IN THE SUPREME COURT OF THE

STATE OF NEVADA

NUVEDA, LLC,

Petitioner,

VS

EIGHTH JUDICIAL DISTRICT COURT THE STATE NEVADA, IN **AND** FOR OF COUNTY CLARK. THE **HONORABLE** ELIZABETH GONZALEZ, DISTRICT JUDGE,

Respondent,

SHANE TERRY, PHIL IVEY, AND DOTAN Y. MELECH, receiver for CWNEVADA, LLC, a Nevada limited liability company,

Real Parties in Interest.

Electronically Filed Mar 23 2021 09:38 a.m. Elizabeth A. Brown Clerk of Supreme Court

Supreme Court Case No. TBD

Case: A-20-817363-B

Lead Case: A-17-755479-B

Other Consolidated Cases with Lead

Case:

A-19-791405-C and A-19-796300-B

APPENDIX FOR PETITION FOR WRIT OF PROHIBITION OR, IN THE ALTERNATIVE, PETITION FOR WRIT OF MANDAMUS (Volume 2 of 2)

Counsel for Petitioner

LAW OFFICE OF MITCHELL STIPP

MITCHELL STIPP, ESQ.

Nevada Bar No. 7531

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Appendix 0094 Docket 82649 Document 2021-08255

INDEX

7. Motion for Status Check and Related	Appendix 0097-0110 Volume No. 2
Relief on OST (without Exhibits)	
8. Minutes from Status Check	Appendix 0111-0113 Volume No. 2
9. NuVeda's Renewed Objection under	
NRS 22.030(3)	Appendix 0114-0125 Volume No. 2
10. Minutes from Court	Appendix 0126-0127 Volume No. 2
11. Order Dismissing CWNV, LLC and CWNV1, LLC from Case	Appendix 0128-0130 Volume No. 2

DATED this 22nd day of March, 2021.

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Counsel for Petitioner

1 MITCHELL D. STIPP, ESQ. Nevada Bar No. 7531 2 LAW OFFICE OF MITCHELL STIPP 1180 N. Town Center Drive, Suite 100 Las Vegas, Nevada 89144 Telephone: 702.602.1242 4 mstipp@stipplaw.com Attorneys for NuVeda, LLC 5 6 IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 7 IN AND FOR THE COUNTY OF CLARK 8 9 NUVEDA, LLC, a Nevada Limited Liability Company; and CWNEVADA LLC, a Nevada 10 Case: A-17-755479-B Limited Liability Company, 11 Consolidated Cases: Plaintiffs, A-19-791405-C, A-19-796300-B, and A-20-12 817363-B v. 13 Dept. No.: 11 4FRONT ADVISORS LLC, foreign limited 14 liability company, DOES I through X and ROE ENTITIES, II through XX, inclusive, 15 MOTION FOR STATUS CHECK AND RELATED RELIEF ON ORDER 16 Defendants. **SHORTENING TIME** 17 AND RELATED MATTERS. Date of Hearing: Time of Hearing: 18 19 NuVeda, LLC, a Nevada limited liability company ("NuVeda"), by and through counsel of 20 record, Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced 21 motion on order shortening time. 22 This filing is based on the papers and pleadings before the court, the memorandum of points 23 and authorities that follows, and the exhibits attached hereto or filed separately and incorporated herein 24 by this reference. 25 /// 26 27 28

1	DATED this 5th day of March, 2021.
2	
3	LAW OFFICE OF MITCHELL STIPP
4	/s/ Mitchell Stipp, Esq.
5	MITCHELL STIPP, ESQ. Nevada Bar No. 7531
6	LAW OFFICE OF MITCHELL STIPP 1180 N. Town Center Drive, Suite 100 Las Vegas, Nevada 89144
7	Telephone: 702.602.1242 mstipp@stipplaw.com Attorneys for NuVeda, LLC
8	Attorneys for NuVeda, LLC
9	[NOTICE OF HEARING FOLLOWS]
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1 2 NOTICE OF TELEPHONIC HEARING 3 4 TO: ALL INTERESTED PARTIES AND THEIR COUNSEL OF RECORD 5 6 PLEASE TAKE NOTICE that the MOTION FOR STATUS CHECK AND RELATED 7 8 RELIEF ON ORDER SHORTENING TIME shall be heard via telephonic conference on March 9 ____, 2021 at ______. 10 11 DATED this _____ day of March 2021. 12 13 14 District Court Judge 15 16 17 18 DATED this 5th day of March, 2021. 19 20 LAW OFFICE OF MITCHELL STIPP 21 22 /s/ Mitchell Stipp, Esq. 23 MITCHELL STIPP, ESQ. Nevada Bar No. 7531 24 LAW OFFICE OF MITCHELL STIPP 1180 N. Town Center Drive, Suite 100 25 Las Vegas, Nevada 89144 Telephone: 702.602.1242 26 mstipp@stipplaw.com Attorneys for NuVeda, LLC 27 28

DECLARATION OF MITCHELL STIPP IN SUPPORT OF REQUEST FOR SHORTENED TIME

The undersigned, Mitchell Stipp, certifies to the court as follows:

- 1. I am counsel for NuVeda, LLC, a Nevada limited liability company ("NuVeda"), in the above referenced case.
- 2. The court granted an order to show cause on February 1, 2021 and scheduled an evidentiary hearing for April 5, 2021 at 1pm.
- 3. There is not sufficient time to have this motion heard in the ordinary course before the evidentiary hearing on April 5, 2021
- 4. I submit the above-titled declaration in support of NuVeda's motion. I have personal knowledge of the facts contained therein unless otherwise qualified by information and belief or such knowledge is based on the record in this case, and I am competent to testify thereto, and such facts are true and accurate to the best of my knowledge and belief.

Dated this 5th day of March, 2021.

/s/ Mitchell Stipp

Mitchell Stipp, Esq.

MEMORANDUM OF POINTS AND AUTHORITIES

1. Order to Show Cause fails to Comply with NRS 22.030(2).

CWNevada, LLC, a Nevada limited liability company ("CWNevada"), by and through Dotan Melech, the court-appointed receiver (the "Receiver"), Shane Terry, and Phil Ivey have filed two (2) motions for orders to show cause regarding the revival of predecessors-in-interest to CWNV LLC ("Predecessor CWNV") and CWNV1 LLC ("Predecessor CWNV1," and together with Predecessor CWNV, "Predecessor Entities"). One of the motions was denied via minute order on December 18, 2020, and the other motion filed on January 21, 2021 was granted. Orders have not been entered by the court on these motions.

NRS 22.030(2) states that "[i]f a contempt is not committed in the immediate view and presence of the court or judge at chambers, an affidavit must be presented to the court or judge of the facts constituting the contempt." See Awad v. Wright, 106 Nev. 407, 409-10, 794 P.2d 713, 715 (1990) (concluding that to be sufficient, the affidavit is required to demonstrate a prima facie case of contempt against the opposing party), abrogated on other grounds by Pengilly v. Rancho Santa Fe Homeowners Ass'n, 116 Nev. 646, 650, 5 P.3d 569, 571 (2000). The motion for an order to show cause which the court granted on February 1, 2021 is not supported by an affidavit or declaration, which demonstrates a prima facie case of contempt by Dr. Pejman Bady or NuVeda of any order of the court. The motion filed on January 21, 2021 contains a declaration of Joe Coppedge, Esq., counsel for the Receiver and Messrs. Terry and Ivey, requesting an *order shortening time*. That declaration does not allege Dr. Bady or NuVeda violated any court orders. In fact, paragraph 20 of Mr. Coppedge's declaration clearly admits the following:

¹ As previously noted, Dr. Bady was not served with the motion.

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20. Due to the continuing urgency of this matter, and the demonstrated potential for NuVeda and/or Dr. Bady to disobey court orders and transfer assets, Plaintiffs respectfully request that this matter be heard on an order shortening time at the court's earliest availability.

I declare under penalty of perjury that the foregoing is true and correct.

DATED this 20th day of January, 2021.

/s/L. Joe Coppedge L. JOE COPPEDGE, ESQ.

According to Mr. Coppedge's view, Dr. Bady and NuVeda actions amounted to a "potential . . . to disobey court orders". The motion does include a declaration of Kandy Halsey (paralegal at Holly Driggs) as part of Exhibit 3, but it only details the failure by the Receiver to revive the Predecessor Entities as of December 29, 2020. The court at the hearing on February 1, 2021 determined that revival by Dr. Bady as manager of NuVeda on January 15, 2021 was not a violation of the court's order. However, the court issued an order to show cause why NuVeda should not be held in contempt related to actions after the revival of the Predecessor Entities (specifically the mergers). Neither the court nor the Receiver and Messrs. Terry and Ivey explain how or why the mergers constitute a violation of any orders of the court. Accordingly, the order to show cause is not supported under NRS 22.030(2).

2. Status of Evidentiary Hearing/Proceedings.

The parties filed status reports as required by the court, and the court issued a minute order confirming that the evidentiary hearing remains scheduled for April 5, 2021 at 1pm. NuVeda has served initial disclosures and produced almost 1,300 pages of documents in connection with written discovery. The deposition of the receiver has been completed (See Exhibit A).² The parties are working to schedule Dr. Bady's deposition for March 19, 2021. See Exhibit B. In the meantime, the Receiver and Messrs. Terry and Ivey are supplementing their deficient discovery responses, which the Receiver and Messrs. Terry and Ivey have promised by March 8, 2021. See Exhibit C.³ NuVeda encourages the court to review the deposition transcript of the Receiver. It appears the Receiver has done very little to represent the stakeholders of CWNevada and investigate the claims of creditors of

² A deposition transcript may be used for any purpose as described in NRCP 32(a).

The receiver has committed perjury by denying that the receivership is insolvent in answers to requests for admissions. See Exhibit C, page 373. During the weekly creditor meeting held on March 3, 2021 via Zoom, the receiver informed the group that the receivership estate <u>has always been, is and will continue to be insolvent</u>. John Savage, Esq. can confirm the Receiver's statements. <u>Id</u>. at page 363-367.

CWNevada (including NuVeda). Apparently, the Receiver does not have a grasp of CWNevada's actual obligations under the joint venture (and whether CWNevada performed) and the events that occurred prior to his appointment, relied on documents which he cannot identify or remember reviewing, admitted to denying NuVeda's proof of claim based on events (i.e., confession of judgment) which did not occur until many months after the claim was summarily rejected, and ignores actual evidence and documents publicly available (including in CWNevada's bankruptcy), which undermine the Receiver's position as it relates to NuVeda.

3. Merger Cannot be Terminated.

NRS 92A.175 provides as follows:

NRS 92A.175 Termination of planned merger, conversion or exchange after filing of articles. After a merger, conversion or exchange is approved, at any time after the articles of merger, conversion or exchange are filed but before an effective date specified in the articles which is later than the date of filing the articles, the planned merger, conversion or exchange may be terminated in accordance with a procedure set forth in the plan of merger, conversion or exchange by filing articles of termination pursuant to the provisions of NRS 92A.240.

The effective date of the mergers was January 15, 2021. The mergers were not conditional. Accordingly, the mergers **cannot** be terminated under NRS 92A. The Nevada Supreme Court has determined that civil contempt is remedial in nature, as the sanctions are intended to benefit a party by coercing or compelling the contemnor's future compliance, not punishing them for past bad acts. Rodriguez v. Dist. Ct., 120 Nev. 798, 805 (Nev. 2004) (citations omitted). Moreover, a civil contempt order is indeterminate or conditional; the contemnor's compliance is all that is sought and with that compliance comes the termination of any sanctions imposed. Id. If the merger cannot be terminated, civil contempt is not appropriate.

As part of the motion filed on January 21, 2021 (pages 10-11), the Receiver and Messrs. Terry and Ivey ask the following from the court as sanctions for civil contempt:

⁴ NuVeda believes other creditor claims have been denied without any basis. The Receiver yields the power to approve, deny or settle a claim outside of the view of this court. If a creditor objects or disagrees, the Receiver will not grant the creditor a favorable result (forcing the creditor to litigate).

NuVeda's and Dr. Bady's continuing willingness to violate this Court's orders is conclusively documented. Based on the foregoing, Plaintiffs respectfully request that this Court issue an order to show cause why NuVeda and Dr. Bady should not be held in contempt for violating this Court's orders, and following such hearing, that an appropriate sanction, including an award of attorney's fees, be issued until NuVeda and Dr. Bady comply with this Court's orders. As a part of such order, Plaintiffs respectfully request: (i) that NuVeda and Dr. Bady be required to cease all actions that interfere with the Receiver's ability to revive CWNV and CWNV1; (ii) that Mr. Melech, in his capacity as Receiver be approved to act as the manager of CWNV and CWNV1; (iii) that this Court remove any authority that NuVeda and/or Dr. Bady has to act on behalf of CWNV and CWNV1; (iv) that NuVeda and/or Dr. Bady be required to dissolve the new entities bearing the same name as CWNV and CWNV1 so that such entities may be revived without further delay; (v) that the any and all agreements purporting to transfer and/or merge the assets from CWNV and CWNV1 to the new entities bearing the same name be voided; and (vi) that this Court affirm that the assets of CWNV and CWNV1 are under the exclusive authority of

the Receiver.

Addressing the items above in order, the Predecessor Entities cannot be revived because the mergers cannot be terminated. The Receiver cannot serve as manager of the Predecessor Entities because they are permanently dissolved via the mergers. Dr. Bady and NuVeda do not have any current role with respect to the Predecessor Entities (i.e., they are dissolved). Dissolving the surviving entities of the merger does not allow the Predecessor Entities to be revived. Voiding any transfer/assignment agreements accomplishes nothing because the surviving entities are entitled to the assets and assume the liabilities as a matter of law. There is no mechanism to grant the Receiver authority over any assets of the Predecessor Entities because the surviving entities are not parties to this case.

4. If the evidentiary hearing proceeds, NuVeda elects to have the matter heard by an alternative district court judge.

NRS 22.030(3) provides as follows:

3. Except as otherwise provided in this subsection, if a contempt is not committed in the immediate view and presence of the court, the judge of the court in whose contempt the person is alleged to be shall not preside at the trial of the

contempt over the objection of the person. The provisions of this subsection do not apply in:

- (a) Any case where a final judgment or decree of the court is drawn in question and such judgment or decree was entered in such court by a predecessor judge thereof 10 years or more preceding the bringing of contempt proceedings for the violation of the judgment or decree.
- (b) Any proceeding described in subsection 1 of <u>NRS 3.223</u>, whether or not a family court has been established in the judicial district.

The court determined at the hearing on February 1, 2021 that the actions of NuVeda <u>after the</u> <u>revival</u> of the Predecessor Entities on January 15, 2021 are the basis for the order to show cause and hearing on contempt. The mergers occurred outside of the view and presence of the court. Neither of the exceptions in sub-paragraphs (a) or (b) apply. Accordingly, NuVeda objects to this court presiding over the evidentiary hearing.

5. Actual Evidence Confirms No Violation of Court Orders.

NuVeda believes the evidence will show that CWNevada's interest in the Predecessor Entities was terminated at the time it filed for chapter 11 bankruptcy protection (April 16, 2019—Case No. 19-12300-MKN/Chapter 11, United States Bankruptcy Court, District of Nevada). Under the operating agreements for these Predecessor Entities, bankruptcy is a withdrawal event, which triggers the dissolution of the companies unless the members agree to continue their business. The termination of CWNevada's membership interests in and dissolution of the Predecessor Entities occurred *prior to the appointment of the Receiver* in Case No. A-18-773230-B (June 13, 2019) ("CIMA Case"), as amended by the order in Case No. A-17-755479-C (June 26, 2019) ("Receivership Action") and again in the Receivership Action on July 10, 2019.

The order in the CIMA Case is a temporary order, which was replaced by the orders in the Receivership Action. The order in the CIMA Case included CWNV, LLC (one of the Predecessor Entities) as part of the receivership estate. The first order in the Receivership Action permanently appointed the Receiver but clarified that the estate consisted only of CWNevada and its assets. The second order in the Receivership Action re-appointed the Receiver and clarified that the estate consisted of CWNevada and all of its assets including ownership interests of CWNevada in any subsidiaries and affiliated entities (expressly including interests in CWNV, LLC (one of the

Predecessor Entities)).

CWNV, LLC (one of the Predecessor Entities) was subject to receivership between June 13, 2019 and June 26, 2019—thirteen (13) days. CWNevada's membership interests in the Predecessory Entities were subject to receivership as of June 13, 2019. However, the Predecessor Entities were dissolved, and membership interests were terminated effective, as of April 16, 2019—two (2) months **before** CWNevada became subject to receivership. This court has issued other orders in this case related to the Predecessor Entities. At a hearing on August 18, 2020, the court announced that the Predecessor Entities were already under the "jurisdiction of the Receiver." See Order filed on September 25, 2020 (paragraphs 5 and 6). Upon NuVeda's motion for clarification, the court determined that the Receiver "has authority over the entities in which CWNevada was the majority interest holder." Id. (paragraph 7). However, the court expressly determined that actions taken by

NuVeda as purported trustee "may ultimately be determined to be valid." Id.

The court granted the Receiver permission to apply to the Nevada Secretary of State to revive the Predecessor Entities in accordance with NRS 86.580. See Order filed on November 24, 2020 (paragraph 1).⁵ Until the Predecessor Entities were revived, the court determined that Dr. Bady as manager of NuVeda "shall continue to act as trustee for [the Predecessor Entities]." Id. (paragraph 2). Predictably, the Receiver contended he had "exclusive authority" over the Predecessor Entities, and Dr. Bady as manager of NuVeda continued to assert his statutory authority as trustee under NRS 86.541(2).

The Receiver was unable to complete the revival of the Predecessor Entities. The Receiver blames Dr. Bady and NuVeda. However, the evidence is clear that he failed to complete the NVSOS

⁵ Apparently, the Receiver believes that the word "may" is vague and ambiguous. <u>See</u> Exhibit C, pages 373-374. <u>Compare</u> with the Receiver's deposition testimony (Exhibit A, page 013). At his deposition, the Receiver seemed to understand the term "may." However, in written discovery, the Receiver is confused. This answer is almost as bad as President Bill Clinton claiming not to understand the definition of "is" in his deposition for which he was ultimately disbarred. How can NuVeda be guilty of contempt of the court's order on revival if the Receiver thinks the word "may" is simply too confusing to understand its plain meaning?

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applications properly but had ample time and resources to do so. Dr. Bady as manager of NuVedatrustee of the Predecessor Entities-- revived the entities in accordance with NRS 86.580 on or about January 15, 2021. Although the motion failed to comply with NRS 22.030(2), the court issued an order to show cause why NuVeda should not be held in contempt related to actions *after the revival* of the Predecessor Entities (specifically the mergers).

What about the mergers constitutes a violation of the orders of the court? CWNevada did not own any membership interests in the Predecessor Entities. If CWNevada disputes that, then CWNevada can pursue its rights and remedies. There is no law to support the Receiver reviving dissolved limited liability companies in which CWNevada does not have any interest. The order permitting the Receiver to revive the Predecessor Entities is not an exclusive mandate to do so. If NuVeda's revival of the Predecessor Entities on January 15, 2021 does not violate any orders of the court, then there cannot be a violation of any court order *as a result of the mergers*. The Predecessor Entities were revived, Dr. Bady was the manager appointed by NuVeda, and NuVeda was the sole member of those entities. The court must remember that CWNevada's membership interests in the Predecessor Entities was terminated before the receivership.

6. NuVeda is entitled to due process.

The Receiver and Messrs. Terry and Ivey filed a complaint on June 30, 2020, which was assigned to Department 13. NuVeda's complaint was pending in Department 1. The claims order approved by this court in the Receivership Action required the disputes between the parties to be adjudicated in the pending litigation (paragraph 24 of Order filed on January 2, 2020). The Receiver answered NuVeda's complaint in Department 1 but asked this court to consolidate the matters in the Receivership Action, which the court granted notwithstanding the process approved by the court. The Receiver and Messrs. Terry and Ivey asked the court to amend their complaint after the court denied the request for a receiver and preliminary injunction, and the court granted leave to the Receiver and

Mr. Ivey on October 19, 2020 to file an amended complaint. To date (*four (4) months later*),⁶ no amended complaint has been filed. The Receiver and Messrs. Terry and Ivey have not provided initial disclosures or conducted an early case conference. There is no discovery schedule or trial set. NuVeda and its affiliates have an open extension of time but plan to answer, assert counter and third-party claims when the amended complaint is filed. In the meantime, the Receiver and Messrs. Terry and Ivey are obsessed with taking over the dispensaries licensed to Clark NMSD LLC.

The stated purpose by the Receiver for seeking the court's approval to revive the Predecessor Entities is as follows:

2 11. The Receiver, on behalf of CWNV and CWNV1 intends to file a motion with the
3 Court to assume operational control of the North Las Vegas Dispensary and Downtown
4 Dispensary, the licenses for which were to have been transferred to CWNV (substituted with
5 CWNV1) pursuant to the MIPA and subsequent related agreements in order to preserve such
6 assets for the Receivership Estate.

See Motion, filed on October 5, 2020 (page 5). If the court granted permission to revive the Predecessor Entities without an evidentiary hearing or trial, NuVeda assumes the court intends to grant the Receiver "operational control" over the dispensaries though the Predecessor Entities without an evidentiary hearing or trial. However, the dispensaries are owned by 2113 Investors, LLC (which is not a party to this action), and leased to Clark NMSD, LLC. The Cannabis Compliance Board recognizes the owners of the marijuana licenses through Clark NMSD LLC as Dr. Bady, Pouya Mohajer, and Joseph Kennedy. There are no facts or law that would permit the Receiver simply to "take over" these operating businesses simply by allowing the Receiver to "revive" the Predecessor Entities. The fact that the court allowed the Receiver to apply to revive these entities based on this stated purpose is concerning. CWNevada breached the joint venture agreement with NuVeda, and the joint venture was terminated. See Exhibit D. The receivership estate is undeniably insolvent. The Cannabis Compliance Board will not approve of the Receiver through CWNevada operating

⁶ It has been almost nine (9) months since the Receiver and Messrs. Terry and Ivey have filed their initial complaint.

Appendix 0109

dispensaries licensed to Clark NMSD LLC. The breaches, failure to cure and termination are subject 1 2 to discovery and a trial. It appears in this case that the Receiver and Messrs. Terry and Ivey are putting the cart before the horse (especially in light of the Receiver's actual work to investigate these matters 3 before filing a complaint).⁷ 4 5 6 NuVeda would like the court to set a status check to consider the matters above. During this status check, NuVeda would request the court vacate its order to show cause, vacate the evidentiary 7 8 hearing on contempt, and set a deadline for the Receiver and Mr. Ivey (not Mr. Terry) to amend and file their complaint.⁸ If the court still believes an evidentiary hearing on contempt is still necessary, 9 10 then the matter should be assigned to another district court judge per NRS 22.030(3). 11 12 DATED this 5th day of March, 2021. LAW OFFICE OF MITCHELL STIPP 13 14 15 /s/ Mitchell Stipp, Esq. MITCHELL STIPP, ESO. 16 Nevada Bar No. 7531 LAW OFFICE OF MITCHELL STIPP 17 1180 N. Town Center Drive, Suite 100 Las Vegas, Nevada 89144 18 Telephone: 702.602.1242 mstipp@stipplaw.com 19 Attorneys for NuVeda, LLC 20 21 22 23 24 25

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⁷ Messrs. Terry and Ivey do not have any interest or claims to Clark NMSD LLC.

⁸ As the court has been informed, NuVeda intends to file a writ petition to the Nevada Supreme Court regarding the denial of its motion for dismissal/summary judgment with respect to Mr. Terry's claims. The claims by the Receiver and Mr. Ivey rely on the factual allegations of Mr. Terry.

DISTRICT COURT CLARK COUNTY, NEVADA

A-17-755479-B Nuveda LLC, Plaintiff(s) vs. March 17, 2021

4Front Advisors LLC, Defendant(s)

March 17, 2021 9:00 AM Motion for Status Check and Related Relief on Order

Shortening Time

HEARD BY: Gonzalez, Elizabeth **COURTROOM:** RJC Courtroom 03E

COURT CLERK: Dulce Romea

RECORDER: Jill Hawkins

PARTIES

PRESENT: Stipp, Mitchell D. Attorney for NuVeda, LLC

JOURNAL ENTRIES

- APPEARANCES CONTINUED: Attorney Joe Coppedge, counsel for Phillip Ivey and Shane Terry.

Parties appeared by telephone.

Court asked Mr. Stipp why he did not ask for contempt proceedings to be assigned to another judge on February 22 when the Court granted counsel's request ot continue the hearing. Mr. Stipp advised it was not clear to him whether or not he could make that objection.

Following arguments by counsel regarding the motion for status check and related relief, COURT ORDERED, motion DENIED; while the Court may have granted the request for another judge, by requesting that the Court continue the hearing, which was discussed on February 22, 2021 and which the Court granted, that has been waived; the primary order is the November 24, 2020 order; parties may start discovery; however, the Court will caution the parties that corporate governance issues may be unwound as part of this proceeding.

Court asked whether Dr. Bady's deposition has been taken and whether he has recovered. Mr. Stipp, noting as a response to the Court's ruling that Mr. Coppedge had filed an email motion and that they did not ask for the hearing and did not waive their right to object, advised that Dr. Bady's surgery PRINT DATE: 03/17/2021 Page 1 of 2 Minutes Date: March 17, 2021

A-17-755479-B

was indeed successful, and that he has returned to Las Vegas and is recovering. Mr. Stipp stated he is happy to work with Mr. Coppedge on scheduling.

COURT ORDERED, Judicial Executive Assistant to SET a supplemental Rule 16 conference even if Mr. Stipp has not yet answered, because both sides have requested discovery.

PRINT DATE: 03/17/2021 Page 2 of 2 Minutes Date: March 17, 2021

Appendix 0113

Electronically Filed 3/17/2021 10:56 AM Steven D. Grierson CLERK OF THE COURT

MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531 **LAW OFFICE OF MITCHELL STIPP**1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
mstipp@stipplaw.com
Attorneys for NuVeda, LLC

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR THE COUNTY OF CLARK

NUVEDA, LLC, a Nevada Limited Liability Company; and CWNEVADA LLC, a Nevada Limited Liability Company,

Plaintiffs,

v.

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4FRONT ADVISORS LLC, foreign limited liability company, DOES I through X and ROE ENTITIES, II through XX, inclusive,

Defendants.

AND RELATED MATTERS.

Case: A-17-755479-B

Consolidated Cases: A-19-791405-C, A-19-796300-B, and A-20-817363-B

Dept. No.: 11

NUVEDA LLC's OBJECTION UNDER NRS 22.030(3)

Date of Hearing: April 5, 2021 Time of Hearing: 1:00 p.m.

NuVeda, LLC, a Nevada limited liability company ("NuVeda"), by and through counsel of record, Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced objection.

This filing is based on the papers and pleadings before the court, the memorandum of points and authorities that follows, and the exhibits attached hereto or filed separately and incorporated herein by this reference.

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Appendix 0115

1 DATED this 17th day of March, 2021. 2 3 LAW OFFICE OF MITCHELL STIPP 4 /s/ Mitchell Stipp, Esq. MITCHELL STIPP, ESO. Nevada Bar No. 7531 LAW OFFICE OF MITCHELL STIPP 6 1180 N. Town Center Drive, Suite 100 Las Vegas, Nevada 89144 Telephone: 702.602.1242 mstipp@stipplaw.com 8 Attorneys for NuVeda, LLC 9 10 **DECLARATION OF MITCHELL STIPP** IN SUPPORT OF OBJECTION 11 12 13 The undersigned, Mitchell Stipp, certifies to the court as follows: 14 I am counsel for NuVeda, LLC, a Nevada limited liability company ("NuVeda"), in the 1. 15 above referenced case. 16 2. The court granted an order to show cause on February 1, 2021 and scheduled an 17 evidentiary hearing for March 1, 2021. 18 3. On February 4, 2021, NuVeda noticed the deposition of the receiver ("Receiver") for 19 CWNevada, LLC, a Nevada limited liability company ("CWNevada"), to be conducted in person on 20 21 February 9, 2021. 22 4. On February 8, 2021, Joe Coppedge, counsel for the Receiver, sent an email to the court 23 requesting a protective order with respect to the deposition scheduled of the Receiver. No motion was 24 filed by the Receiver. 25 5. On February 8, 2021, NuVeda responded to the request for relief by the Receiver (also 26 via email). As part of that response, counsel for NuVeda specifically stated as follows: 27

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Appendix 0116

The notice of deposition was properly made by NuVeda (not Dr. Bady). Mr. Coppedge confirmed that he and the receiver are available. While I understand that Mr. Coppedge and the receiver have preferences, the current administrative orders in place (21-01 and 20-17/20-24) permit in-person depositions and non-jury evidentiary hearings/trials. NuVeda is prepared to move forward with the receiver's deposition on February 9, 2021 as noticed and the hearing on March 1, 2021. Dr. Bady will not be present for the hearing. However, NuVeda will designate a substitute PMK.

- 6. True and accurate copies of the emails sent to the court are attached as **Exhibit A**.
- 7. At the request of the Receiver, the court scheduled a telephonic hearing for 11:45 am on February 8, 2021 (same day), which was noticed by the court via email only to Mr. Coppedge and the undersigned. During the telephonic hearing, the court ruled that depositions would be conducted via Zoom at the Receiver's request and the evidentiary hearing would be re-scheduled to April 5, 2021.
- 8. NuVeda did <u>NOT</u> request a continuance. The court unilaterally re-scheduled the hearing.
- 9. On March 5, 2021, NuVeda submitted to chambers (with a copy to e-service participants) its proposed motion for a status check and related relief (with a request to hear the matter on shortened time).
- 10. The court granted the request to hear the motion on shortened time on or about March 11, 2021—almost one (1) week later. The hearing was set by the court for March 17, 2021 at 9:00 am.
- 11. As part of the motion, NuVeda requested that the evidentiary hearing on contempt be re-assigned to an alternative district court judge in accordance with NRS 22.030(3). The court does not have discretion to deny the request by NuVeda. The request was timely (i.e., made before the scheduled date of April 5, 2021). There is adequate time to re-assign the matter.
- 12. At the hearing on March 17, 2021 at 9:00 a.m., the court erroneously determined that NuVeda waived its rights under NRS 22.030(3). According to the court's rationale, NuVeda requested that the court continue the hearing from March 1, 2021 to April 5, 2021, and such request constituted a waiver. The court asserted that it considered NuVeda's request at the hearing on February 22, 2021. On February 22, 2021, NuVeda's motion before the court was a request to stay the proceedings related to Shane Terry while NuVeda pursues a petition for a writ. After the court made its decision, NuVeda noted to the court that it did not ask the court to re-schedule the evidentiary hearing, and the court did

so *sua sponte*. The court disagreed and confirmed that it would preside over the evidentiary hearing on April 5, 2021. The minutes for the proceeding on March 17, 2021 are attached as **Exhibit B**.

- 13. NuVeda has not waived its rights under NRS 22.030(3) and renews its objection to this court presiding over the evidentiary hearing.
- 14. I submit the above-titled declaration in support of NuVeda's objection. I have personal knowledge of the facts contained therein unless otherwise qualified by information and belief or such knowledge is based on the record in this case, and I am competent to testify thereto, and such facts are true and accurate to the best of my knowledge and belief.

Dated this 17th day of March, 2021.

/s/ Mitchell Stipp

Mitchell Stipp, Esq.

[MEMORANDUM OF POINTS AND AUTHORITIES]

///

MEMORANDUM OF POINTS AND AUTHORITIES

NRS 22.030(3) provides as follows:

- 3. Except as otherwise provided in this subsection, if a contempt is not committed in the immediate view and presence of the court, the judge of the court in whose contempt the person is alleged to be shall not preside at the trial of the contempt over the objection of the person. The provisions of this subsection do not apply in:
- (a) Any case where a final judgment or decree of the court is drawn in question and such judgment or decree was entered in such court by a predecessor judge thereof 10 years or more preceding the bringing of contempt proceedings for the violation of the judgment or decree.
- (b) Any proceeding described in subsection 1 of <u>NRS 3.223</u>, whether or not a family court has been established in the judicial district.

The court determined at the hearing on February 1, 2021 that the actions of NuVeda <u>after the</u> <u>revival</u> of the predecessor entities to CWNV LLC and CWNV1 LLC on January 15, 2021 are the basis for the order to show cause and hearing on contempt. The mergers occurred outside of the view and presence of the court. Neither of the exceptions in sub-paragraphs (a) or (b) apply. Accordingly, NuVeda objects to this court presiding over the evidentiary hearing.

At the hearing on March 17, 2021, the court erroneously determined that NuVeda waived its rights under NRS 22.030(3). According to the court, NuVeda requested the evidentiary hearing be continued from March 1, 2021 to April 5, 2021. This is false. Attached as **Exhibit A** are true and accurate copies of the emails submitted to the court on the Receiver's request for a protective order. NuVeda was very clear in its opposition to the Receiver's request for relief:

The notice of deposition was properly made by NuVeda (not Dr. Bady). Mr. Coppedge confirmed that he and the receiver are available. While I understand that Mr. Coppedge and the receiver have preferences, the current administrative orders in place (21-01 and 20-17/20-24) permit in-person depositions and non-jury evidentiary hearings/trials. NuVeda is prepared to move forward with the receiver's deposition on February 9, 2021 as noticed and the hearing on March 1, 2021. Dr. Bady will not be present for the hearing. However, NuVeda will designate a substitute PMK.

The court does not have discretion to reject NuVeda's objection. Further, the explanation provided by the court at the hearing on March 17, 2021 for its decision is contracted by the actual facts.

1	
2	DATED this 17th day of March, 2021.
3	LAW OFFICE OF MITCHELL STIPP
4	
5	/s/ Mitchell Stipp, Esq.
6	MITCHELL STIPP, ESQ. Nevada Bar No. 7531
7	LAW OFFICE OF MITCHELL STIPP 1180 N. Town Center Drive, Suite 100
8	Las Vegas, Nevada 89144 Telephone: 702.602.1242
9	mstipp@stipplaw.com Attorneys for NuVeda, LLC
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EXHIBIT A

Mitchell Stipp <mstipp@stipplaw.com>

Re: Case No. A-17-755479-B - Renewed Motion for Order to Show Cause

1 message

Mitchell Stipp <mstipp@stipplaw.com>

Mon, Feb 8, 2021 at 10:37 AM

To: Joe Coppedge <jcoppedge@mccnvlaw.com>

Cc: "Harris, Chricy LC" <dept11lc@clarkcountycourts.us>, "Kutinac, Daniel" <KutinacD@clarkcountycourts.us>

At the hearing on February 1, 2021, the receiver for CWNevada requested an expedited evidentiary hearing on contempt. The court set a discovery schedule and a hearing (March 1, 2021). I contacted Mr. Coppedge regarding Dr. Bady's surgery (given depositions and the hearing date) on February 2, 2021. He did not respond but instead served written discovery on February 4, 2021. We connected via telephone on February 5, 2021, but the receiver refused to accommodate Dr. Bady's medical needs unless we stipulated to conducting depositions and the evidentiary hearing via alternative means. We do not agree to the receiver's demands.

The notice of deposition was properly made by NuVeda (not Dr. Bady). Mr. Coppedge confirmed that he and the receiver are available. While I understand that Mr. Coppedge and the receiver have preferences, the current administrative orders in place (21-01 and 20-17/20-24) permit in-person depositions and non-jury evidentiary hearings/trials. NuVeda is prepared to move forward with the receiver's deposition on February 9, 2021 as noticed and the hearing on March 1, 2021. Dr. Bady will not be present for the hearing. However, NuVeda will designate a substitute PMK.

The email below does not provide good cause for intervention of the court.



Mitchell Stipp

Law Office of Mitchell Stipp

(O) 702.602.1242 | (M) 702.378.1907 | mstipp@stipplaw.com

Address: 1180 N. Town Center Drive, Suite 100

Las Vegas, Nevada 89144
Website: www.stipplaw.com

On Mon, Feb 8, 2021 at 10:15 AM Joe Coppedge < jcoppedge@mccnvlaw.com> wrote:

On February 4, counsel for Dr. Bady unilaterally noticed the deposition of the Receiver to take place on Tuesday, February 9 at 10:00 a.m. in person. Multiple parties, including the Receiver and the undersigned counsel have significant health concerns about appearing for a deposition in person and have requested that the 2 hour deposition take place via video. Dr. Bady has declined. Given the urgency of this matter, the undersigned respectfully requests a brief conference call with the court to resolve the manner and timing of the Receiver's deposition, as well as the date of the evidentiary hearing. Thank you in advance.

Joe

L. Joe Coppedge

Mushkin & Coppedge

6070 S. Eastern Ave., Suite 270

Las Vegas, Nevada 89119

Tel. No. (702) 454-3333

Dir. No. (702) 386-3942

Fax No. (702) 454-3333

CONFIDENTIALITY NOTICE: The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

3 attachments



Email dated February 2 2021.pdf

Emails with Joe Coppedge-2.2-2.8.pdf

DISTRICT COURT CLARK COUNTY, NEVADA

A-17-755479-B Nuveda LLC, Plaintiff(s)
vs.
4Front Advisors LLC, Defendant(s)

March 17, 2021 9:00 AM Motion for Status Check and Related Relief on Order

Shortening Time

HEARD BY: Gonzalez, Elizabeth **COURTROOM:** RJC Courtroom 03E

COURT CLERK: Dulce Romea

RECORDER: Jill Hawkins

PARTIES

PRESENT: Stipp, Mitchell D. Attorney for NuVeda, LLC

JOURNAL ENTRIES

- APPEARANCES CONTINUED: Attorney Joe Coppedge, counsel for Phillip Ivey and Shane Terry.

Parties appeared by telephone.

Court asked Mr. Stipp why he did not ask for contempt proceedings to be assigned to another judge on February 22 when the Court granted counsel's request ot continue the hearing. Mr. Stipp advised it was not clear to him whether or not he could make that objection.

Following arguments by counsel regarding the motion for status check and related relief, COURT ORDERED, motion DENIED; while the Court may have granted the request for another judge, by requesting that the Court continue the hearing, which was discussed on February 22, 2021 and which the Court granted, that has been waived; the primary order is the November 24, 2020 order; parties may start discovery; however, the Court will caution the parties that corporate governance issues may be unwound as part of this proceeding.

Court asked whether Dr. Bady's deposition has been taken and whether he has recovered. Mr. Stipp, noting as a response to the Court's ruling that Mr. Coppedge had filed an email motion and that they did not ask for the hearing and did not waive their right to object, advised that Dr. Bady's surgery PRINT DATE: 03/17/2021 Page 1 of 2 Minutes Date: March 17, 2021

10 Appendix 0124

A-17-755479-B

was indeed successful, and that he has returned to Las Vegas and is recovering. Mr. Stipp stated he is happy to work with Mr. Coppedge on scheduling.

COURT ORDERED, Judicial Executive Assistant to SET a supplemental Rule 16 conference even if Mr. Stipp has not yet answered, because both sides have requested discovery.

PRINT DATE: 03/17/2021 Page 2 of 2 Minutes Date: March 17, 2021

11 Appendix 0125

A-17-755479-B

DISTRICT COURT CLARK COUNTY, NEVADA

A-17-755479-B Nuveda LLC, Plaintiff(s)
vs.
4Front Advisors LLC, Defendant(s)

March 19, 2021 3:00 AM Status Check: Scheduled Contempt Proceeding April 5,

2021

HEARD BY: Gonzalez, Elizabeth COURTROOM: Chambers

COURT CLERK: Dulce Romea

PARTIES None. Minute order only – no hearing held.

PRESENT:

JOURNAL ENTRIES

- Court notes objection filed. As the issue sin the objection are the same as raised in the motion heard on March 17, 2021 the objection is OVERRULED. Show cause hearing ADVANCED to 9 a.m. on April 5 in conjunction with supplemental Rule 16 conference. During the February 18, 2021 conference call Mr. Coppedge revealed Mr. Stipp requested a longer delay than the delay of the hearing offered by Mr. Coppedge. The Court granted the additional delay requested by Mr. Stipp due to the medical procedure by Dr.Bady. No objection to proceeding before this Court was made at that time.

4-5-21 9:00 AM SHOW CAUSE HEARING...MANDATORY RULE 16 CONFERENCE

4-9-21 CHAMBERS RECEIVER'S OMNIBUS MOTION TO APPROVE RECEIVER AND PROFESSIONAL FEES AND COSTS INCURRED THROUGH AND INCLUDING DECEMBER 31, 2020; AND SECOND MOTION TO APPROVE DISTRIBUTION OF LIQUIDATION PROCEEDS

4-16-21 CHAMBERS CREDITOR FORTRESS OAKRIDGE, LLC'S MOTION TO ALLOW ADMINISTRATIVE EXPENSE CLAIM

CLERK'S NOTE: A copy of this minute order was distributed via Odyssey File and Serve. / dr 3-22-21

PRINT DATE: 03/22/2021 Page 1 of 1 Minutes Date: March 19, 2021

EXHIBIT 11

Electronically Filed 9/23/2020 5:32 AM Steven D. Grierson CLERK OF THE COURT

1 Michael R. Mushkin, Esq. Nevada Bar No. 2421 2 L. Joe Coppedge Nevada Bar No. 4954 3 **MUSHKIN & COPPEDGE** 4 6070 S. Eastern Avenue, Suite 270 Las Vegas, Nevada 89128 5 Telephone: (702) 454-3333 Fax: (702) 386-4979 6 michael@mushlaw.com 7 jcoppedge@mccnvlaw.com Attorneys for Plaintiffs 8

DISTRICT COURT

CLARK COUNTY, NEVADA

NUVEDA, LLC, a Nevada Limited Liability Company; and CWNEVADA LLC, a Nevada Limited Liability Company, Plaintiffs,

Case No.: A-17-755479-B

Consolidated With: A-19-791405-C, A-19-796300-B, and A-20-817363-B

v.

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Dept. No.: 11

4FRONT ADVISORS LLC, foreign limited liability company, DOES I through X and ROE ENTITIES, II through XX, inclusive,

Defendants.

AND RELATED MATTERS

ORDER GRANTING MOTION TO DISMISS COMPLAINT AS TO CWNV, LLC AND CWNV1, LLC [RESET FROM SUB CASE A-19-791405-C]

This matter came before the Honorable Elizabeth Gonzalez on August 31, 2020 on the Motion to Dismiss Complaint as to CWNV, LLC and CWNV1, LLC [reset from sub case A-19-791405-C] with Mitchell D. Stipp of the Law Office of Mitchell Stipp appearing for NuVeda, LLC and L Joe Coppedge of Mushkin & Coppedge appearing for the Court Appointed Receiver, Dotan Melech, Shane Terry and Phillip Ivey, and the Court, having reviewed and considered the record, the points and authorities on file, and the argument of counsel, finds that the Motion

Page 1 of 2

1	should be granted.		
2	IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Motion to Dismiss		
3	Complaint as to CWNV, LLC and CWNV1, LLC [filed in sub case A-19-791405-C] is		
4	GRANTED without prejudice.		
5	DATED this 22nd day of September, 2020.		
6			
7	Eyldyled		
8	DISTRICT COURT JUDGE		
9	D	A	
10	Respectfully Submitted: MUSHKIN & COPPEDGE	Approved as to Form and Content: LAW OFFICE OF MITCHELL STIPP	
11			
12	/s/L. Joe Coppedge L. JOE COPPEDGE, ESQ.	/s/Mitchell D. Stipp MITCHELL D. STIPP, ESQ.	
13	Nevada Bar No. 4954	Nevada Bar No. 7531	
14	6070 South Eastern Ave Ste 270 Las Vegas, NV 89119	1180 N. Town Center Drive, Suite 100 Las Vegas, Nevada 89144	
15		-	
16	Attorneys for Dotan Y. Melech, Receiver, Shane Terry, and Phillip D. Ivey	Attorneys for NuVeda, LLC	
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