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

$\frac{2}{2}$	ALEX GHIBAUDO,	
3	Appellant,	Case No.: 82248
4		Electronically Filed Jan 18 2022 10:07 p.m.
5	Vs.	District court: 15/12/25/25/10/43_Brown Clerk of Supreme Court
6		Cierk of Supreme Court
	TARA KELLOGG	
7	Respondent.	

#### RESPONDENT'S REPLY BRIEF ON CROSS APPEAL

On Appeal from the Eighth Judicial District Court, Clark County

JONATHAN K. NELSON, ESQ. Nevada Bar No. 12836 **J.K. NELSON LAW, LLC**41 N. HWY 160, SUITE 8

Pahrump, NV 89060

Telephone (775) 727-9900

<u>courts@jknelsonlaw.com</u>

Attorney for Respondent

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#### **NRAP 26.1 DISCLOSURE**

I hereby certify that the following are the person and entities described in NRAP 26.1(a), and must be disclosed. These representations are made in order that the judges of this Court may evaluate possible disqualifications or recusal:

- 1. Jonathan K. Nelson, Esq.
- 2. Alyssa Hirji, Esq.
- 3. Yasmin Khayyami, Esq.
- 4. Gary Segal, Esq.
- 5. JK Nelson Law, LLC

As for the individuals name, disclosure regarding parent corporations and stock ownership are not applicable. There is no corporation or other entity with any ownership interest in which disclosure is needed pursuant to NRAP 26.1 as it concerns JK Nelson Law. Partner and associates of the following firm have appeared for or are expected to appear for Appellant:

J.K. Nelson Law

Dated this 18<sup>th</sup> day of January 2022.

/s/ Jonathan K Nelson
JONATHAN K. NELSON, ESQ.
Nevada Bar No. 12836
J.K. NELSON LAW, LLC
41 N. HWY 160, SUITE 8
Pahrump, NV 89060
Attorney for Respondent

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#### **ARGUMENT**

I. Whether the district court abused its discretion when it modified the amount of spousal support due.

The district court has wide discretion in determining whether to grant spousal support, and this court will not disturb the district court's award of alimony absent an abuse of discretion. *Wolff v. Wolff*, 112 Nev. 1355, 1359, 929 P.2d 916, 918-19 (1996)."An abuse of discretion occurs if the district court's decision is arbitrary or capricious or if it exceeds the bounds of law or reason." *Jackson v. State*, 17 P.3d 998, 1000 (2001) (citing *State*, *Dept of Motor Vehicles & Pub. Safety v. Root*, 944 P.2d 784, 787 (1997)). Spousal support may be modified based on a showing of changed circumstances. NRS 125.150(7). Specifically, NRS 125.150(7) states the following:

If a decree of divorce, or an agreement between the parties which was ratified, adopted or approved in a decree of divorce, provides for specified periodic payments of alimony, the decree or agreement is not subject to modification by the court as to accrued payments. Payments pursuant to a decree entered on or after July 1, 1975, which have not accrued at the time a motion for modification is filed **may be modified upon a showing of changed circumstances**, whether or not the court has expressly retained jurisdiction for the modification. In addition to any other factors the court considers relevant in determining whether to modify the order, the court shall consider whether the income of the spouse who is ordered to pay alimony, as indicated on the spouse's federal income tax return for the preceding calendar year, has been reduced to such a level that the spouse is financially unable to pay the amount of alimony the spouse has been ordered to pay.

Further NRS 125.150(11) states that a change of 20 percent or more in the gross monthly income of a spouse who is ordered to pay alimony shall be deemed

to constitute changed circumstances requiring a review for modification of the payments of alimony. Other circumstances that may affect a spousal support award include death of either party or remarriage of the party receiving the alimony award<sup>1</sup>.

The issue is not whether the district court has *authority* to modify an award of spousal support, as Appellant suggests.<sup>2</sup> The court clearly does have the authority to modify a support obligation based on a showing of changed circumstances pursuant to NRS 125.150. Here, the issue is whether the district court's decision to modify the spousal support obligation was based on a finding of changed circumstances and supported by substantial evidence. Respondent maintains that it was not.

Spousal support was originally agreed to by both parties at the Settlement Conference, which was later incorporated in the terms of the Decree of Divorce. During the Settlement Conference, both parties were made aware, acknowledged, and agreed that the terms of the separation agreement could be incorporated into a Decree of Divorce by either party at any time. AA 468. Specifically, the Decree stated:

In exchange for waiving any claim that [Tara] might otherwise made concerning Alex's dissipation of marital assets, Alex shall provide Tara with family support in the minimum amount of \$2,500 per month for a period of 15 years or 50% of Alex's gross monthly income, whichever amount is higher.

<sup>&</sup>lt;sup>1</sup> NRS 125.150(6).

<sup>&</sup>lt;sup>2</sup> See Appellant's Reply Brief on Cross Appeal, page 14.

AA 86. Appellant specifically agreed to this arrangement to acquire the benefit of Respondent waiving any claim that she had regarding his dissipation of marital assets. AA 86.

As there was already a spousal support obligation in place that was a product of the agreement of the parties, the court had the authority to modify the amount upon a showing of adequate changed circumstances. Here, there were no changed circumstances that warranted a modification of the support obligation. There were no representations made that Appellant's income was reduced by 20% or that he could not afford to pay the amount agreed to in the Decree of Divorce. In fact, according to the expert report provided by forensic accountant, Larry Bertsch, it not only appears that Appellant had the ability to pay the agreed upon support, but also that Appellant's income was increasing. RA 31-34.

Also, there were no significant changes in respect to Respondent's circumstances post-marriage. During the marriage, Respondent did not work. She was a homemaker and stay at home mother, tending to the party's daughter. She was out of the work force for a substantial amount of time tending to the home and her family. She supported Appellant while he went to law school. Appellant states that Respondent needs support due to her disability *See* Appellant's Reply Brief, page 6. Respondent's disability is irrelevant to the support obligation agreed upon by the parties as enumerated in the Decree of Divorce as it was never factored into negotiations when calculating the obligation. The support amount was to ensure that

she retained the standard of living she had during the marriage, to compensate her contributions to the community during the marriage, and to put the parties on equal footing for a fixed duration post-divorce, while also giving Appellant the benefit of Respondent waiving any of her potential marital waste claims against him.

Lastly, reducing the agreed upon obligation is unfair to Respondent as the parties calculated the original support obligation to account for the fact that Appellant received the benefit of Respondent agreeing to waive any and all of her potential marital waste claims she had against him. Appellant agreed to pay more in support in order to ensure that Respondent waive legitimate claims against him for marital waste. Reducing the support obligation allows Appellant to benefit from the bargain, as he is shielded from legitimate claims in which Respondent agreed to waive, while harming Respondent by giving her less than she bargained for.

Modifying the support obligation, without an adequate showing of changed circumstances is an abuse of discretion. A reduction of the support obligation under these circumstances was not supported by substantial evidence and should be reversed by this Honorable Court. This Court should reverse and award Respondent the amount of alimony that was initially agreed to in the settlement conference and later incorporated in the Decree of Divorce.

# II. RESPONDENT'S EMPLOYMENT STATUS IS NOT A CONDITION TO RECEIVING SUPPORT.

required to finish school pursuant to the marital separation agreement. He cites "AA 136; lines 13-23<sup>3</sup>" and "AA 136; lines 17-21.<sup>4</sup>" Upon review of Appellant's Appendix, AA 136 is the confidentially block of an email that has nothing to do with Respondent or her admission of anything. Appellant's allegation is misleading and prejudicial as it implies that Respondent admitted to something, when Appellant cannot point to the record to substantiate his claim. Respondent reiterates that there was no agreement at any point, at the Settlement Conference or in the Decree of Divorce, that Appellant's obligation of support was somehow conditioned on Respondent finishing her degree or otherwise gaining employment. In fact, the Decree clearly states that the obligation amount was agreed to because Respondent was going to waive all her marital waste claims against Appellant. The Decree says nothing about Appellant's support obligations being conditioned on Respondent graduating or finding employment.

Appellant claims on two occasions that Respondent admitted that she was

The Decree of Divorce states:

Upon Tara obtaining full-time employment (more than 32 hours per week), the monthly support payment that Alex is required to pay may be re-calculated to an amount of no less than 50% of the difference between the parties' gross monthly income. Regardless of the difference, Tara shall receive the minimum sum of \$2,5000 per month.

<sup>&</sup>lt;sup>3</sup> See Appellant's Reply Brief, page 3.

<sup>&</sup>lt;sup>4</sup> See Appellant's Reply Brief, page 7.

AA 086 (emphasis added). Regardless of whether she was employed or finished her degree, her minimum alimony payment would never be less than \$2,500.00. The current order by the district court reduced Appellant's obligation to \$2,500.00 per month but did not create conditions that Respondent must gain employment or finish her degree in order to be entitled to such.

Based on the evidence, there is no indication that Appellant's obligation was conditioned on Respondent's employment status or whether she finishes school.

# III. RESPONDENT'S DISABILITY DOES NOT AFFECT APPELLANT'S SUPPORT OBLIGATION.

Respondent's disability was not factored into the amount or duration of the support obligation agreed to by the parties and incorporated in the Decree of Divorce. When filling out her financial disclosure form, Respondent, under penalty of perjury, answered honestly that she has a disability. She also provided all supporting documents required by the financial disclosure form. Regardless, the party's agreement at the Settlement Conference did not consider the fact that Respondent had a disability. The Decree specifically states that the amount agreed to was because Respondent waived any claims of marital waste that Respondent may have against Appellant. While her disability may make it difficult for her to find employment, the fact that she has a disability does not affect Appellant's obligation to pay spousal support.

Appellant further alleges that Respondent has a substantial income and that her parents provide her with an income. *See* Appellant's Reply Brief, 3. Respondent maintains that the money from her parents were provided to her as a loan. The money is not income, nor is it a gift. Respondent has had to resort to obtaining loans from her own family because Appellant refuses to pay her court-ordered support. She is going to have to pay back all of these loans. In respect to the court finding that she in willfully underemployed, the court imputed income to Respondent. Respondent maintains that this imputation was based on speculation and not supported by substantial evidence.

Lastly, it bears mentioning that in his Reply Brief, Appellant states that "[Respondent's] testimony was an issue as well as she brazenly lied to the Court during her testimony." He cites "AA 361; lines 13-23" in the record. AA 361; lines 13-23 reflect Appellant's testimony on redirect from his counsel (emphasis added). This statement is misleading and highly prejudicial as Appellant is trying to illude that the court made a finding that Respondent was lying, when the record reflects Appellant's opinion during his own testimony that Respondent was lying, not a finding from the court. There has been no evidence to suggest that Respondent has answered any less than truthfully during the proceedings.

Based on the foregoing, Respondent's disability was not a factor considered in setting or establishing the spousal support obligation. The spousal support award agreed to by the parties was based on the standard of living Respondent had during

the marriage, to compensate her contributions to the community during the marriage, and to put the parties on equal footing for a fixed duration post-divorce, while also giving Appellant the benefit of Respondent waiving any of her potential marital waste claims against him.

#### IV. CONCLUSION

This Honorable Court should reverse the district court for the following reasons:

1. The district court abused its discretion in modifying the spousal support amount when adequate changed circumstances did not exist for doing so.

#### J.K. Nelson Law, LLC

/s/ Jonathan K Nelson JONATHAN K. NELSON, ESQ. Nevada Bar No. 12836 J.K. Nelson Law, LLC 41 N. HWY 160, SUITE 8 Pahrump, NV 89060 Telephone (775) 727-9900 courts@jknelsonlaw.com

#### CERTIFICATE OF COMPLIANCE

- 1. I hereby certify that this brief complies with the formatting requirements of NRAP 32(a)(4), the typeface requirements of NRAP 32(a)(5) and the type style requirements of NRAP 32(a)(6) because: This brief has been prepared a proportionately spaced typeface using Times Roman 14-point
- 2. I further certify that this brief complies with the page or type volume limitations of NRAP 32(a)(7)(a)(i) and (ii) because, excluding the parts of the brief exempted by NRAP 32(a)(7) (C), it is 27-pages and contain 6583 words.
- 3. Finally, I hereby certify that I have read this appellate brief, and to the best of my knowledge, information and belief, it is not frivolous or interposed for any improper purpose. I further certify that this brief complies with all applicable Nevada Rules of Appellate Procedure, in particular NRAP 28(e)(1), which requires that every assertion in the brief regarding matters in the record to be supported by a reference to the page and volume number, if any, of the transcript or appendix where the matter relied on is to be found. I understand that I may be subject to sanctions in the event that the accompanying brief is no in conformity with the requirements of the Nevada Rules of Appellate Procedure.

DATED this 18th day of January 2022.

### J.K. Nelson Law, LLC

s/ Jonathan K. Nelson
JONATHAN K. NELSON, ESQ.
Nevada Bar No. 12836
J.K. Nelson Law, LLC
courts@jknelsonlaw.com
Attorney for Respondent

# THE NEVADA SUPREME COURT AFFIRMATION- NRS 239B.030

The undersigned does hereby affirm that the preceding document, RESPONDENT'S REPLY BRIEF ON APPEAL filed in case number 82248 does NOT contain the social security number of any person.

DATED this 18th day of January 2022

## J.K. Nelson Law, LLC

s/ Jonathan K. Nelson
JONATHAN K. NELSON, ESQ.
Nevada Bar No. 12836
J.K. Nelson Law, LLC
courts@jknelsonlaw.com
Attorney for Respondent

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# CERTIFICATE OF SERVICE Liberary certify that this document was filed electron

I hereby certify that this document was filed electronically with the Nevada Supreme Court on January 18, 2022. Electronic service of the foregoing document RESPONDENT'S REPLY BRIEF ON CROSS APPEAL shall be made in accordance with the Master Service List as follows:

1. Alex Ghibaudo in Proper person

Alex@glawvegas.com

I further certify that I served a copy of this document by mailing a true and correct copy thereof, postage pre-paid, addressed to:

Tara Kellogg
 2050 W. Warm Springs Road, Unit 2112
 Henderson, NV 89014
 Respondent

#### J.K. Nelson Law, LLC

s/ Jonathan K. Nelson
JONATHAN K. NELSON, ESQ.
Nevada Bar No. 12836
J.K. Nelson Law, LLC
courts@jknelsonlaw.com
Attorney for Respondent