| 1 2 3 4 5 6 7 8 9 10 10 10 10 10 10 10 10 10 10 10 10 10 | MARK G. SIMONS, ESQ. Nevada Bar No. 5132 MSimons@SHJNevada.com SIMONS HALL JOHNSTON PC 6490 S. McCarran Blvd., Ste. F-46 Reno, Nevada 89509 Telephone: (775) 785-0088 Facsimile: (775) 785-0087 Attorneys for Nanyah Vegas, LLC IN THE SUPREME COURT OF THE NANYAH VEGAS, LLC, A Nevada limited liability company, | Electronically Filed Apr 26 2021 03:47 p. Elizabeth A. Brown Clerk of Supreme Co STATE OF NEVADA | |
|--|---|--|---|
| 10 | Appellant, | | , |
| 11 | V. | | |
| 12 | SIG ROGICH aka SIGMUND ROGICH as | Supreme Court No.: 79917 (District Court Case No. | |
| 13 | Trustee of The Rogich Family Irrevocable Trust; | A686303) | |
| 14 | ELDORADO HILLS, LLC, a Nevada limited | | |
| 15 | liability company; TELD, LLC, a Nevada limited liability company; PETER ELIADES, | | |
| 16 | individually and as Trustee of the The Eliades | APPELLANT NANYAH | |
| 17 | Survivor Trust of 10/30/08; and IMITATIONS, LLC, a Nevada limited liability company, | VEGAS, LLC'S RESPONSE TO APRIL 7, 2021 ORDER | |
| 18 | | TO SHOW CAUSE | |
| 19 | Respondents. | | |
| 20 | | | |
| 21 | ELDORADO HILLS, LLC, a Nevada limited | | |
| 22 | liability company, | | |
| 23 | Cross-Appellant, | | |
| 24 | v. | | |
| 25 26 | NANYAH VEGAS, LLC, a Nevada limited liability company, | | |
| | Cross-Respondent. | | |
| | | | |

5

v.

SIG ROGICH, A/K/A SIGMUND ROGICH, individually and as Trustee of the Rogich Family Irrevocable Trust; and Imitations, LLC, a Nevada limited liability company,

Cross-Appellants,

NANYAH VEGAS, LLC, a Nevada limited liability company,

Cross-Respondent,

Nanyah Vegas, LLC ("Nanyah"), by and through its counsel Mark G. Simons of the firm SIMONS HALL JOHNSTON PC, hereby responds to this Court's Order to Show Cause dated April 7, 2021 (the "Order").

I. THE AUTOMATIC STAY IS NOT APPLICABLE HERE.

In a recent unpublished opinion, this Court recognized that in the context of 11 U.S.C. §362, "[a]n appeal, for purposes of the automatic stay, is considered a continuation of the action in the trial court. Consequently, an appeal is automatically stayed if the **debtor was the defendant** in the underlying trial court action." *Sweitzer v. Teacher's Health Tr.*, No. 78739, 2020 WL 1623998, *1 (Nev. Apr. 1, 2020).

"The primary purposes of § 362 do not apply, however, to offensive actions by a debtor or bankruptcy trustee, as the same policy considerations do not exist where the debtor has initiated a prepetition lawsuit against a creditor."

In re Way, 229 B.R. 11, 13 (B.A.P. 9th Cir. 1998) (citing In re White, 186 B.R. 700, 704 (9th Cir. BAP 1995)).

A federal court has explained the justification for this distinction:

The automatic stay is a means of preserving the status quo for the trustee or the debtor. However, this primary objective is inapplicable to the trustee's offensive action, which need not be attended by a stay. This distinction is the basis for language in the various subsections of § 362(a), where the statute uses the language "against the debtor," § 362(a)(1); "against property of the estate," § 362(a)(2); or "to exercise control over property of the estate," § 362(a)(3).

In re Merrick, 175 B.R. 333, 336 (B.A.P. 9th Cir. 1994). See also McDonough Assocs., Inc. v. Grunloh, 722 F.3d 1043, 1048 (7th Cir. 2013) (observing "[t]he automatic stay under 11 U.S.C. § 362(a)(1) for judicial proceedings against the debtor does not apply to suits brought by the debtor . . . Whether a suit is "against the debtor" depends on the party's status at the time the initial action was filed."). "Thus, whether a case is subject to the automatic stay must be determined at its inception." Ingersoll-Rand Fin. Corp. v. Miller Min. Co., 817 F.2d 1424, 1426 (9th Cir. 1987) (citations omitted).

In this case, Nanyah filed Complaint on November 4, 2016. *See* App. at JA_000777–95. The Complaint makes it abundantly clear that Nanyah is the Plaintiff in the trial court action. This presents a unique circumstance, unlike cases where the debtor or trustee is a defendant, in this case the debtor is a Plaintiff. As such, the automatic stay provision of 11 U.S.C. §362(a) does not

apply. *Cf. World Buddhism Ass'n Headquarters v. Las Vegas Monorail Co.*, No. 80858, 2020 WL 6042316, *1 (Nev. Oct. 9, 2020) (dismissing appeal where debtor was a defendant below); *Oxner v. Utts*, No. 76694, 2018 WL 6721368, *1 (Nev. Dec. 18, 2018) (holding the same). There are no claims asserted against Nanyah in the underlying litigation such that Nanyah could even potentially be seen as a defendant in the case below.

II. CONCLUSION.

Accordingly, the automatic stay provisions contained within 11 U.S.C. §362(a)(1) are inapplicable to this appeal and this appeal should continue.

Dated this 26day of April, 2021.

SIMONS HALL JOHNSTON PC 6490 S. McCarran Blvd., #F-46 Reno, Nevada, 89509

MARK G. SIMONS

Attorney for Appellant Nanyah Vegas, LLC

CERTIFICATE OF SERVICE

Pursuant to NRAP 25, I certify that I am an employee of SIMONS HALL JOHNSTON PC, and that on this date I caused to be served a true copy of the **APPELLANT NANYAH VEGAS, LLC'S RESPONSE TO APRIL 7, 2021 ORDER TO SHOW CAUSE** on all parties to this action by the method(s) indicated below:

by using the Supreme Court Electronic Filing System:

Brenoch Wirthlin
Thomas Fell
Samuel S. Lionel
Fennemore Craig, P.C.
300 S. Fourth Street, Ste. 1400
Las Vegas, NV 89101
Attorneys for Sigmund Rogich, Individually and as Trustee of the Rogich Family Irrevocable Trust and Imitations, LLC

Joseph Liebman
Dennis Kennedy
Bailey Kennedy
8984 Spanish Ridge Avenue
Las Vegas, NV 89148-1302
Attorneys for Eldorado Hills, LLC, Teld, LLC, a Nevada limited
liability company; Peter Eliades, individually and as Trustee of the
The Eliades Survivor Trust of 10/30/08

DATED: This <u>4</u> day of April, 2021.

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