number	Address	A.P.N.	Sale Date	Sale Price	Land Size (ac)	\$/SF
L-1	3250 Kinney Lane	040-930-14	Nov-11	\$350,000	2.99	<b>\$2.69</b>
L-2	8771 Lakeside Drive	041-130-54	Jul-11	\$393,500	2.52	<b>\$3.58</b>
Subject	8355 Panorama Drive	040-620-09			5.00	



Analysis of the available single family residential sales provided a value estimate of \$3.00/square foot, or \$650,000 for the subject site's 5.0± acre, as if vacant land.

The Cost Approach involved reference to Marshall and Swift, a national cost accounting service as reconciled to local contractor's cost data. Depreciation and all forms of obsolescence were estimated through observation of the building and reference to national and local age-life chart data.

**COST APPROACH (Continued)**

The following cost breakdown illustrates the cost of the subject residence and site improvements:

8355 Panorama Drive, Reno, NV COST BREAKDOWN			
Legal Owners:	Paul Morabito and Edward Bayuk		
Address:	8355 Panorama Drive, Reno, NV		
Date of Survey:	December 7, 2011		
DESCRIPTION			
Occupancy:	Luxury Single Family Residence Heating/Cooling:		Central Heat/AC
Floor Area:	6,331± sq.ft.	Stories:	One
Class:	Wood Frame	Story Height:	9'
Cost Rank:	High Value 4	Effective Age:	New
Exterior Wall:	Stone Veneer	Condition:	Excellent
	Units	Cost	Total
BASIC IMPROVEMENT COSTS (as if complete)			
Single Family Residence w/Garage	6,331	\$444.23	\$2,812,420
Attached Garage	1,800	\$53.31	\$95,958
Concrete Flatwork	7,840	\$12.16	\$95,334
Asphalt Paving	19,000	\$6.81	\$129,390
Swimming Pool	572	\$122.02	\$69,795
Barn w/In-Law Quarters	2,400	\$32.25	\$77,400
Landscaping			\$150,000
TOTAL IMPROVEMENT COST			\$3,430,298
INDICATED LAND VALUE			\$650,000
VALUE INDICATED BY COST APPROACH (Rounded)			\$4,080,000

**Value Indicated to Subject Property  
by Cost Approach**

**\$4,080,000**

### **SALES COMPARISON APPROACH TO VALUE**

The Sales Comparison Approach to value includes direct sales comparison which utilizes recently occurring transactions of improved properties considered comparable in varying degrees in regards to size, type, quality, location, etc. for direct comparison to the subject.

<b>Comparable Luxury Home Sales</b>								
Sale No.	Address	Land (Acres)	Quality	Year Built	Sale Date	Sale Price	Bldg Sq.Ft	\$ Paid/ Sq.Ft.
I-1	7000 Franktown Road	113.40	Vgood	1923	Jan-11	\$2,500,000	6,672	\$375
I-2	130 Keaton Court	1.24	HV-3	2007	Mar-11	\$2,040,000	5,400	\$378
I-3	2635 Spinnaker Drive	0.34	EXC	2003	Aug-11	\$1,675,000	4,396	\$381
I-4	155 Juniper Hill Road	2.84	EXC	1969	Jul-11	\$1,850,000	4,519	\$409
I-5	2860 Lake Ridge Shores	0.39	HV-1	2006	Mar-11	\$1,725,000	3,646	\$473
I-6	6505 Bonde Lane	2.50	HV-3	1972	Jun-11	\$1,600,000	2,477	\$646
<b>Comparable Luxury Home Listings</b>								
IL-1	6593 Champetre Ct	0.40	HV-3	2005	Listing	\$1,695,000	2,883	\$588
IL-2	1 Mill Station Ranch Rd	14.03	Vgood	1986	Listing	\$1,750,000	3,608	\$485
IL-3	1760 Manzanita Lane	0.46	HV-1	1985	Listing	\$1,800,000	4,257	\$423
IL-4	6625 Timberline Court	1.56	HV-3	2001	Listing	\$1,850,000	3,815	\$485
IL-5	3701 Fairview Road	2.18	Vgood	1970	Listing	\$1,999,000	3,687	\$542
IL-6	480 Anitra Drive	6.58	HV-1	2005	Listing	\$2,150,000	3,879	\$554
IL-7	65 Waterbuck Wy	3.35	EXC	2001	Listing	\$2,245,000	4,063	\$553
IL-8	115 W. Jeffrey Pine Rd	8.42	HV-2	2005	Listing	\$2,495,000	5,504	\$453
IL-9	6105 Lake Geneva Drive	0.63	HV-3	2000	Listing	\$2,495,000	5,094	\$490
IL-10	4220 Christy Way	1.10	HV-3	2003	Listing	\$2,500,000	4,996	\$500
IL-11	6404 Masters Drive	1.33	HV-4	2005	Listing	\$2,655,000	5,670	\$468
IL-12	1950 Meadowview Lane	1.90	HV-2	1941	Listing	\$2,800,000	5,410	\$518
IL-13	2595 Spinnaker Drive	0.44	HV-6	2004	Listing	\$2,900,000	5,374	\$540
IL-14	90 Hawken Road	1.58	HV-5	2004	Listing	\$3,495,000	7,363	\$475
IL-15	885 Hill Lane	1.01	HV-4	2004	Listing	\$3,700,000	5,626	\$658
Subject	8355 Panorama Drive	5.00	HV-4	2002			6,331	



**SALES COMPARISON APPROACH TO VALUE (Continued)**

The Sales Comparison Approach to Value indicated a value falling in the high end of the sales range at \$625/square foot range as being applicable to the subject property's 6,331± square feet, or \$4,000,000.

**Value Indicated to Subject Property  
by Sales Comparison Approach**

**\$4,000,000**

**Market Value Estimate Conclusion:**

A sales search and visual survey of the property and neighborhood containing the subject property was made on December 7, 2011. All comparable sales have been inspected and verified with sources considered to be reliable.

Based on this market value study, it is indicated to the appraisers that the subject property containing a 6,331± square foot luxury single family residence, as of the date of inspection, December 7, 2011, has a;

**"As-Is" Market Value Indicated to Subject Property  
as of December 7, 2011 is:**  
**\$4,000,000**  
**(Four Million Dollars)**

We sincerely hope that this report proves to be of value to you. This value estimate is subject to the attached Certifications of Appraiser, and Assumptions and Qualifying Conditions. It has been a pleasure to serve you in this assignment.

Sincerely,

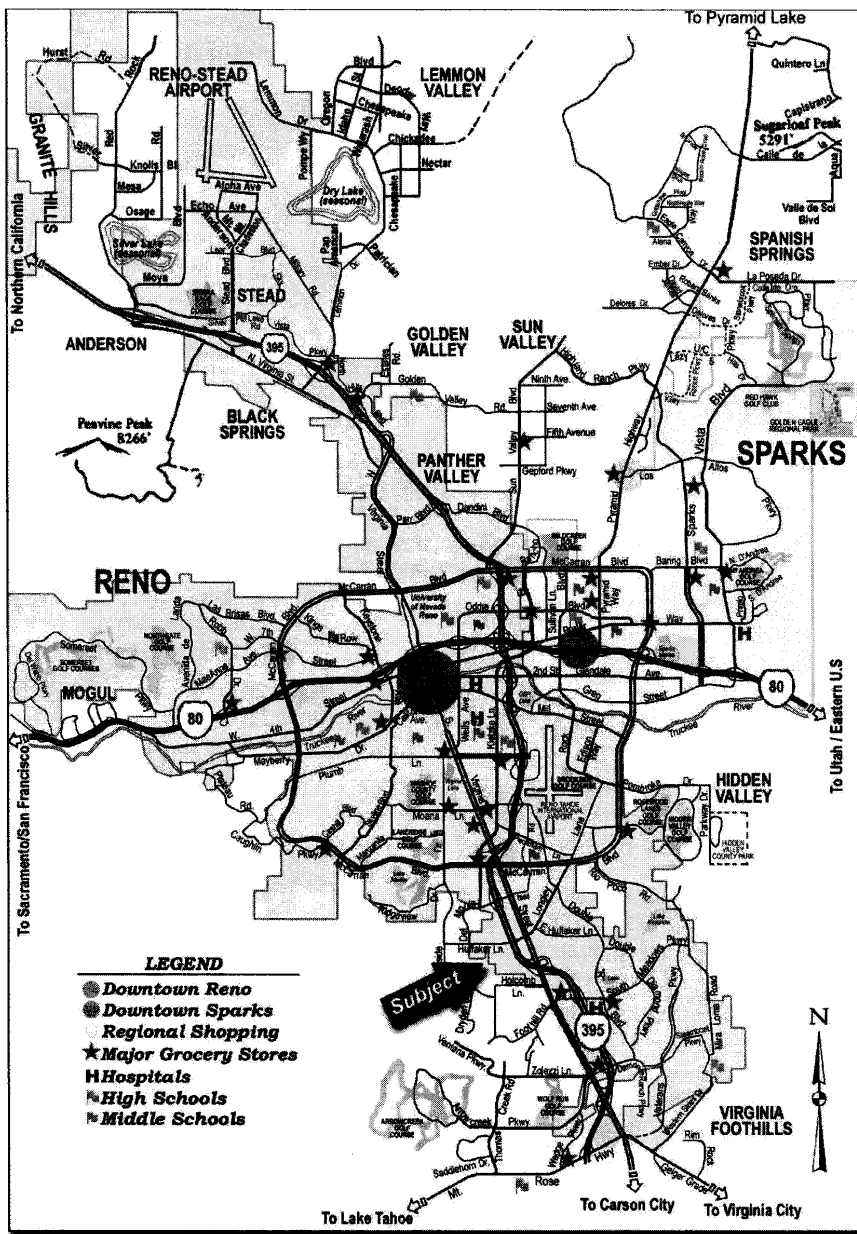


Paul M. Alves, MAI, SRA  
Nevada Certified General Appraiser  
License #A.0000008-CG

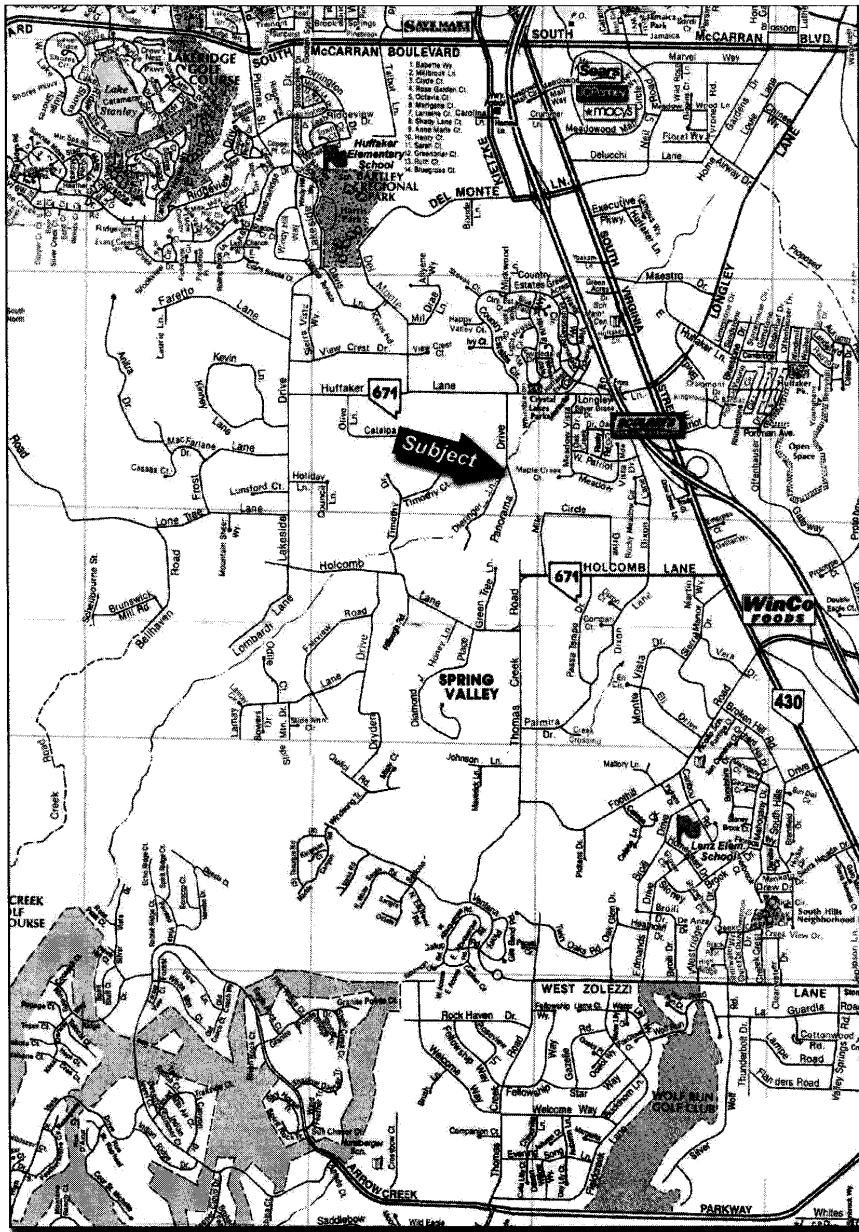


Darryl A. Noble  
State Certified General Appraiser  
License #A.0002145-CG

**SUBJECT AREA MAP**



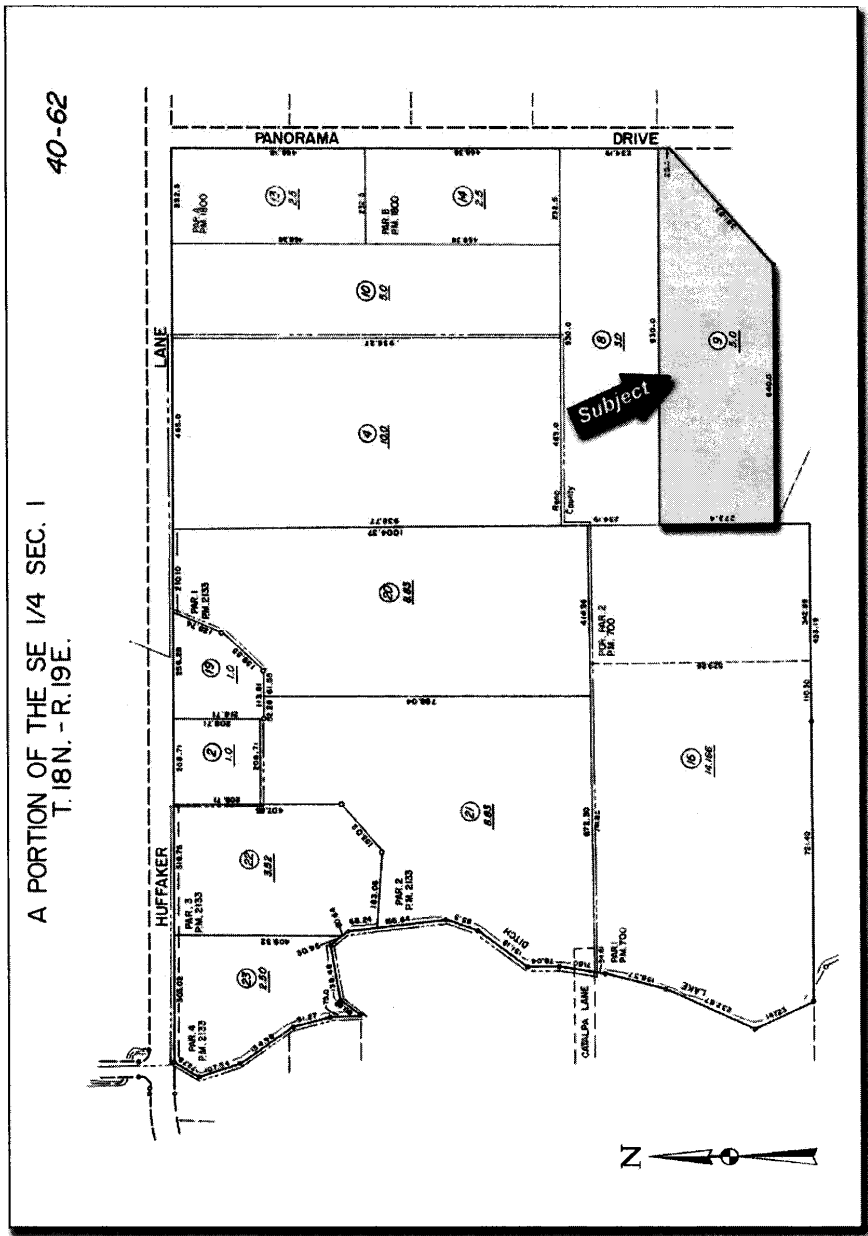
**SUBJECT NEIGHBORHOOD MAP**



**SUBJECT SATELLITE VIEW**




**SUBJECT PLOT PLAN**



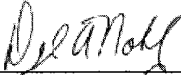
### **CERTIFICATION OF APPRAISER**

I/we certify that, to the best of my/our knowledge:

- The facts and data reported by the appraiser(s) and used in the appraisal process are true and correct.
- The analyses, opinions, and conclusions in this appraisal report are limited only to the assumptions and limiting conditions stated in the appraisal report and are my/our person, impartial, and unbiased professional analyses, opinions, and conclusions.
- I/we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I/we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My/our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My/our compensation for completing this assignment is not contingent up the development or reporting of a predetermined value or direction in value that factors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- My/our analyses, opinions, and conclusions were developed and this appraisal report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I/we personally inspected the property, which is the subject of this appraisal.
- This appraisal has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of The Appraisal Institute relating to appraisals by its duly authorized representatives.
- As of the date of this appraisal, Paul M. Alves, MAI, SRA has completed the requirements of the continuing education program of the Appraisal Institute.

Appraiser   
Paul M. Alves, MAI, SRA  
Nevada State Certified General Appraiser  
Certificate # A.0000008-CG

Date January 17, 2012

Appraiser   
Darryl A. Noble  
Nevada State Certified General Appraiser  
Certificate # A.0002145-CG

Date January 17, 2012

Appendix Page 1

Alves Appraisal Associates  
www.alvesappraisal.com

Phone: 775-329-8487

320 Wonder Street

  
Fax: 775-329-8489

Reno, NV 89502  
info@alvesappraisal.com

MORABITO (341).007087

### ASSUMPTIONS AND QUALIFYING CONDITIONS

The estimate of value contained herein is based upon and subject to the following assumptions and qualifying conditions to which the addressee shall be deemed to consent by acceptance hereof:

It is assumed that merchantable fee simple title, free of encumbrance, is vested in the owner of record. It is recognized that a potential purchaser would likely consider the effect of value through consideration of maximum conventional financing available for the property type as of the date of value.

It is assumed that the property is subject to lawful, competent and informed ownership and management.

It is assumed that information supplied appraiser(s) as to parcels of real estate is correct and complete, including the legal description as it appears in this report. The appraiser(s) assumes no responsibility for matters of legal nature affecting the property or title thereto. No attempt has been made to render an opinion or status of easements that may exist.

It is understood that exhibits included in this report are solely for the purpose of assisting the reader to visualize or understand its content and are not intended to be exact in scale or detail. It is understood that no survey has been made unless a specific statement to the contrary appears in this report. It is assumed that no encroachments exist.

It is understood that material contained herein, which is stated to be or is obviously furnished by others (including projections of income and expenses) is believed to be reliable but has not been verified except as specifically stated. Such information is believed to be true and correct, however, no responsibility for accuracy can be assumed by the appraiser.

The appraiser(s) will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question unless arrangements have been previously made therefore. If testimony or a deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges, regardless of the issuing party.


The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are

Appendix Page 2

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MORABITO (341).007088

### ASSUMPTIONS AND QUALIFYING CONDITIONS (Continued)

invalid if used. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable.

Appraiser(s) assumes no responsibility for such conditions or for engineering, which might be required to discover such factors. The appraiser(s) assumes the mechanical equipment to be in good working order unless expressed otherwise. If the appraiser(s) has not been supplied with termite inspection report, survey or occupancy permit, no responsibility is assumed and no representation is made for costs associated with obtaining it or for any deficiencies discovered before or after they are obtained.

All values shown in the appraisal report are based on analysis as of the date of valuation of the appraisal. Any cost figures utilized are applicable only as of the date of valuation of the appraisal report. This appraisal is an estimate of value based on analysis of information known to us at the time of appraisal report. If new information of significance becomes known, the value given in this report is subject to change without notice. The appraisal report and the value estimates set forth therein are subject to change if either the physical or the legal entity is different from what is set out in report.

The appraiser(s) reserves the right to alter statements, analyses, conclusions, or any value estimates in the appraisal if any new facts pertinent to the appraisal process are discovered which were unknown when the appraisal report was prepared.

Furnishings, equipment, and other personal property and value associated with a specific business operation are excluded from the value estimate set forth in the report unless otherwise indicated.

All information and comments concerning the location, neighborhood, trends, construction quality and costs, loss in value from whatever cause, condition, rents, or any other data of the property appraised herein represent the estimates and opinions of the appraiser(s) formed after an examination and study of the property.

While it is believed the information, estimates and analysis given, and the opinions and conclusions drawn there from are correct, the appraiser(s) does not guarantee them.

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

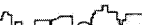
Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser(s) or the firm with which he is connected, or any

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320 Wonder Street

  
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Reno, NV 89502  
info@alvesappraisal.com

MORABITO (341).007089



#### ASSUMPTIONS AND QUALIFYING CONDITIONS (Continued)

reference to the Appraisal Institute or S.R.A. shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval of the appraiser(s).

Certain information contained herein is considered "not for public knowledge" and is provided herein "under strictest confidence." Said information shall not be re-used, shared, disclosed, etc. except in accordance with the certification, limiting conditions, and purposes as contained herein. Any deviation from the above may subject the user to legal action for invasion of privacy.

Acceptance and use of this report constitutes specific and implied consent to all conditions, limitations, etc. Further, the client shall hold harmless the appraiser(s) for any unpermitted use or action resulting from such use.

On appraisals subject to satisfactory completion of repairs, alterations, or new construction, the appraisal report and value conclusions are contingent upon completion of the improvements in a timely and workmanlike manner, with new construction to be completed as presented in the report.

The appraiser(s) assume(s) no liability to any third party. If the appraisal is disseminated to anyone other than the client, the client shall make such party or parties aware of all assumptions and qualifying conditions affecting the appraisal assignment. In the case of limited partnerships or any syndication offerings or stock offerings in real estate, the client agrees that in the event of a law suit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraiser(s) and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such law suits.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

Appendix Page 4

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www.alvesappraisal.com

Phone: 775-329-8487

320 Wonder Street

Fax: 775-329-8489

Reno, NV 89502  
info@alvesappraisal.com

MORABITO (341).007090

1993

## QUALIFICATIONS OF APPRAISER

**PAUL M. ALVES, MAI, SRA**

### Formal Education

University of California, Berkeley, B.A. Degree..... 1971  
University of Southern California, M.P.A., Degree ..... 1978

### Professional Designations

MAI - Appraisal Institute ..... Currently Certified  
SRA - Appraisal Institute ..... Currently Certified

### State of Nevada

Certified General Appraiser - License # A.0000008-CG ..... Current

## APPRAISAL INSTITUTE

### Appraisal Education Courses

101 - Appraising Real Property.....	1978	2-3 Standards of Professional Practice .....	1970
201 - Principles of Income Property Appraising.....	1992	003 Rural Valuation .....	1970
2-1 Case Studies in Real Estate Valuation .....	1980	006 Introduction to Real Estate Invest. Analysis .....	1983
2-2 Valuation Analysis and Report Writing .....	1980	301 - Special Applications of Appraisal Analysis .....	1984
102 - Applied Residential Property Valuation .....	1970	Nevada Law - NRS 645C .....	1990

### Continuing Education

Feasibility Analysis Seminar .....	1992	Marshall & Swift's Non-Residential	
S.R.E.A. Market Extractions .....	1980	Computer Cost Estimating Workshop.....	1997
HP-38 Applications .....	1970	New Industrial Valuation Seminar.....	1997
Water Rights and Appraisal .....	1970	FHA's Homebuyer Protection Plan	
Annual Real Estate Update .....	1982-83	and the Appraisal Process.....	1999
Commercial/Rural R.E. Symposium .....	1983	Case Studies in Residential Highest & Best Use.....	2000
Federal Regulation R41C Seminar.....	1987	Standards of Professional Practice - Part C .....	2001
Standards of Professional Practice.....	1988	Online Search Strategies for R.E. Appraisers .....	2001
Residential Licensing Examination Seminar.....	1990	Appraising from Blueprints.....	2002
Commercial Licensing Examination Seminar .....	1990	Introduction to GIS.....	2002
FNMA Property and Appraisal Analysis Seminar .....	1990	Online Valuation of Detrimental Conditions .....	2002
Standards of Professional Practice.....	1990	FHA and the Appraisal Process.....	2002
Computer Appraisal Applications.....	1990	Feasibility, Market Value, Investment Timing .....	2002
Forecasting in Real Estate Appraisal.....	1990	Professional Compliance USPAP .....	2002
Training Seminar of Ethics Panel Members .....	1990	Scope of Work .....	2002
FNMA URAR Update of Appraisal Guidelines .....	1991	National USPAP Update.....	2003
HP-17/19BII Calculator Course .....	1992	Appraising the Oddball .....	2005
Investment Techniques with the HP-17/19B.....	1992	Construction Details & Trends .....	2005
Intern Appraiser and the Law.....	1992	Disclosures & Disclaimers .....	2005
Evaluation Guidelines Workshop.....	1992	Fair Housing .....	2005
International Valuation Standards.....	1992	National USPAP Update.....	2005
Standards of Prof. Appraisal Practice Issues .....	1992	Construction Details and Trends .....	2007
Americans with Disabilities Act .....	1992	Appraisal Trends.....	2007
Appraising Troubled Properties .....	1992	Disclosures & Disclaimers .....	2007
Appraising the Wild West (Casinos/Agric/Tahoe).....	1992	Appraising Historic Properties .....	2007
FNMA URAR Update of Appraisal Guidelines .....	1992	National USPAP Update.....	2007
Standards of Professional Practice.....	1992	Appraising for the Secondary Market .....	2007
Standards of Professional Practice - Part A.....	1994	Private Appraisal Assignments .....	2007
Data Confirmation and Verification Seminar.....	1996	The Cost Approach.....	2007
Standards of Professional Practice - Part B.....	1996	The Dirty Dozen: USPAP Compliant Appraisal Reports .....	2007
Ethics - USPAP Statements.....	1996	Environmental Pollution & Mold.....	2007
USPAP - Part C .....	1997	Made in America: Appraising Factory Built Housing .....	2007
		Nevada Law .....	2007

### Committees

Seminar's Committee .....	1970-90	Vice President - Chapter 189.....	1983
Education Committee - Chapter 60 .....	1970-87	Young Advisory Council.....	1984-85
SREA/AIREA Symposium Planning Committee .....	1982-90	President - Chapter 189.....	1984-85
Board of Directors - Chapter 189.....	1982-86	Ethics and Professional Practice .....	1986-1990

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www.alvesappraisal.com

Phone: 775-329-8487

320 Wonder Street

Fax: 775-329-8489

Reno, NV 89502  
info@alvesappraisal.com

MORABITO (341).007091

## QUALIFICATIONS OF APPRAISER

### DARRYL A. NOBLE

#### Formal Education

Reno Business College, Reno, Nevada, Diploma ..... 1983

#### State of Nevada

Employed with Alves Appraisal Associates ..... 1983-date

State Registered Intern Appraiser (with Paul M. Alves, MAI, SRA) ..... 1991-1993

Certified General Appraiser - Certificate #02145 ..... Current

#### Appraisal Education Courses

FNMA Property and Appraisal Analysis Seminar ..... 1990  
Nevada Law - NRS 645C ..... 1991  
Standards of Professional Practice and Ethics ..... 1991  
FNMA URAR Update of Current Appraisal Guidelines ..... 1991  
Real Estate Appraisal - Truckee Meadows Community College ..... 1992  
120 - Appraisal Procedures ..... 1993  
FNMA URAR Update of Current Appraisal Guidelines ..... 1993  
110 - Appraisal Principles ..... 1995  
Income Property Valuation ..... 1996  
FHA's Homebuyer Protection Plan and the Appraisal Process ..... 1999  
FHA Appraising: Changes and Trends ..... 1999  
Case Studies in Residential Highest & Best Use ..... 2000  
Online Internet Search Strategies for R.E. Appraisers ..... 2001  
Professional & Technical Compliance with USPAP I ..... 2001  
Introduction to GIS Applications for Real Estate Appraisal ..... 2002  
Online Appraising from Blueprints and Specifications ..... 2002  
National USPAP Update ..... 2003  
Nevada Real Estate Appraisal Statutes ..... 2003  
Online Analyzing Operating Expenses ..... 2003  
Water Rights in Nevada ..... 2003  
Appraising for the Secondary Market ..... 2005  
National USPAP Update Equivalent ..... 2005  
Nevada Law - NRS 645C ..... 2005  
Construction Details & Trends ..... 2005  
Appraising the Oddball ..... 2005  
Appraising for the Secondary Market ..... 2007  
National USPAP Update Equivalent ..... 2007  
Disclosures and Disclaimers ..... 2007  
Appraisal Trends ..... 2007  
National USPAP Update Equivalent ..... 2009  
15-Hour National USPAP ..... 2009  
Private Appraisal Assignments ..... 2010  
The Evolution of Finance and the Mortgage Market ..... 2010  
The Cost Approach ..... 2010  
REO & Foreclosures ..... 2010  
Mortgage Fraud: Protect Yourself ..... 2010