# IN THE SUPREME COURT OF THE STATE OF NEVADA

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

Petitioner,

V.

5

7

9

10

11

12

13

15

LAS VEGAS, NEVADA 89129 TELEPHONE (702) 853-5483 FACSIMILE (702) 853-5485 WWW.SDFNVLAW.COM 1

EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, FAMILY DIVISION, CLARK COUNTY; THE HONORABLE FRANK P. SULLIVAN

Respondent,

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

Real Parties in Interest.

Electronically Filed Sep 16 2020 04:58 p.m. Elizabeth A. Brown Clerk of Supreme Court

Supreme Court Case No. 81564 District Court Case No. D411537

# ANSWER TO PETITION FOR WRIT OF MANDAMUS OR OTHER EXTRAORDINARY RELIEF

MARK A. SOLOMON, ESQ.

Nevada State Bar No. 0418

JEFFREY P. LUSZECK

Nevada State Bar No. 9619

 $^{16}$  SOLOMON DWIGGINS & FREER, LTD.

9060 West Cheyenne Avenue

Las Vegas, Nevada 89129

Attorneys for Respondent, Matt Klabacka Distribution Trustee of the Eric L. Nelson

19 Nevada Trust dated May 30, 2001

20

2

5

# NRAP 26.1 DISCLOSURE

The undersigned counsel of record certifies that the following are persons as 3 described in NRAP 26.1(a), and must be disclosed. These representations are made in 4 order that the judges of this court may evaluate possible disqualification or recusal.

Real Party in Interest, Matt Klabacka, Distribution Trustee of the Eric L. 6 Nelson Nevada Trust dated May 30, 2001, is not a corporation and therefore does not 7 have any parent corporations and there are no publicly held companies owning 10% 8 or more of its stock. Further, the law firm Solomon Dwiggins and Freer, Ltd., and 9 attorneys Mark A. Solomon, Esq. and Jeffrey P. Luszeck, Esq., have appeared for 10 Matthew Klabacka, Distribution Trustee of the Eric L. Nelson Nevada Trust dated 11 May 30, 2001 in the underlying District Court case and will appear for the same 12 before the Nevada Supreme Court in the instant Appeal.

DATED this 16<sup>th</sup> day of September, 2020.

## SOLOMON DWIGGINS & FREER, LTD.

/s Jeffrey P. Luszeck

By:\_ MARK A. SOLOMON, ESQ. Nevada State Bar No. 0418 JEFFREY P. LUSZECK Nevada State Bar No. 9619 9060 W. Chevenne Avenue Las Vegas, Nevada 89129

Attorneys for Respondent, Matt Klabacka Distribution Trustee of the Eric L. Nelson Nevada Trust dated May 30, 2001

19

13

14

15

16

17

18

20

# SOLOMON LAS VEGAS, NEVADA 89129 TELEPHONE (702) 853-5483 FREER FACSIMILE (702) 853-5485 FREST ATTORNEYS FACSIMILE (702) 853-5485 WWW.SDFNVLAW.COM

1

# **TABLE OF CONTENTS**

2	NRAP 26.1 DISCLOSURE
3	ROUTING STATEMENT1
4	COUNTERSTATEMENT OF ISSUES PRESENTED1
5	COUNTERSTATEMENT OF THE FACTS
6	A. CREATION AND IMPLEMENTATION OF THE SEPARATE PROPERTY AGREEMENT AND SEPARATE PROPERTY TRUSTS2
7 8	B. CREATION AND IMPLEMENTATION OF THE SELF-SETTLED SPENDTHRIFT TRUSTS
9	C. ENTRY OF DIVORCE DECREE3
10	D. INITIATION AND DISPOSITION OF APPEAL4
	E. THE DISTRICT COURT GRANTS A LIMITED AFFIRMATION OF THE JPI ON REMAND
12 13	STANDARD OF REVIEW8
14	SUMMARY OF THE ARGUMENT10
15	ARGUMENT10
16	A. EDCR 5.518 DOES NOT MANDATE THE IMPOSITION OF A JOINT PRELIMINARY INJUNCTION ON AN IRREVOCABLE TRUST
17 18	B. IT WOULD BE INAPPROPRIATE TO IMPOSE A JPI OVER THE ELN TRUST BECAUSE NEITHER ERIC NOR LYNITA
19	HAVE A COMMUNITY PROPERTY INTEREST IN THE ELN TRUST OR LSN TRUST AS A MATTER OF LAW
20 21	C. IMPOSING A JPI OVER THE ELN TRUST'S ASSETS WOULD BE UNCONSTITUTIONAL AND VIOLATE THE

	1	DUE PROCESS RIGHTS OF THE ELN TRUST AND OTHER THIRD-PARTIES14
	2	
	3	D. A DISTRICT COURT HAS GREAT FLEXIBILITY AND ABILITY TO MODIFY OR DISSOLVE A JOINT PRELIMINARY
	4	INJUNCTION18
		E. A JPI DOES NOT PRECLUDE THE ELN TRUST FROM
	5	TRANSFERRING AND/OR SELLING THE ASSETS IN ITS NORMAL COURSE OF BUSINESS
	6	F. THE REQUESTED JPI CANNOT EXTEND TO ASSETS OVER
	7	WHICH THE DISTRICT COURT FOUND, AND THIS COURT
AVENUE 39129 5483 5485 M	8	CONFIRMED, LYNITA DOES NOT HAVE A COMMUNITY PROPERTY INTEREST
HEYENNE NEVADA ( 702) 853-5 702) 853-4 /LAW.CO	9	CONCLUSION
VEGAS, I VEGAS, I PHONE ( SIMILE ( W.SDFN)	10	CERTIFICATE OF COMPLIANCE28
RESERVENCE WAS WAS WAS A		
S & FREE ATE ATTORN		CERTIFICATE OF SERVICE30
MIGGIN MIGGIN	12	
SOF	13	
212	14	
	15	
	16	
	17	
	18	
	19	
	20	
	21	

# 9060 WEST CHEYENNE AVENUE | LAS VEGAS, NEVADA 89129 | TELEPHONE (702) 853-5483 | FACSIMILE (702) 853-5485 | WWW.SDFNVLAW.COM

1

2

# **TABLE OF AUTHORITIES**

# Cases

3	Page(s
4	Additive Controls & Measurement Systems, Inc. v. Flowdata, Inc., 96 F.3d 1390 (Fed.Cir.1996)17
5	Alemite Mfg. Corp. v. Staff,
6	42 F .2d 832, 832-833 (2nd Cir.1930)
7	Barrett v. Franke, 46 Nev. 170, 208 P. 435 (Nev. 1922)
8	Cameo, Inc. v. Baker, 133 Nev. 512, 936 P.2d 829 (Nev. 1997)
9	Daane v. Dist. Ct.,
10	127 Nev. Adv. Op. 59, 261 P.3d 1086 (2011)
11	Dixon v. Thatcher, 103 Nev. 414,415, 742 P.2d 1029, 1029 (Nev. 1987)
12	Dangberg Holdings Nevada, L.L.C. v. Douglas Cty. & its Bd. of Cty.
13	Comm'rs, 115 Nev. 129, 978 P.2d 311 (1999)
14	Department of Conservation and Natural Resources, Div. of Water
15	Resources v. Foley, 121 Nev. 77, 109 P.3d 760 (Nev. 2005)
16	Gladys Baker Olsen Family Trust v. Eighth Judicial Dist. Court, 110 Nev. 548, 874 P.2d 778 (1994)12
17	Int'l Game Tech., Inc. v. Second Judicial Dist. Court,
18	124 Nev. 193, 179 P.3d 556 (2008)9
19	In re Infant Formula Antitrust Litigation, MDL 878 v. Abbott 20 Laboratories, 72 F.3d 842, 842-43 (11th Cir.1995)17
20	In re Janssen,
21	213 B.R. 558,566 (B.A.P. 8th Cir. 1997)
	1

1	<i>In re Marriage of Weaver</i> , 224 Cal.App.3d 478, 273 Cal. Rptr. 696, 701 (1990)
2	Klabacka v. Nelson,
3	133 Nev. 164, 394 P.3d 940 (Nev. 2017)3, 4, 13, 19, 22, 24
4	Lee v. GNLV Corp., 116 Nev. 424, 996 P.3d 416 (2000)9
5	Mining & Engr. Co. v. Pollak, 59 Nev. 145, 85 P.2d 1008 (Nev. 1939)14
6 7	Nelson v. Nelson, 136 Nev. Adv. Op. 36, 466 P.3d 1249 (2020)
8	Rutherford v. Union Land & Cattle Co., 47 Nev. 21,213
9	SEC v. Ross,
10	504 F .3d 1130, 1138-39 (9th Cir.2007)
11	Sprenger v. Sprenger,         110 Nev. 855, 878 P.2d 284 (Nev. 1994)         14
	State v. Dist. Ct. (Armstrong), 127 Nev. 927, 267 P.3d 777 (2011)
13	<u>Statutes</u>
14	NRS 33
15	NRS 33.010
16	NRS 34.1609
17	NRS 34.3308
18	NRS 123.130 through 123.170
19	NRS 125.050
	NRS 163.4185(1)(c)
20	NRS 164.715
21	

9060 WEST CHEYENNE AVENUE LAS VEGAS, NEVADA 89129 TELEPHONE (702) 853-5483 FACSIMILE (702) 853-5485 WWW.SDFNVLAW.COM
SOLOMON DWIGGINS & REER I
SOLO DWIGGIN TRUST AND ER

1	NRS 164.740
-1	NRS 164.750
3	NRS 166
4	NRS 166.02012
-	NRS 166.13012
5	<u>Rules</u>
6	EDCR 5.102(j)
7	EDCR 5.5176, 8, 10
8	EDCR 5.518
9	EDCR 5.518(a)(1)20, 21, 26
10	EDCR 5.518(d)
-	EDCR 5.8511
	NRAP 3A(b)(3)8
12	NRAP 17(a)(11)1
13	NRAP 17(a)(12)1
14	NRAP 17(b)1
15	NRAP 17(b)(10)
16	NRAP 17(b)(12)
17	NRAP 17(b)(13)
- 1	NRAP 30(b)2
	NRAP 30(b)(2)2
19	NRAP 40(a)(1)
20	NRCP 65
21	

1	NRCP 65(c)	15
2	Other Authorities	13
3	76 Am. Jur. 2d Trusts§ 435	17
4	Black's Law *932 Dictionary 119 (9th ed. 2009)	9
	G. Bogert, The law of Trusts and Trustees§ 611 (3rd ed. 2010)	18
5	Nevada Constitution Article 1, Section 8	14
6	United States Constitution Fourteenth Amendment	14
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

SOLOMON LAS VEGAS, NEVADA 89129
TELPHONE (702) 853-5483
FACSIMILE (702) 853-5485
WWW.SDENVLAW.COM

15

16

17

1

# ROUTING STATEMENT

The instant Writ should be assigned to the Court of Appeals pursuant to NRAP 17(b) ("The Court of Appeals shall hear and decide only those matters assigned to it 4 by the Supreme Court and those matters within its original jurisdiction") because it 5 lincludes the following "case categories" "family law matters," NRAP 17(b)(10), and 6||"challenging the grant or denial of injunctive relief." NRAP 17(b)(12). The ERIC L. 7||NELSON NEVADA TRUST dated May 30, 2001 ("ELN Trust") does not believe 8 that this matter should be assigned to the Supreme Court of the State of Nevada 9 pursuant to NRAP 17(a)(11)-(12) because it is not a "[m]atter [] raising as a principal 10 issue of question of first impression involving the United States or Nevada 11 Constitutions or common law," or a "[m]atter [] raising as a principal issue a question 12||of statewide public importance.

As such, the ELN Trust contends that this Writ should be assigned to the Court 14 of Appeals in accordance with NRAP 17(b)(10) and (13).

# COUNTERSTATEMENT OF ISSUES PRESENTED

The issues presented are more accurately stated as follows:

1. Whether the district court, in denying Lynita S. Nelson's ("Lynita") 18 request to affirm the Joint Preliminary Injunction entered in or around May 2009 19||("JPI"), erred in finding that the ELN Trust and LYNITA S. NELSON NEVADA 20||TRUST dated May 30, 2001 ("LSN Trust") are not a "parties" as defined under NRS 21 125.050 and EDCR 5.102(j) over which a JPI can be imposed.

5

6

9

11

12

13

14

15

2. Whether the denial of the LSN Trust's request to "expressly affirm the 2 JPI previously entered" was an arbitrary or capricious exercise of the district court's 3 discretion when EDCR 5.518 grants the district court authority to dissolve or modify 4 said JPI prior to the entry of a decree of divorce or final judgment.

# COUNTERSTATEMENT OF THE FACTS

Lynita's Statement of Facts gives a narrow view of the circumstances before 7 this Court. For this reason, the ELN Trust is compelled to supplement with its own 8 Counterstatement of the Facts.

Eric L. Nelson ("Eric") and Lynita were married on September 7, 1983.

#### $10 \| \mathbf{A}_{\bullet} \|$ **CREATION** AND **IMPLEMENTATION** THE PROPERTY AGREEMENT AND SEPARATE PROPERTY TRUSTS.

"In 1993, Eric and Lynita entered into the [Separate Property Agreement] in order to transmute the family's community assets into the parties' respective separate

NRAP 30(b) provides: "[e]xcept as otherwise required by this Rule, all matters 16 not essential to the decision of issues presented by the appeal shall be omitted. Brevity is required; the court my impose costs upon parties or attorneys who 17 unnecessarily enlarge the appendix." Due to the fact that this matter has been the subject of prior appeals that were heard by this Court (Case No. 66772, consolidated 18 with Case No. 68292), documents referenced in this Writ, which were included in the prior appendices, have been cited in the same manner to which they were cited in the 19 prior appeals (i.e., AAPP or RAPP). Citations to Lynita's Supplemental Appendix to Petition for Writ of Mandamus or Other Extraordinary Relief will be cited to as 20 "SRAPP"). In the event this Court desires the ELN Trust to include the additional documents required by NRAP 30(b)(2) (which documents were already included in 21 the appendices filed in Case No. 66772 it will immediately do so.

7

9

10

11

12

13

14

15

16

17

18

19

20

1 property." See Klabacka v. Nelson, 133 Nev. 164, 394 P.3d 940, 953 (Nev. 2017). "The SPA equally divided the parties' assets into two separate property trusts." Id. "Both parties consulted counsel prior to signing the document, and Lynita consulted 4 additional outside counsel prior to her signing." *Id*.

#### $5 \| \mathbf{B} \|$ CREATION **AND IMPLEMENTATION OF SELF-SETTLED** SPENDTHRIFT TRUSTS.

"In 2001, Eric and Lynita converted their separate property trusts into the ELN Trust and the LSN Trust, respectively, and funded the SSSTs with the separate 8 property contained within the separate property trusts." *Id.* "The trust agreements for the ELN Trust and the LSN Trust are nearly identical." "Both trust Id.agreements are in writing and establish an irrevocable trust." Id. "Each trust has a spendthrift provision..." *Id*.

#### C. ENTRY OF DIVORCE DECREE.

Eric filed for divorce from Lynita in 2009. *Id.* at 167, 944.

On June 3, 2013, the district court issued its Decree of Divorce ("decree"). *Id*. See also AAPP V19:4691-4742. "The decree disposed of all property, with the exception of Wyoming Downs, an asset purchased during the pendency of the divorce." Id. at 168, 945. The decree provides, in part, "that the SPA was valid and the parties SSSTs were validly established and funded with separate property." Id. at

The "SPA states that "the parties hereto desire to split the community estate into the sole and separate property of each spouse in accordance with and for the 21 purposes contained in NRS 123.130 through 123.170, inclusive." *Id.* 

1||168,945.

3

#### 2||**D**. INITIATION AND DISPOSITION OF FIRST APPEAL.

Following the entry of the Wyoming Downs order the decree became final 4 and the ELN Trust filed its first notice of appeal," id. at 169, 945, and Lynita filed a cross-appeal (hereinafter referred to as "First Appeal"). *Id.* at 164, 942.

6 On May 25, 2017, this Court rendered its decision in *Klabacka v. Nelson*, 133 7||Nev. 164, 394 P.3d 940, 949 (2017), which decision "[a]ffirmed in part, vacated in 8 part" the decree, and "remand[ed] this matter for further proceedings consistent with 9 this opinion." In short, this Court held that "the district court must trace those trust 10 assets to determine whether any community property exists within the trusts..." and 11 also "concluded" the remaining arguments were "without merit." *Id.* at fn. 9. See 12|| also, Nelson v. Nelson, 136 Nev. Adv. Op. 36, 466 P.3d 1249, 1251 (2020) ("We 13 concluded that the ELN Trust and LSN Trust were funded with separate property and 14 therefore remanded for the district court to conduct proper tracing to determine 15 community interests.").

#### $16 || \mathbf{E}_{\bullet}||$ THE DISTRICT COURT GRANTS A LIMITED AFFIRMATION OF THE JPI ON REMAND.

On July 31, 2017, after this matter had been remanded to the district court, Lynita filed a countermotion requesting, inter alia, that the district court "expressly affirm the [JPI] previously entered." SRAPP V1: 146:18-22.

At the August 8, 2017 hearing on the countermotion for JPI the district court

20

17

18

19

1 stated, in part:

I'm really not inclined to freeze everything and start all over again...We kinda went through that route at the beginning to try to get that all done so I'm not inclined to stop that and go back to square one. SRAPP V1:209.

To be honest, I'm really not inclined to reissue the JPI and freeze all that. I did the same thing when you guys had argued about our transferring all the property to her. You guys opposed that, I said we can always transfer it back, which I did, just told them that they wouldn't be able to see anything on that so that we could preserve that. So, I'm really not inclined to put a stay on everything. SRAPP V1:225.

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

As far as the instituting a joint preliminary injunction, that's all that these trusts do is buy and sell property. So when you say they should conduct business as usual, by putting in – that in place and not allowing them to sell things, that's what they do. So that would be – it's a severe burden that I think when – the fact that the Supreme Court has already ruled what needs to go back to the ELN Trust and I don't think we should be encumbering a business running and moving forward. These – that's how both sides function. So I think that we can't lose sight of that. SRAPP V2:308.

As stated in the Writ, although the ELN Trust argued against the affirmation of the JPI over all assets titled in the name of the ELN Trust, counsel for the ELN Trust indicated that he believed the ELN Trust would stipulate not to transfer the Banone or Lindell Properties to third-parties. SRAPP V1:228. No formal stipulation was ever entered into.

On April 19, 2018, the district court entered its order; however, said order did not address the request for an affirmation of the JPI. SRAPP V2:345-355.

6||424.

7

11

12

13

14

15

16

17

18

19

20

21

On May 22, 2018, the district court entered its Order entitled Decision 8 Affirming the Date of Tracing; Denying a Separate Blocked Account for \$720,000; 9 and Granting a JPI for the Banone, LLC and Lindell Properties, which provides in 10||part:

> A Joint Preliminary Injunction for the Banone, LLC and Lindell Properties is Appropriate Because Both Properties Are Involved In A Claim of Community Property

> In its April 19, 2018 Order, this Court did not address the request for a Joint Preliminary Injunction for the Banone, LLC. and Lindell Eighth Judicial District Court Rule 5.517 states that "[u]pon the request of any party at any time prior to the entry of...final judgment, a preliminary injunction will be issued by the clerk against the parties to the action enjoining them and their officers, agents, servant, employees, or a person in active concert or participating with them from: transferring, encumbering, concealing, selling or otherwise disposing of...any property that is the subject of a claim of community interest...

> Both the Banone, LLC. and Lindell Properties are subject to a claim of community interest. As such, both properties are entitled to a Joint Preliminary Injunction to ensure that the properties remain intact prior to the completion of tracing and the final judgment of this Court. However, while this Court is aware that multiple Notices of Lis Pendens regarding both properties have been filed, a Joint Preliminary

Injunction on the properties is appropriate and will be granted... SRAPP V2:441-449.

Contrary to Lynita's contention in her Writ that the district court's "May 22, 2018 Order failed to address the remainder of Lynita's request (*i.e.*, that the JPI apply to all other properties as well)," the district court implicitly, but clearly in context, denied said request by limiting the JPI to the Banone, LLC and Lindell Properties. SRAPP V2:441-449.

Unhappy with the May 22, 2018 Order, on June 5, 2018, Lynita filed a Motion for Reconsideration and Clarification of the Court's Decision Entered on May 22, 2018 wherein she requested **for the third time** that the district court reconsider its order and expand the JPI to all assets titled in the name of the ELN Trust. SRAPP V2:450-457 ("Based on the foregoing, Lynita respectfully requests that the Court reconsider its Decision entered May 22, 2018, and order that the JPI issued is not limited to the Banone, LLC and Lindell Properties.").

On October 16, 2018, the district court entered its Decision on the Motion for Reconsideration and Clarification of the Court's Decision Entered on May 22, 2018, confirming that a JPI "shall only be placed on the Banone, LLC and Lindell Properties:

In its May 22, 2018 Decision, this Court Ordered that a Joint Preliminary Injunction ("JPI") to be placed over the Banone, LLC and Lindell Properties. To clarify this Court's Order, the JPI was granted on these properties solely due to the fact that both the ELN and LSN Trusts have held an ownership stake in both properties at some point during these proceedings. Given the contentious nature of both the litigation and the ownership/management of the properties involved, this Court finds that placing a JPI on the Banone, LLC and Lindell

Properties would protect both Mr. and Mrs. Nelson, as well as the ELN Trust and LSN Trusts, as the properties had exchanged hands during these proceedings. Furthermore, this Court finds that the only properties that require a JPI based on the history of this case are the Banone, LLC and Lindell Properties. SRAPP V3: 607-608.

On November 7, 2018, Lynita filed an appeal in Case No. 77473 ("Second Appeal"). Although Lynita had previously acquiesced to having the JPI limited to the property awarded to her in the decree, SRAPP V2:299-300, the appeal demanded that the JPI be expanded to "all property which is subject to a claim of community property interest" (whatever that means as she has not delineated which assets should be subject to the JPI).

On July 9, 2020, this Court dismissed Lynita's Second Appeal:

We hold that joint preliminary injunctions under EDCR 5.517 are not subject to NRCP 65 and therefore orders denying or granting injunctions under EDCR 5.517 are not appealable under NRAP 3A(b)(3). The district court's order regarding the joint preliminary injunction was accordingly not appealable, and we dismiss the appeal for lack of jurisdiction.

Nelson v. Nelson, et al., 466 P.3d 1249, 1253, 136 Nev. Adv. Op. 36 (2020).

# STANDARD OF REVIEW

"A writ of prohibition is an extraordinary remedy..." *Daane v. Dist. Ct.*, 127 Nev. Adv. Op. 59, 261 P.3d 1086, 1087 (2011). "The writ may be issued . . . in all cases where there is not a plain, speedy and adequate remedy in the ordinary course of law." NRS 34.330; *see also Daane*, 261 P.3d at 1087. Petitioner bears the burden of demonstrating that extraordinary relief is warranted." *Id.* The right to appeal is generally considered an adequate legal remedy that precludes extraordinary relief.

14

7||judgment issues).

1 Int'l Game Tech., Inc. v. Second Judicial Dist. Court, 124 Nev. 193, 197, 179 P.3d 2||556, 558 (2008). A divorce decree is appealable as a final judgment when it finally 3 resolves all issues pertaining to the dissolution of the parties' marriage, including the 4 division of property. See Lee v. GNLV Corp., 116 Nev. 424, 426, 996 P.3d 416, 417 (2000) (recognizing that a final judgment is one that disposes of all issues presented 6 and leaves nothing for the court's future consideration, except for certain post-

Lynita has failed to enunciate the standard of review that should be applied in 9 this instance, which is surprising as this Court made it clear in its Order Dismissing 10 Appeal that "a writ petition would be the appropriate vehicle to seek review of the 11 district court's order for an arbitrary or capricious exercise of its discretion." See 12 Nelson, 466 P.3d at 1253 citing Int'l Game Tech., Inc. v. Second Judicial Dist. Court, 13||124 Nev. 193, 197, 179 P.3d 556, 558 (2008).

"In the context of mandamus, this court considers whether the district court's 15 evidentiary ruling was a manifest abuse or arbitrary or capricious exercise of its 16 discretion." State v. Dist. Ct. (Armstrong), 127 Nev. 927, 931–32, 267 P.3d 777, 780 17 (2011) citing NRS 34.160. "An arbitrary or capricious exercise of discretion is one 18 "founded on prejudice or preference rather than on reason," id. citing Black's Law 19 \*932 Dictionary 119 (9th ed. 2009) (defining "arbitrary"), or "contrary to the 20 evidence or established rules of law," id. at 239 (defining "capricious").

13

1

14

20

21

# **SUMMARY OF THE ARGUMENT**

2 The district court did not arbitrarily or capriciously abuse its discretion in 3 refusing to affirm a JPI over any and all assets listed in the decree. As will be shown 4 herein, the ELN Trust is not a "party" over which a JPI can be imposed pursuant to 5 EDCR 5.518.<sup>3</sup> Further, contrary to Lynita's contention, a district court has authority 6 to modify or dissolve the same (a fact which is not addressed in the Writ). Finally, if 7 EDCR 5.518 is in fact applicable to this matter, the requested JPI cannot be granted 8 as to any particular property without some showing that a community property 9 interest likely exists therein, and it cannot extend to assets over which the district 10 court found, and this Court confirmed, Lynita does not have a community property 11 linterest.

# ARGUMENT

# EDCR 5.518 DOES NOT MANDATE THE IMPOSITION OF A JOINT

A JPI cannot and should not be imposed on an entity or irrevocable trust 15 because Nevada law makes it clear that it only applies to the husband and wife in a 16 divorce proceeding. Specifically, NRS 125.050 provides that the imposition of an 17 injunction applies to "either party" in a divorce proceeding. Further, while EDCR  $18 \| 5.518$  seems to apply to "any party at the time prior to the entry of a decree of divorce 19 or final judgment," said rules define a "party" as follows: "Party. Unless the context

As this Court is certainly aware, EDCR 5.518 was formerly EDCR 5.517.

21

I lindicates otherwise, "a party" means a party personally, if unrepresented, or that 2 party's counsel of record, if represented." EDCR 5.102(j). See also, EDCR 5.85, the 3 predecessor to EDCR 5.518, confirming that a JPI issued under the Eighth Judicial 4 District Court rules only applies to "both parties to the action," i.e., a husband and 5 wife.

6 Neither the ELN Trust nor the LSN Trusts are "persons," but rather separate 7 and distinct legal entities thereby rendering EDCR 5.518 inapplicable to the ELN 8 Trust and the assets contained therein. Notwithstanding, Petitioner misconstrues the 9 district court's ruling by stating that the ELN Trust is not a party to the underlying 10 action, which is inaccurate as the ELN Trust concedes that it was joined as a 11 necessary party in the underlying action in or around August 2011. AAPP V7:1744-12||1746.

13 Under either EDCR 5.518, its predecessor EDCR 5.85, or NRS 125.050, a JPI 14 can only be imposed over "the parties," which once again is defined as a husband or 15 wife, or a party personally, of which the ELN Trust is not. Because the ELN Trust 16 does not meet the technical definition of a "party" under either NRS 125.050 or the 17 Eighth Judicial District Court Rules, the district court was not required to affirm the 18 JPI over all assets titled in the name of the ELN Trust.

WOULD BE INAPPROPRIATE TO IMPOSE A JPI OVER T 19||**B**. MMUNITY PROPERTY INTEREST IN THE ELN TRUST AS A MATTER OF LAW.

Nevada law is clear that when property is transferred to an irrevocable

16

21

1 spendthrift trust<sup>4</sup> the rights of the transferor are terminated, and the rights of all 2 persons are determined only as provided in the trust agreement. Indeed, Chapter 166 3 of the Nevada Revised Statutes defines a spendthrift trust as "a trust in which by the 4 terms thereof a valid restraint on the voluntary and involuntary transfer of the interest 5 of the beneficiary is imposed." NRS 166.020. Since Eric cannot unilaterally remove 6 any property and his distributions are subject to the discretionary approval of the 7 "distribution trustee," it is a misnomer to characterize the property contained with 8 the ELN Trust as his separate property or community property. "A beneficiary of a 9 spendthrift trust has no legal estate in the capital, principal or corpus of the trust 10 estate..." NRS 166.130. As such, Eric's property rights under the ELN Trust are 11 limited to that of a beneficiary with a "discretionary interest," as defined in NRS 12||163.4185(1)(c), and Nevada law limits his enforceable rights. There is no legal 13 authority that allows a spouse to assert a community property interest in property not 14 owned by the other spouse.

While the ELN Trust recognizes that this Court remanded this matter to the

Lynita's reliance upon *Gladys Baker Olsen Family Trust v. Eighth Judicial Dist. Court*, 110 Nev. 548, 874 P.2d 778, 782 (1994) is unavailing because in that case the issue surrounded a revocable as opposed to an irrevocable trust governed by NRS 166.

See, e.g., ELN Trust at Article III, Section 3.3 ("Distributions to Trustor. Notwithstanding anything above to the contrary, any decision to make a distribution to the Trustor may not be made by the Trustor, even though the Trustor may be serving as a Trustee hereunder..."). AARP: V26:6479.

16

18

1 district court for the sole purpose of conducting a tracing "to determine whether any 2 community property exists within the trusts," *Klabacka*, 133 Nev. at 174, 394 P.3d at 3||948, it is inequitable to impose a JPI over the ELN Trust without requiring Lynita to 4 make a prima facie showing that she has a community interest in the assets at issue, 5 especially given this Court's prior findings regarding the funding of the ELN Trust. 6||Specifically, as indicated *supra* this Court previously found that the ELN Trust was 7 | funded with Eric's sole and separate property. See id. at 166, 943 ("[i]n 2001, Eric 8 and Lynita converted their separate property trusts into [the ELN Trust] and [the LSN 9 Trust, respectively, and funded the SSSTs with the separate property contained 10 within the separate property trusts."). See also, Nelson, 136 Nev. Adv. Op. 466 P.3d 11 at 1251 ("We concluded that the ELN Trust and LSN Trust were funded with 12 separate property and therefore remanded for the district court to conduct proper 13 tracing to determine community interests.").

Said findings were based upon evidence, which included but is not limited to 15 the SSSTs themselves, which Lynita executed upon the advice of counsel.

See also, id. at 173, 948 ("The parties contest whether the assets within the 17||SSSTs remained separate property or whether, because of the many transfers of property between the trusts, the assets reverted back to community property.").

See e.g., the ELN Trust at Article 12, Section 12.13 ("Separate Property. Any 19 Property held in trust and any income earned by the trusts created hereunder shall be the separate property (in distinction with community property, joint tenancy property, 20 tenancy in common, marital property, quasi-community property or tenancy by the entirety) of the beneficiaries of such trusts. Additionally, any distribution to or for 21 the benefit of any beneficiary shall be and remain the sole and separate property and

14

18

20

1 Consequently, Lynita must prove "[t]ransmutation from separate to community 2 property...by clear and convincing evidence." See also Barrett v. Franke, 46 Nev. 3||170, 208 P. 435, 437 (Nev. 1922) ("the right of the spouses in their separate property 4 is as sacred as is the right in their community property, and when it is once made to 5 appear that property was once of a separate character, it will be presumed that it 6 maintains that character until some direct evidence to the contrary is made to 7||appear.").

Notwithstanding the foregoing, Lynita demands the imposition of a JPI over 9 all assets titled in the name of the ELN Trust even though she has failed to make a 10 preliminary showing that she is entitled to a community property interest over the 11 assets titled in the name of the ELN Trust. Further, it would be inequitable to impose 12 a JPI over the ELN Trust because Lynita only made said request after she disposed of 13 the majority of assets titled in the name of the LSN Trust. Indeed, for example and

<sup>15</sup> estate of the beneficiaries."). AAPP V26:6499. See also, AAPP V26:6351-6381, AAPP V26:6382, AAPP V26:6383, amend the LSN Trust, AAPP V26:6350, AAPP AAPP V26:6462-6468, AAPP V26:6469-6474 16||V26:6351-6352, V26:6384-6388 (Lynita's Last Will and Testament wherein Lynita disinherited Eric 17 from Lynita's Trust, which she represented was her separate property and/or property in which Eric had no legal interest).

See Sprenger v. Sprenger, 110 Nev. 855, 858, 878 P.2d 284, 287 (Nev. 1994) 19 citing In re Marriage of Weaver, 224 Cal.App.3d 478, 273 Cal. Rptr. 696, 701 (1990).

See, e.g., Mining & Engr. Co. v. Pollak, 59 Nev. 145, 85 P.2d 1008, 1012 21 (Nev. 1939) (In Nevada, it "is well settled that a person shall not be allowed at once

16

1 by no means of limitation, on or around November 1, 2013 Lynita's Trust sold real 2 property located at 7065 Palmyra Avenue, Las Vegas, Nevada 89117 for 3||\$829,000.00. AAPP V19:4691-4742. As such, it would be inequitable to impose a 4 JPI over the ELN Trust.

#### 5 IMPOSING A JPI OVER THE ELN TRUST'S ASSETS WOULD BE C. UNCONSTITUTIONAL AND VIOLATE THE DUE PROCESS RIGHTS OF THE ELN TRUST AND OTHER THIRD-PARTIES.

7 The automatic imposition of a JPI over any and all assets titled in the ELN 8||Trust would violate its due process rights guaranteed by the Fourteenth Amendment 9 of the United States Constitution and Article 1, Section 8 of the Nevada Constitution. 10 As this Court is certainly aware, "[i]njunctive relief is extraordinary relief." It is for 11 this reason that a moving party must meet the following requirements prior to a court 12 granting injunctive relief: (1) a likelihood of success on the merits; and (2) a 13 reasonable probability that the moving party will suffer irreparable injury for which 14 compensatory damages is an inadequate remedy if the conduct of the parties against 15 whom the injunction is being sought is allowed to continue. 11 Further, a district court

to benefit by and repudiate an instrument, but, if he chooses to take the benefit which it confers, he shall likewise take the obligations or bear the onus which it imposes.").

18||10See Department of Conservation and Natural Resources, Div. of Water Resources v. Foley, 121 Nev. 77, 80, 109 P.3d 760, 762 (Nev. 2005) (holding that parties were not entitled to a preliminary injunction).

 $20||^{11}$ See NRS 33.010. See also, Cameo, Inc. v. Baker, 133 Nev. 512, 516, 936 P.2d 829, 831 (Nev. 1997) quoting Dixon v. Thatcher, 103 Nev. 414,415, 742 P.2d 1029, 21||1029 (Nev. 1987).

1 "may issue a preliminary injunction or a temporary restraining order only if the 2 movant gives security in an amount that the court considers proper to pay the costs 3 and damages sustained by any party found to have been wrongfully enjoined or 4 restrained." NRCP 65(c). Imposing a JPI against the ELN Trust without requiring 5 Lynita to make a preliminary showing that she possesses a community interest in the 6 same and/or the stringent requirements in NRCP 65 or NRS 33 violates its due 7 process rights. 12

8 The imposition of a JPI would also adversely impact the due process rights of 9 | individuals/entities that are not parties to this litigation. For example, and by no 10 means of limitation, the ELN Trust possesses a 66.67% interest in real property 11 located 5220 East Russell Road, Las Vegas, Nevada ("Russell Road Property"). 12||AAPP V19:4691-4742. The remaining 33.33% is owned by Eric's brother, Cal 13 Nelson. AAPP V19:4691-4742. It is undisputed that Cal Nelson is not a party to this 14 action. Notwithstanding, imposing an injunction over the Russell Road Property 15 would impede third-party Cal Nelson's ability to manage and potentially sell the 16 property in which he has an interest, which is contrary to Nevada law.

Indeed, "[c]ourts of equity have long observed the general rule that a court may 18 not enter an injunction against a person who has not been made a party to the case

 $<sup>19||^{12}</sup>$ See e.g., Dangberg Holdings Nevada, L.L.C. v. Douglas Cty. & its Bd. of Cty. Comm'rs, 115 Nev. 129, 146, 978 P.2d 311, 321–22 (1999) (court found due process 20 rights were not violated when moving party showed likelihood of success on merits and irreparable harm).

11

15

16

1 before it." Said rule is consistent with the policy that "[j]udgments at law or decrees 2 in equity affecting the rights of parties to property cannot affect the rights of third 3 parties not before the court." <sup>14</sup> "The consistent constitutional rule has been that a 4 court has no power to adjudicate a personal claim or obligation unless it has 5 jurisdiction over the person of the defendant." 15 "Without a proper basis for 6 jurisdiction, or in the absence of proper service of process, the district court has no 7 power to render any judgment against the defendant's person or property unless the 8 defendant has consented to jurisdiction or waived the lack of process." <sup>16</sup>

Finally, a JPI may impede the ELN Trust's ability to manage and invest its 10 assets in the ordinary course of business pursuant to Article III, Section 3.1 and

Additive Controls & Measurement Systems, Inc. v. Flowdata, Inc., 96 F.3d  $\|12\|$  1390, 1394 (Fed.Cir.1996). See also, In re Infant Formula Antitrust Litigation, MDL 878 v. Abbott 20 Laboratories, 72 F.3d 842, 842-43 (11th Cir. 1995) (court lacks subject matter jurisdiction to issue 21 preliminary or permanent injunctions against non-party); Alemite Mfg. Corp. v. Staff, 42 F .2d 832, 832-833 (2nd Cir. 1930) (holding that district court was not authorized to issue an injunction against non-party to the underlying action).

Rutherford v. Union Land & Cattle Co., 47 Nev. 21,213 P. 1045, 1047 (1923).

In re Janssen, 213 B.R. 558,566 (B.A.P. 8th Cir. 1997) (court concluded that 17 the IRS may not, as it claims, reach the assets titled in REJ in order to satisfy the individual tax liabilities of the party, for the simple reason that REJ has not been 18 named as a party in these proceedings) (citation omitted).

 $<sup>19^{16}</sup>$ SEC v. Ross, 504 F .3d 1130, 1138-39 (9th Cir. 2007) (court held that the district court lacked jurisdiction to enter a disgorgement order over money held by a 20 nonparty who had allegedly violated securities laws but had not been personally served or named in a summons and complaint).

5 productive.

7

10

13

14

1 Article XII, Section 12.1(b), Section 12.1(e), Section 12.1 (f), Section 12.1(o), Section 2||12.1| (t), Section 12. 1(v) and Section 12.1(aa) of the ELN Trust. AAPP V26:6475-In addition to the terms of the ELN Trust, Nevada statutes<sup>17</sup> and 3||V:27:6508. 4 treatises to invest trust assets so as to make them

#### 6||**D**.A DISTRICT COURT HAS GREAT FLEXIBILITY AND ABILITY TO MODIFY OR DISSOLVE A JOINT PRELIMINARY INJUNCTION.

Even if the district court erred in refusing to affirm the JPI over any and all 8 assets titled in the name of the ELN Trust as Lynita alleges, said decision does not rise to the level of arbitrary or capricious because EDCR 5.518(d) states that a JPI remains in effect "until a decree of divorce or final judgment is entered or until 11 modified or dissolved by the court," a fact which the Writ ignores. (Emphasis 12 Added).

Here, the decree was entered on June 3, 2013, and on "September 22, 2014, the

See NRS 164.715 ("A trustee shall invest and manage the trust property solely 15 in the interest of the beneficiaries"); NRS 164.740 (duty to comply with prudent investor rule); NRS 164.750 ("A trustee shall diversify the investments of the  $16 \| \text{trust...}$ ").

<sup>17||18</sup> See 76 Am. Jur. 2d Trusts 435 ("Under the general law ... [a trustee] must exercise his or her independent discretion and judgment in reference to the 18 investment of funds, even where broad discretionary power of investment is given, although provisions enlarging his or her power to invest are strictly construed."); G. 19 Bogert, The law of Trusts and Trustees§ 611 (3rd ed. 2010) ("The duty to invest and make the trust property productive must be performed within a reasonable time, 20 considering the difficulty or ease of finding an appropriate investment and other circumstances.").

1 district court disposed of Wyoming Downs, thereby making its judgment final." 2 Klabacka, 133 Nev. at 169, 394 P.3d at 945. Although this Court "[a]ffirmed in part, vacated in part" the decree, and "remand[ed] this matter for further proceedings 4 consistent with this opinion," id. at 182, 954, EDCR 5.518 does not mandate a JPI to 5 be affirmed after a decree or final judgment are entered, even if ultimately remanded,

6 and Lynita has failed to introduce any legal support for said proposition.

7 Further, the district court did not err by refusing to affirm the JPI over all 8 assets titled in the name of the ELN Trust because it has discretion to modify or 9 dissolve joint preliminary injunctions during the pendency of a divorce proceeding as 10 it deems fit. See EDCR 5.518 ("Once issued, the JPI will remain in effect ... until 11 modified or dissolved by the court."); Nelson, 136 at \* 6, 466 P.3d at 1252 ("Because 12 of the greater flexibility and ability for the district court to modify or dissolve joint 13 preliminary injunctions, those injunctions also do not invoke the same finality as 14 injunctions under NRCP 65.").

Lynita's Writ is devoid of any allegations and/or argument as to how the 16 district court acted arbitrarily and/or capriciously in refusing to affirm the JPI. 17 Lynita's inability to do so comes as no surprise as the district court is intimately 18 familiar with the facts and circumstances regarding this matter. Indeed, the divorce 19 was filed in 2009 (over 11 years ago) and the district court oversaw nearly three (3) 20 weeks of trial and dozens of hearings in this matter. Further, the district court 21 affirmed the JPI over the Banone and Lindell properties after meticulous briefing,

1||SRAPP V1:139-152, SRAPP V2:356-374, SRAPP V2:450-457, and four (4) separate 2||hearings over the period of a year. SRAPP V2:270-335; SRAPP V2:299-300; 3 SRAPP V3:543-544. At one such hearing on January 31, 2018, the district court 4 made it clear that it was not going to affirm the JPI over all assets titled in the name 5 of the ELN Trust because of the severe burden that it would impose on the ELN 6||Trust. SRAPP V1: 210; SRAPP V2:270-335.19

7 Finally, the district court has made it clear throughout the underlying 8 proceeding that "both the ELN and LSN Trusts have sufficient assets to offset any 9 deficiencies ultimately found once a final balance and distribution amount has been 10 determined," see SRAPP V2:450-457, thereby rendering Lynita's argument that she 11 will not be made whole absent the imposition of a JPI moot.

For these reasons, it is readily apparent that the district court's refusal to affirm 13 the JPI is not a decision it took lightly and/or acted arbitrarily and/or capriciously, 14 thereby warranting the denial of Lynita's Writ.

#### $15 \| \mathbf{E}_{\bullet} \|$ NOT PRECLUDE TRANSFERRING AND/OR SELLING THE ASSETS IN ITS NORMAL 16 COURSE OF BUSINESS.

17 The Writ is also fatally flawed as it requests that this Court "direct[] the district 18 court to vacate and reverse its denial of Lynita's request for a general Joint 19 Preliminary Injunction pending final judgment and adjudication of Eric and Lynita's

<sup>20</sup> While Lynita may be correct that "burden caused by a JPI is not a consideration under the law" to impose a JPI it certainly can serve as a factor to 21 modify or dissolve a JPI.

1 community property rights," despite the fact that EDCR 5.518(a)(1) specifically 2 allows the ELN and LSN Trusts from "transferring, encumbering, concealing, selling, or otherwise disposing of any joint, common, or community property...in the usual 4 course of business." In other words, Lynita is asking that this Court enforce the first 5 half of EDCR 5.518(a)(1) and disregard the section half of the same section.

6 Not only is the relief request contrary to EDCR 5.518(a)(1) and EDCR 7||5.518(d), but enjoining all assets titled in the name of the ELN Trust "pending final 8 judgment" would cause extreme financial hardship and impede its ability to operate 9 "in the usual course of business," such as selling the rental properties titled in the 10 name of the ELN Trust when it is financially appropriate to do so and to prevent a 11 loss in value. Further, the relief requested would prevent the Trust from managing its 12 assets for its beneficiaries, which include the children of Eric and Lynita.

As this Court noted in the Second Appeal, one distinguishing factor between 14 an injunction pursuant to NRCP 65 and a JPI under EDCR 5.518 is that a JPI has "great flexibility and ability" to be modified by the district court and do not have the 16 "same finality as injunctions under NRCP 65." Nelson, 136 at \* 6, 466 P.3d at 1252. 17 Notwithstanding, the Writ demands that the JPI have the same finality as an 18 injunction under NRCP 65 even though she has failed to show a likelihood of success 19 on the merits, post a bond and/or comply with any additional requirements set forth 20 in the rule. As such, the relief requested in the Writ is inappropriate, contrary to 21 Nevada law and should be summarily rejected.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

 $1 \| \mathbf{F}_{\bullet} \|$ THE REQUESTED JPI CANNOT EXTEND TO ASSETS OVER COURT FOUND, WHICH THE DISTRICT THIS COURT **NOT** CONFIRMED. LYNITA DOES HAVE **COMMUNITY** PROPERTY INTEREST.

As a final matter, increasing the scope of the JPI to properties over which the district court found, and this Court confirmed, that Lynita does not have a community property interest would constitute gross error. Specifically, the JPI cannot and should not encompass Wyoming Downs because the district court previously found that Wyoming Downs was not community property, AAPP V23:5553-5561, and said ruling was upheld by this Court.

As this Court recognized in its May 25, 2017 Opinion, the decree disposed of all of the assets owned by the ELN Trust and the LSN Trust, with the exception of Wyoming Downs. See Klabacka, 133 Nev. at 168, 394 P.3d at 945. Indeed, after a separate evidentiary hearing on Wyoming Downs on May 30, 2014, the district court entered the following findings and orders:

THE COURT FURTHER FINDS that Dynasty Development Management, LLC ("Dynasty") was organized as a Nevada LLC on April 26, 2011, with the ELN Trust as its sole member, and with Eric L. Nelson as its manager.

**THE COURT FURTHER FINDS** that in or around November 2011. Banone LLC loaned \$75,000 to Dynasty, which Dynasty utilized as an earnest money deposit toward the purchase of Wyoming Downs.

THE COURT FURTHER FINDS that Wyoming Downs was purchased around November 16, 2011, by Dynasty for \$440,000, which represented a purchase price of \$400,000 and a buyer's premium of \$40,000.

**THE COURT FURTHER FINDS** that Dynasty's purchase of Wyoming Downs was financed through debt by Henderson Capital Group, LLC ("Henderson Capital"), a hard money lender.

THE COURT FURTHER FINDS that the ELN Trust entered into a promissory note in favor of Henderson Capital in the amount of \$700,000. Out of the \$700,000 borrowed \$100,000 was taken out for prepayment of fees and interest. The remaining \$600,000 in loan proceeds, plus \$175.46 for tax reimbursement, and the \$75,000 earnest money deposit (for a total of \$675,175.46), was applied at closing as follows: \$400,000 for the purchase price, \$40,000 for the buyer's premium, \$30,389 in settlement charges, and \$10,000 for an extension fee FOR A TOTAL OF \$480,839.00. Accordingly, at closing a total of \$194,336.46 (\$675,175.46-\$480,839.00) of equity was available to pull out. Eric L. Nelson testified that from the \$194,336.46, \$75,000 was paid back to Banone, LLC, leaving new money of \$119,336.46.

THE COURT FURTHER FINDS that although Wyoming Downs was acquired by the ELN Trust during the pendency of the marriage between Eric L. Nelson and Lynita S. Nelson, the Court does not find it to be community property as it was clearly purchased through Dynasty, an entity wholly owned by the ELN Trust and the Court maintained the ELN Trust. The Court found no facts leading it to conclude Lynita S. Nelson or the LSN Trust has an interest in Wyoming Downs. The Court maintained the integrity of the ELN Trust and LSN Trust for the reasons set forth in the Divorce Decree.

THE COURT FURTHER FINDS that there was no transmutation of Wyoming Downs from separate property to community property, even assuming that Wyoming Downs was separate property of Eric L. Nelson, and not the property of the ELN Trust, separate and distinct from Eric L. Nelson. AAPP V23:5553-5561.

Lynita appealed the district court's finding that she did not possess a community property interest in Wyoming Downs. Indeed, Lynita identified the following "Issue[] on Appeal" in her Docketing Statement:

Whether the district court erred in denying Lynita a one-half (1/2)

3

6

7

8

11

12

13

15

16

interest in Wyoming Downs, which was purchased during the pendency of Eric's and Lynita's divorce proceedings. *See* LSN Trust's Docketing Statement at 4:10-12 filed on November 25, 2014 in the First Appeal, Case No. 66772.<sup>20</sup>

Although this Court affirmed and vacated portions of the decree, it is imperative to note that this Court <u>upheld</u>, as opposed to overturned, the September 22, 2014 Order:

Accordingly, we affirm in part and vacate in part the district court's decree of divorce, affirm in part and vacate in part the district court's June 8, 2015, order modifying and implementing the divorce decree, and remand this matter for further proceedings consistent with this opinion. *See Klabacka*, 133 Nev. at 182, 394 P.3d at 954.<sup>21</sup>

See id. at fn. 9 ("[w]e have considered the parties' other arguments [which would have included Lynita's argument with respect to Wyoming Downs] and conclude they are without merit."). See also SRAPP: V3:610 ("Therefore, as the Nevada Supreme Court's Decision vacated portions of the divorce decree relating to assets in the ELN and LSN Trust, and the Wyoming Downs property was disposed of in this Court's September 18, 2014 Order, and not the June 8, 2015 Order, this Court finds that the ELN Trust remains the owners of the Wyoming Downs Property.").

See also, Lynita's Answering Brief and Opening Brief on Cross-Appeal at p. 48:21-22 filed on March 2, 2016 in Case No. 66772 ("The district court's division of property was equal based on the property that remained at the time of trial, with the exception of Wyoming Downs.") pp. 52-53 ("The district court erred by not equally dividing Wyoming Downs, which was acquired during the pendency of the divorce litigation.").

The only reference to Wyoming Downs in the June 8, 2015 Order involves providing documentation and income received, not a disposition of property. SRAPP V3: 604-613.

6

9

21

Upon information and belief, the reason why this Court did not overturn and/or vacate the September 22, 2014 Order is because the district court had already traced the assets utilized to purchase Wyoming Downs and found that said property was not 4 community property. AAPP V23:5553-5561. Consequently, it was unnecessary to remand the issue to the district court for additional tracing.

Notwithstanding, Lynita demands that this Court increase the scope of a JPI to 7 include any and all assets titled in the name of the ELN Trust, which would 8 presumably include Wyoming Downs.

This is not the first time that Lynita has sought to have this Court revisit its 10 ruling regarding Wyoming Demands in contravention of NRAP 40(a)(1). Indeed, 11 Lynita's Petition for Writ of Mandamus or Other Extraordinary Relief filed in 12 Supreme Court Case No. 77254, presented the following issue: "[w]hether this Court 13 affirmed the district court's decision regarding Wyoming Downs and excluded such 14 property from the tracing to be conducted by the district court, even though Wyoming 15 Downs was not expressly excluded from the tracing of assets within the SSSTs." See 16 Petition for Writ of Mandamus at 2:4-7 filed on October 30, 2018, in Case No. 17 77254. This Court denied Lynita's Petition for Writ of Mandamus on December 13, 18 2018. See Order Denying Petition for a Writ of Mandamus filed on December 13, 19||2018, in Case No. 77254. Lynita's desperate attempt to litigate this issue in her Writ 20||in 2018, and again now, is inappropriate and contrary to Nevada law.

In light of the foregoing, and the fact that Lynita did not appeal the portion of

1 the October 16, 2018 Order that upheld Wyoming Downs as an asset of the ELN 2 Trust, 22 it would be an error to enter a JPI and/or litigate any issue relating to Wyoming Downs.

## CONCLUSION

5 In light of the foregoing, the ELN Trust respectfully requests that this Court 6 deny the Writ in its entirety. Alternatively, if this Court finds that the district court 7 somehow erred by not affirming the JPI over all properties, the ELN Trust 8 respectfully requests that this Court confirm that the district court has authority to 9 modify and/or dissolve the JPI as set forth in EDCR 5.518(d), and that the ELN Trust 10 may transfer, encumber, sell or otherwise dispose of said assets "in the usual course 11 of conduct." See EDCR 5.518(a)(1). Finally, the ELN Trust respectfully requests 12 that this Court deny Lynita's request for the imposition of a JPI over Wyoming 13 Downs, which the district court funds, and this court confirmed, Lynita does not have 14 | / /

15||/ / /

16||/ / /

17||/ / /

18||/ / /

 $<sup>19||^{22}</sup>$ See SRAPP V3: 604-613. ("Therefore, as the Nevada Supreme Court's Decision vacated portions of the divorce decree relating to assets in the ELN and 20 LSN Trust, and the Wyoming Downs property was disposed of in this Court's September 18, 2014 Order, and not the June 8, 2015 Order, this Court finds that the 21 ELN Trust remains the owner of the Wyoming Downs Property.").

1 a community property interest in.

DATED this 16<sup>th</sup> day of September, 2020.

# SOLOMON DWIGGINS & FREER, LTD.

/s/ Jeffrey P. Luszeck

By:\_ MARK A. SOLOMON, ESQ. Nevada State Bar No. 0418

> JEFFREY P. LUSZECK Nevada State Bar No. 9619 9060 W. Cheyenne Avenue Las Vegas, Nevada 89129

Attorneys for Respondent, Matt Klabacka Distribution Trustee of the Eric L. Nelson Nevada Trust dated May 30, 2001

2

7

11

20

21

# **CERTIFICATE OF COMPLIANCE**

- I hereby certify that this brief complies with the formatting 1. 3 requirements of NRAP 32(a)(4), the typeface requirements of NRAP 32(a)(5) and 4 the type style requirements of NRAP 32(a)(6) because this brief has been prepared 5||in a proportionally spaced typeface using Microsoft Office Word in 14 point Times 6||New Roman type style.
- I further certify that this brief complies with the page or type-volume 2. 8||limitations of NRAP 32(a)(7) because, excluding the parts of the brief exempted by 9 NRAP 32(a)(7)(C), it is not proportionately spaced, has a typeface of 14 points, and 10 contains 7,299 words.
- 3. Finally, I hereby certify that I have read this appellate brief, and to the 12 best of my knowledge, information and belief, it is not frivolous or interposed for any 13 improper purpose. I further certify that this brief complies with all applicable Nevada 14 Rules of Appellate Procedure, in particular NRAP 28(e)(1), which requires every 15 assertion in the brief regarding matters in the record to be supported by appropriate 16 references to page and volume number, if any, of the transcript or appendix where the 17 matter relied on is to be found. I understand that I may be subject to sanctions in the 18 event that the accompanying brief is not in conformity with the requirements of the 19||/ / /

SOLOMON DWIGGINS & FREER, LTD. /s/ Jeffrey P. Luszeck MARK A. SOLOMON, ESQ. Nevada State Bar No. 0418 JEFFREY P. LUSZECK Nevada State Bar No. 9619 9060 W. Cheyenne Avenue Las Vegas, Nevada 89129 Attorneys for Respondent, Matt Klabacka Distribution Trustee of the Eric L. Nelson Nevada Trust dated May 30, 2001

19

20

21

1

2

# **CERTIFICATE OF SERVICE**

I hereby certify that on the 16<sup>th</sup> day of September, 2020, I filed a true and 3 correct copy of the foregoing ANSWER TO PETITION FOR WRIT OF 4 MANDAMUS OR OTHER EXTRAORDINARY RELIEF with the Clerk of the 5 Court via the Court's E-flex electronic filing system and notice shall be sent 6 electronically by the Court to the following:

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

Dawn R. Throne, Esq. THRONE & HAUSER Attorneys for Respondent ERIC L. NELSON

/s/ Gretta McCall

An Employee of Solomon Dwiggins & Freer, Ltd.