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

E&T VENTURES, LLC, a Nevada Limited Liability Company,

Petitioner,

VS.

EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK; AND THE HONORABLE JOANNA KISHNER, DISTRICT JUDGE,

Respondents,

EUPHORIA WELLNESS, LLC, a Nevada Limited Liability Company,

Real Party in Interest.

Electronically Filed Jun 10 2022 04:41 p.m. Elizabeth A. Brown Clerk of Supreme Court

Supreme Court No.: 84336

District Court No.: A-19-796919-B

# APPENDIX IN SUPPORT OF REAL PARTY IN INTEREST EUPHORIA WELLNESS, LLC'S ANSWERING BRIEF (VOL. II)

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# **APPENDIX**

DOCUMENT DESCRIPTION	DATE	VOL.	PAGE NOS.
Errata to Application of E&T Ventures LLC to Disqualify Judge Joanna Kishner and Affidavit Pursuant to NRS 1.235	02/02/2022	I	RA 199 - RA 202
Motion for Discovery Sanctions Against E&T Ventures, LLC, Miral Consulting, LLC, Happy Campers, LLC, and CBD Supply Co, LLC	11/24/2021	I	RA 18 - RA 45
Notice of Entry of Order: (1) Compelling Joseph Kennedy to Appear for a Deposition; (2) Compelling Nye Natural Medicinal Solutions, LLC and Valjo, Inc. to Answer Deposition Questions; and (3) Compelling E&T Ventures LLC, Miral Consulting, LLC, Happy Campers, LLC and CBD Supply Co, LLC to Supplement Discovery Responses	10/18/2021	I	RA 1 - RA 17
Notice of Entry of Order: (1) Granting in Part Motion for Discovery Sanctions Against E&T Ventures, LLC, Miral Consulting, LLC, Happy Campers, LLC, and DBD Supply Co, LLC; (2) Denying Countermotion for Related Relief; (3) Granting Motion to Seal Exhibits to the Reply in Support of Euphoria Wellness, LLC's Motion for Discovery Sanctions Against E&T Ventures LLC, Miral Consulting, LLC, Happy Campers, LLC and CBD Supply Co, LLC and Opposition to Countermotion for Related Relief	01/25/2022	I	RA 191 - RA 198
Notice of Entry of Order Regarding Euphoria Wellness, LLC's Motion for Discovery Sanctions After Conducting Evidentiary Hearing	06/08/2022	II	RA 257 - RA 278
Order Denying Petition for Writ of Mandamus or Prohibition	02/10/2022	I	RA 203 - RA 204

Transcript of Hearing	Proceedings	from	Evidentiary	02/11/2022	II	RA 205 - RA 256
Transcript of Sanctions Heari	_	from	Motion for	01/04/2022	I	RA 46 - RA 190

Dated: June 10, 2022.

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# **CERTIFICATE OF SERVICE**

This is to certify that on June 10, 2022, a true and correct copy of the foregoing **APPENDIX IN SUPPORT OF REAL PARTY IN INTEREST EUPHORIA WELLNESS, LLC'S ANSWERING BRIEF** was served on the following by the Supreme Court Electronic Filing System:

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Electronically Filed 4/7/2022 11:19 AM Steven D. Grierson CLERK OF THE COURT

TRAN

# DISTRICT COURT CLARK COUNTY, NEVADA \* \* \* \* \*

E&T VENTURES, LLC,	)
Plaintiff,	) CASE NO. A-19-796919-B
vs.	) DEPT. NO. XXXI
EUPHORIA WELLNESS, LLC,	)
Defendant,	) )
and related parties and actions.	) Transcript of ) Proceedings

BEFORE THE HONORABLE JOANNA S. KISHNER, DISTRICT COURT JUDGE

FRIDAY, FEBRUARY 11, 2022

#### TRANSCRIPT RE:

ALL PENDING MOTIONS AND EVIDENTIARY HEARING

STATUS CHECK: TRIAL READINESS

APPEARANCES: (Via BlueJeans Videoconference)

FOR THE PLAINTIFF: MITCHELL D. STIPP, ESQ.

FOR THE DEFENDANT: JUSTIN C. JONES, ESQ. (in court)

NICOLE E. LOVELOCK, ESQ. MARTA D. KURSHUMOVA, ESQ.

RECORDED BY: LARA CORCORAN, COURT RECORDER TRANSCRIPTION BY: LGM TRANSCRIPTION SERVICE

#### LAS VEGAS, NEVADA, FRIDAY, FEBRUARY 11, 2022, 3:48 P.M. 1 \* \* \* \* \* 2 3 THE COURT: Okay. Counsel, we're ready to move 4 forward if everybody is. Let's get going then. We're on 5 page 5, E&T Ventures versus Euphoria Wellness and related entities on both sides; 796919. 6 7 Counsel for E&T Ventures in the various roles, go 8 ahead, counsel, please, and other parties. 9 MR. STIPP: Good afternoon, Your Honor. 10 Mitchell Stipp appearing on behalf of E&T Ventures. THE COURT: Okay. And you're also, though, on 11 12 behalf of the cross-defendant CBD Supply, Happy Campers, Miral Consulting; is that correct? Which other clients? 13 I just 14 want to make sure. Go ahead, please. 15 Sure. I'm currently counsel of record MR. STIPP: for Miral Consulting, CBD Supply and Happy Campers. 16 However, 17 I will be filing a motion to withdraw as counsel for Miral 18 Consulting and CBD Supply. 19 THE COURT: Okay. Thank you so very much. 20 Okay. Counsel for Euphoria Wellness and whatever 21 entities. 22 Good morning, Your Honor. Justin Jones MR. JONES: 23 on behalf of Euphoria Wellness. 24 THE COURT: Thank you. 25 MS. LOVELOCK: Good morning, Your Honor. Nicole

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Lovelock on behalf of Euphoria Wellness.

THE COURT: Okay, thank you. We also have a phone number, like I said, it's a public courtroom, people are more than welcome to attend and observe. And then also if it's an individual with regards to today's hearing, does anyone know who the phone number is or does the phone number wish to make an appearance?

MS. KURSHUMOVA: Hello, Your Honor. Marta Kurshumova observing the evidentiary hearing on the E&T versus Euphoria matter.

THE COURT: Okay. Like I said, perfectly welcome to do so. The students, apparently I guess they had somewhere else to be on a Friday afternoon rather than sitting and watching a hearing.

MR. JONES: Watching a thrilling hearing.

THE COURT: So we don't have that.

So what we have today is we have several things on, and I was going to tell you the order of where we were going to do these is we have the --

MR. STIPP: Your Honor, this is Mitchell Stipp.

THE COURT: Let me tell, so Madame Clerk and Madame Court Recorder know each of the matters, right, so that they can have it for their records, and then I'll be glad to have counsel address. Give me just one second so we make it clear on which are the matters so they can get that respectively

in their minutes and the court recording. Thank you so very much.

Okay. So we have motion for protective order on Euphoria's NRCP 30(b)(6) deposition of E&T Ventures, LLC. And we have the evidentiary hearing based on the January 4th hearing with relationship to discovery motions. We have plaintiff's motion for attorney's fees and costs. It still shows we have the motion to seal exhibits to Euphoria Wellness motion for partial summary judgment, and we're just going to revisit that in a moment. And it looks like it shows we still have on the motion to seal exhibits to the reply in support of Euphoria Wellness' motion for partial summary judgment and Euphoria Wellness's motion for partial summary judgment. And then a status check on trial readiness.

That's everything we show on for today. Now, a couple of those motions to seal, I believe they got advanced and granted, but the Court was just going to clarify when we got there. Really the order the Court was intending to do to minimize anything with regards to any witnesses, same as I did in the last hearing, is do the evidentiary hearing portion first and then address the other matters before the Court. That way we minimize any time to any witnesses with regard to an evidentiary hearing. Like I said, I did the same thing at the last hearing.

So with regards to -- Mr. Stipp, you said -- we're

starting with the evidentiary hearing. Did you wish to do an introduction or what were you going to say?

Go ahead, please, sir.

MR. STIPP: Thank you, Your Honor. This is Mitchell Stipp speaking on behalf of E&T Ventures. I just wanted to bring to the Court's attention the motion to withdraw and the motion for reconsideration. That was filed on the 10th at 7:10 p.m., regarding the decision by Chief Judge Bell pertaining to disqualification. In that motion there is a new affidavit concerning disqualification and a request to disqualify the Court as briefed in that motion.

And so our position would be, given the pending motion for disqualification and then the affidavit attached, that the Court under the rules isn't permitted to proceed as it relates to any matters that are currently before the Court until the motion is resolved.

THE COURT: Okay. Thank you so very much. The Court -- obviously it wouldn't have been submitted to me.

Never got served with anything. Don't know anything related thereto. What the Court does know, and just so that we're clear, the Court has the decision and order dated 2/10/2022 at 7:52 a.m. in this present case, decision and order. It says that there is no disqualification, so the status of this under NRS 1. -- well, under the NRS and applicable case law is that this Court can move forward. There is no basis, nor has this

Court been provided any notice or any reason why it could not move forward.

Nor -- so while the Court takes no position on something that you may have done to some other entity, the Court does know that under the rules it specifically states after the determination on a 1.235 motion, the decision and order the Court does have, it can move forward. The Court also has the order denying the petition for writ of mandamus for prohibition filed by the Nevada Supreme Court dated February 10th, 2022. And said order denying the petition, it not only denies the writ petition but it also in Footnote 1 says, "In light of this order, petitioner's emergency motion for stay is denied as moot."

The Court has effective orders that were issued after the decision and order was filed, or decision and orders, I should say, were filed, and continued this hearing for basically the convenience of counsel for various of the plaintiff's parties to get resolved whatever issues needed to get resolved. There's nothing that this Court has been informed that it would not have the ability to move forward, so the Court is intending to move forward, consistent with the Nevada rules, consistent with the statutory provisions and consistent with everything that this Court is, so we are going to move forward with the evidentiary hearing.

Okay. So now that we're moving forward with the

evidentiary hearing, the first thing we need to look at is --

2 MR. STIPP: Your Honor.

THE COURT: Counsel, the Court needs to finish, please, finish its statement. So counsel, we need to --

MR. STIPP: [Distortion; inaudible]. Your Honor --

THE COURT: Counsel, please let the Court finish, okay, just from a pure courtesy standpoint; right?

MR. STIPP: I'm letting --

THE COURT: So the Court with regards to the evidentiary hearing, the Court is going to go to the order with regards to the evidentiary hearing. And the Court is going to read directly from said order. And we have two orders. We have the order --

MR. STIPP: Your Honor.

THE COURT: Counsel, the Court needs to please finish. I'll be glad to let you speak in just a moment, right, but from a courtesy standpoint if someone is talking please let them finish. Thank you so very much.

With regards to the order for the evidentiary hearing, we have two orders, as the parties are aware. And the original -- remember, from January 4th we originally were going to set the evidentiary hearing the following week, and due to the consideration of counsel for plaintiff stating his son was ill, the Court then gave the parties an opportunity to try and select a new date if they could do so and the parties

-- and then the Court said if the parties could not do so, the Court would then set an appropriate date and time. The Court is appreciative, because of some pending matters that happened in the interim, this got administratively moved to today's date and time.

And so that was then consistent not only with the order setting the evidentiary hearing from 1/20/2022, but then you all got the amended order setting the evidentiary hearing. And the only thing that amended order did is a couple of things, just so that everyone understands. The first thing is, it even says so in the footnote, is of course we had to change the date and time to reflect it. And as you know, the Court doesn't need to do an amended order, but we just wanted for pure clarity's sake because we had already sent you the notification of the date and time, but just in case anybody wanted it in an order format we sent it in an order format.

The other thing we needed to do is in the intervening time there was a change through the Governor's directive with regards to masks. And so the prior order setting evidentiary hearing was consistent with what was then the administrative orders which required masks, but since that got changed we wanted to make sure everyone felt perfectly comfortable and understood about that change and what were the requirements here in court in case anyone chose to come to court, so we modified just the language to delete the

aspect about masks being required with regards to people coming in person. Otherwise, of course, the full substance of the order stayed the same.

And so since there is a specific order of this

Court setting this hearing for this date and time and the

order setting the evidentiary hearing also does require the

appearance of Kristin Taracki, who is also -- and I'm going

to mispronounce the last name but I'm going to try my best,

Kristin Ehasz, who is the person who had signed the October

25th, 2021 first supplemental responses and objections to

requests for the production of documents and interrogatories.

And on page 39, which is also labeled from an appendix standpoint APP70, the declaration of Kristin Taracki, K-r-i-s-t-i-n T-a-r-a-c-k-i, states as follows: "The above responses to interrogatories by Euphoria Wellness, LLC to E&T Ventures, LLC are true and accurate to the best of my knowledge and belief as an authorized agent for E&T Ventures, LLC." And the date says October 25, 2021. It then has a /s/ and then it has Kristin Taracki and they spelled out the same spelling that I said a second ago. And then there's a signature block and underneath that it says Kristin Taracki, authorized agent for E&T Ventures, LLC.

And in that capacity as the authorized agent for E&T Ventures, LLC, since an entity cannot speak on its own, it needs to speak through agents, members, managing members

or some type of individual, is the reason why for purposes of the E&T Ventures portion of the hearing it was necessary to have her here under <u>Bahena v. Goodyear</u>, as well as <u>Young v. Johnny Ribeiro</u>, which both cases and several other cases set forth that a recommended or preferred method, although not required, is to have an evidentiary hearing when you have issues of either case-terminating sanctions or some type of dispositive sanctions or some type of severe sanctions.

And so the Court wanted to ensure that all parties had an opportunity in a full due process standpoint be able to provide the information that they needed to provide. And in order to have an appropriate witness who was the subject of some of the issues with regards to said sanctions, have that person purely in the corporate capacity, based on the representations of counsel for E&T Ventures at the January 4th hearing that the -- I'm going to paraphrase, it was references in the transcript as far as the person having no reason to believe, and I'm paraphrasing, that the individual's address stated on this October 25th, which was the Henderson address, was not correct, the Summerwind Circle, 2244 Summerwind Circle, Henderson, 89053. It's his understanding that that could have been correct and that there was not a basis to believe that this declaration was submitted inappropriately.

And so, once again, the Court wanted to ensure everyone had a full opportunity to be heard; hence, the

evidentiary hearing rather than ruling on the motion, as the Court could have done on that particular day. But like I said, wanted to ensure everyone had the full opportunity to be heard and have the appropriate witnesses here that were here from the issue. Of course, the parties could bring whatever additional witnesses if they chose to do so.

So that's where we're at and we are here for the evidentiary hearing. So the first question this Court is going to ask is if all parties have complied with the Court order setting this hearing. I do see the Court has ordered the matter to be placed on calendar.

So, is Ms. Kristin Taracki here? She was more than welcome to appear remotely. Mr. Stipp, is Ms. Taracki here, please?

MR. STIPP: Your Honor, I'd like an opportunity to address the motion for disqualification that was filed on February 11th -- I'm sorry, that was filed on February 10th, 2022 at 7:10. It was filed in your department. There's an affidavit attached to it. It has an independent and new basis for disqualification. Under the <u>Tobin</u> decision, if grounds for a judge's disqualification are discovered after the time limit set forth in NRS 1.235, subsection 1 has passed, a party may file a motion to disqualify as soon as possible after becoming aware of the new information. We filed that motion. It's on the docket in this case, and so the Court has

knowledge. A copy of the motion was sent down to chambers.

So our position would be that the rules are pretty clear that this Court cannot move forward with respect to the matters before it. It would be a violation of the rules and also appropriate case law. It's very clear that while a pending motion for disqualification remains pending that the Court can't take any actions in this case. And so if the Court wants an opportunity to pull a copy of the motion and take a look at it before determining without review that it has not received a copy of it and wasn't served with a copy of it, I'm happy to take a five minute break so you have an opportunity to do that.

not necessary. I've been here in court. Nobody has come into the courtroom. There's cameras all over the place. No one has served this Court with any document. And I'm appreciative of what you said, but to the extent you said you filed a document called a motion to withdraw or a motion for reconsideration, you can appreciate as a district court judge that would not come before me, based on your statements of what you filed, so that would not be before me today.

MR. STIPP: I filed it --

THE COURT: What the Court has is the Court has the decision and order dated 2/10/2022. The Court finds it is fully appropriate to move forward with the evidentiary hearing

in accordance with the statutory provisions, in accordance 1 2 with the ethical rules, in accordance with appropriate case 3 law, and the Court is intending to move forward. You can 4 appreciate that there is not any basis that this Court has been made aware of that there is some reason why this Court 5 should not move forward with today's evidentiary hearing. 6 7 So, Mr. Stipp, I would like to ask you --8 MR. STIPP: All you have to do --9 THE COURT: -- in accordance with the order of the 10 Court --MR STIPP: All you have to do [indiscernible] there 11 is a matter on the docket. 12 13 THE COURT: Mr. Stipp. 14 MR. STIPP: And the motion will indicate very 15 clearly what the basis is, Your Honor. The fact that you won't look at the docket, knowing that it's been filed, is 16 17 a little disappointing to me. 18 THE COURT: Counsel. Counsel, as you can appreciate, 19 right --20 MR. STIPP: I cannot appreciate that, Your Honor. 21 THE COURT: Sorry. Mr. Stipp. 22 It was filed on the 10th. MR. STIPP: 23 THE COURT: Mr. Stipp. Mr. Stipp, this Court has 24 been here. There has not been anyone who has served this 25 Court with anything, okay. I am appreciative of what you're

saying, but there's cameras all over the courthouse, okay. 1 There has not been any service, okay, of anything, right, to 2 3 the Court or a member of my team. So I am appreciative of 4 what you're saying. 5 I will check with people who were here. Has anybody 6 here received anything? 7 No, Judge. THE CLERK: 8 THE COURT: Okay. No. 9 MR. STIPP: Why don't you check the docket, Your 10 Honor? THE COURT: Wait. Mr. Stipp. Mr. Stipp, I'm 11 checking with everyone just to make sure, okay --12 13 MR. STIPP: No, no -- [indiscernible]. 14 THE COURT: -- because I know I didn't. 15 checking with my law clerk. Checking. Anybody receive --THE LAW CLERK: No, ma'am. 16 17 THE COURT: Okay. I'm hearing all negatories. But, 18 Mr. Stipp, it's not a matter --MR. STIPP: Your Honor -- [distortion; inaudible]. 19 20 It would not be appropriate for the THE COURT: 21 Court to look at something that you filed, right, with regards 22 to before somebody else, okay, and less than a judicial day 23 before the hearing that's already set. We do need to move 24 forward with the evidentiary hearing. This was set up. 25 was appropriately set up. It was appropriately continued in

order to ensure that all parties had the full opportunity to be heard. And then the Court additionally set a new order --

MR. STIPP: Your Honor, just because --

THE COURT: Wait. Mr. Stipp, you keep talking over me. Mr. Stipp, can you please --

MR. STIPP: Because you don't give me an opportunity to speak. You don't give me an opportunity to speak.

THE COURT: Mr. Stipp, I do pause at the end, but you made a statement about being served, so I was double checking with everyone in the court to see if any member of the team had been served and they had not. Under the rules, under the statute this evidentiary hearing, based on what has been presented to this Court, filed by the supreme court, filed by the Chief Judge, the decision and order. So this Court does have the ability to move forward unless somebody in a position, right, from either a chief or an appellate determination would tell me I did not. That does not exist.

Are you saying that there is any order from any appellate authority or the chief that says that this Court cannot move forward? I did not hear you say that. I heard you say you filed something called motion for reconsideration and motion to withdraw yesterday at around 7:00 p.m., I believe is what you said. A pending motion does not -- right?

MR. STIPP: Your Honor, the filing of the affidavit and the motion automatically prevents this Court from moving

forward. You know that, I know that. The fact that you're not willing to look at the docket and see the document and the fact that you're disregarding the rules is indicative of the reason why the motion was filed. So if you want to proceed today, that's up to you. But we're noting this -- we're noting this for purposes of filing an immediate writ and also addressing this matter for purposes of disqualification.

It's absolutely astounding to me that this Court states on the record it has not been served, when it has been electronically served with a copy of this document yesterday. The fact that you refuse to review it or even check is not my issue, that's your issue.

THE COURT: Sir. Sir, please do read --

MR. STIPP: That's your issue, Your Honor.

THE COURT: Please do read the rule; right? Okay.

This Court has not been served in accordance --

MR. STIPP: I did read the rule. And a true and accurate copy of the motion and the affidavit was sent down to be personally delivered. I didn't do that. Now, the fact that you're saying you weren't personally served yet doesn't mean you don't have notice of it. You absolutely have notice of it. And so if you want to disregard that by playing these, you know, hey, I don't want to look, I don't want to know, then that's up to you, Your Honor. But I'm going to make a record -- [video distortion; inaudible].

THE COURT: So, Mr. Stipp, we need to move forward with -- Mr. Stipp, we need to move forward with the evidentiary hearing.

Counsel for Euphoria Wellness, are you ready to move forward with the evidentiary hearing?

MR. JONES: Yes, Your Honor.

THE COURT: Okay. Counsel for Euphoria Wellness is ready to move forward with the evidentiary hearing.

Counsel for E&T Ventures, as well as Miral Consulting and -- just one second, let me go back to that list. One second, please. CBD Supply, Miral Consulting and Happy Campers. Are you read to move forward with the evidentiary hearing?

MR. STIPP: Your Honor, we are prepared to move forward with the evidentiary hearing under the express objection that this Court cannot move forward with the evidentiary hearing or any other matter before it, under NRS 1.235 and the decision made in <u>Tobin Dodge</u>, 121 Nev. 251.

THE COURT: Okay. So, Mr. Stipp, are you aware of any order from the appellate court or the Chief Judge that has stated that this Court cannot move forward today?

MR. STIPP: You don't need an order, Your Honor.

You just need to review the rules. And if you want, I can
read them to you, but you know what they say. And it's
disheartening that a judge in this country is presiding over

a matter when the rules make it very clear that you're not permitted to do so. Now, if you want to move forward, you do so. I can't stop you. All I can do is note it for the record that we have an objection. The Court is not following the rules. The decision made by the Court is clearly an abuse of judicial power, ordering a non-party to appear at an evidentiary hearing. Just because the Nevada Supreme Court decided not to intervene doesn't mean that this Court has the right to continue to abuse its judicial power.

THE COURT: So, Mr. Stipp, my simple question to you was are you aware of any appellate order or ruling or anything from the Chief Judge that states that this Court cannot move forward today?

MR. STIPP: I'm aware, Your Honor, that this Court cannot move forward under NRS 1.235 and the <u>Tobin Dodge</u> decision. Whether Chief Judge Bell has made a decision on the motion that was filed, I'm not sure, Your Honor. I haven't checked the docket. I haven't received any service. However, this Court is very well aware of the rules and it's up to you. I disagree with what the Court is doing. I'm trying to be as respectful as I can. But, you know, under the circumstances this Court just refuses to consider other points of view and the matters set forth in the rules. And so, you know, we have to address it with an appellate court.

THE COURT: Counsel, what I'm trying to get an

understanding, right, is are you aware of any appellate order or ruling? This Court is not. And I've been in court all afternoon, so I don't know if something would have come across, right, while I was sitting here addressing other matters that are on my docket. So that's why I'm asking you, sir, whether you are aware of any appellate authority or any directive from the chief -- chief anybody, anybody saying that this Court, right, any order --

MR. STIPP: Yes.

THE COURT: -- anything that says that this Court cannot move forward today? Is there any order from anyone that says this Court cannot move forward today that you're aware of, sir?

MR. STIPP: Yes, Your Honor, and I'll state it again for the record. A motion for disqualification, including a request to withdraw the prior decision, a request for an evidentiary hearing on disqualification, and the Nevada Supreme Court's opinion in Tobin Dodge, which very specifically says if new grounds for disqualification are discovered — and in the motion we have cited your response to our original motion for disqualification wherein you misrepresented the record in order to avoid disqualification and also to set the evidentiary hearing, that if that information is discovered and it was discovered at the time you provided your response, we have a right to file a

follow-up motion to disqualify as soon as possible after becoming aware. That's appellate authority. It's 121 Nev. 251. Now, I would encourage the Court to take a look at the motion for withdrawal that was filed yesterday because it was filed and accepted. Your court is aware of it.

THE COURT: Wait, wait.

MR. STIPP: A copy was sent to you personally. Whether you received it or not is not my particular concern at this point, but I will certainly follow up with my paralegal and the process server for purposes of sending it down. But I would encourage the Court to take a look at the motion and I also would encourage the Court to take a look at the opinion set forth in <a href="Tobin Dodge">Tobin Dodge</a>. If the Court wants to ignore that and the Court has made a decision that you have the power to do and proceed, I can't do anything about that other than represent my clients and proceed with the evidentiary hearing under very strong objections that the Court does not have current jurisdiction to proceed because of a motion for disqualification and an affidavit that were filed yesterday, February 10th, at 7:10 p.m.

THE COURT: Okay. Thank you, counsel. So I believe you're telling me that there is no order from the supreme court that has said that the Court cannot move forward. Is that correct or incorrect? Directly on this case; right?

On the case at issue, 796919. The only order I have from the

supreme court is the order that was filed February 10th, 2022 denying the petition for writ of mandamus for prohibition and the footnote saying, "In light of this order, petitioner's emergency motion for a stay is denied as moot."

Are you aware of any other appellate order relating to this case that was filed after that February 10th, 2022 order, sir?

MR. STIPP: I'm not aware of an order. The matter of disqualification wasn't before the Nevada Supreme Court. The matter of disqualification was before the district court and that matter has been briefed in a new motion. And so if the Court refuses to consider the fact that a motion for disqualification and an affidavit was filed prior to this hearing and the Court has received e-service of it, then there's not much I can do other than participate in the evidentiary hearing on behalf of my clients with very strong objections. And, of course, you know, we're going to take this matter up before the supreme court on a writ.

THE COURT: Sure. No worries, counsel. You made a statement, though, that wasn't accurate. The Court did not receive any e-service; right? Courts aren't on e-service. So this Court did not receive any personal service nor any e-service of any document today or yesterday or even days before that. You heard me in open court check with my team.

MR. STIPP: There's a hearing -- [inaudible].

THE COURT: Mr. Stipp, can I please finish the sentence? You heard me check with my team to see if anybody on the team received anything and they all have stated no.

I have no reason to believe that anybody would be dishonest.

In fact, they're absolutely wonderful to work with and I'm very fortunate to work with the various individuals I work with, some of which for the first time today and some of which I've had the opportunity to work with before. And they've been here in court with me, with all sorts of cameras all around, to know where this Court has been. So I'm hearing what you're saying, Mr. Stipp, but this Court was not served with anything, so that point is clear. There is no order, a decision and order that this Court sees --

MR. STIPP: Pending.

THE COURT: -- that has been filed in the E&T

Ventures matter by the chief or any other judge after the

one that was dated 2/10/2022 at 7:52 a.m., okay. So in that

regard the Court has not received any service, the Court has

not received any order, and that means I do need to proceed

with the evidentiary hearing that was initially going to be

scheduled in January.

MR. STIPP: Your Honor, do you have access -- do you have access to the docket?

THE COURT: So, counsel, we're going to move forward, okay. Thank you so much.

MR. STIPP: Your Honor, do you have access to the docket entries in this case? Because the clerk of the court has set a hearing on this matter for March the 7th at 8:30 a.m. Are you telling me that I didn't file something? Is that what you're telling me?

THE COURT: No, sir. I was very clear. You stated that it was electronically served upon the Court. Courts do not receive electronic service.

MR. STIPP: No. I stated that it was filed.

THE COURT: You stated that you -- sorry. Sir, then you stated that you had served me. I have been here in the courthouse. I'm physically here. I was not served. I have been here with numerous people all afternoon and various other people throughout the morning handling several matters on the Court's docket in a variety of different ways and I have not been served. I've check with the members of my team. They have not been served. And so that's what the Court is saying. The Court is not --

MR. STIPP: Are you telling me you're not aware of the motion? Is that what you're -- [distortion; inaudible].

THE COURT: So, Mr. Stipp -- Mr. Stipp, we do need to move forward with the evidentiary hearing. I do appreciate that you may need to check with your process server. I don't know.

MR. STIPP: If you could just answer this question

for me, Your Honor. Are you telling me that you don't have notice of the motion? Is that what you're telling me, that you don't know that there's a motion for disqualification on file in this case? Is that what you're telling me?

THE COURT: Mr. Stipp, you know what you said probably about fifteen, twenty minutes ago.

MR. STIPP: I'm asking. You can answer yes or no.
THE COURT: Sir. Sir.

MR. STIPP: Are you telling me that you don't have notice of the motion and that you don't have notice of the hearing that's scheduled in this matter for March the 17th at 8:30 a.m.? You don't have notice of that?

THE COURT: Counsel, can we move forward, please, with the evidentiary hearing that today is set for?

MR. STIPP: I just would like a simple --

THE COURT: Thank you. So we're going to move forward with the evidentiary hearing. It's one of the many matters. I did ask you, counsel, whether Ms. Taracki was here, as has been ordered by the Court. Now, I appreciate that you said that you don't necessarily agree with that order, but you do realize that there was a supreme court order denying your writ of mandamus for prohibition, as well as denying your emergency motion for a stay.

So that means at this juncture, without you waiving any of your rights for purposes of appeal or anything else,

that Ms. Taracki would have needed to be here because no one has stated that order is improper. And so what I need to know -- and she is your client in another case. Is that not correct, Mr. Stipp?

MR. STIPP: Your Honor, I'm filing a motion to withdraw on that case. And it's not relevant to the matters that are before the Court whether I represent her in that case or any other case.

THE COURT: Mr. Stipp, didn't you --

MR. STIPP: However, I don't have any --

THE COURT: Sorry. Go ahead.

MR. STIPP: Let me finish. I let you finish but you never let me finish. You're always trying to run over me. And I want to be respectful, but I just don't think it's appropriate.

The bottom line is, Your Honor, I don't represent her. I have notified the court that I intend to file a motion to withdraw in that case. Ms. Taracki is not here today. She's not required to be. Your order is an abuse of judicial power; number one. Number two, it's void. Just because the Nevada Supreme Court didn't make a decision on my writ doesn't make it so. They're not providing you authority to continue to abuse your judicial power. They're just simply saying we're not going to take action at this point because we don't know what you're going to do. So if you're going to take

action on the fact that she's not here, then you can take action. We object and we'll take it up with the Nevada Supreme Court.

THE COURT: Okay. So here we have the evidentiary hearing based on the motions by Euphoria Wellness, including the responses to the first supplemental responses and objections to requests for production of documents and interrogatories that were electronically served on 10/25/2021. The best process with regards to this and consistent process is that the movant would have an opportunity first to give a brief summation if they wish, and then I would have -- if there's any witnesses on behalf of the movant, then they would have an opportunity to name those witnesses and those could be examined both by the -- each of the parties, if that is the case. And then I would go to counsel for the respondent/defendant -- excuse me, it would be the plaintiff/counter-defendants. My apologies.

And we have the issues not only with E&T, but we have it with the other entities because there's several issues that were brought to the attention to the Court via a proper motion. And as you know, the Court deferred ruling with regards to the sanctions and other requested relief by Euphoria Wellness to give E&T Ventures and the other parties a full opportunity to have an evidentiary hearing and bring forth whatever evidence they thought was appropriate for the

Court's consideration on the pending motion.

So let's move forward with that. That means, counsel for Euphoria, do you have any introduction or do you want to go forward? How would you --

MR. JONES: Thank you, Your Honor. We filed our motion. Your Honor already considered that at the January 4th hearing. And it wasn't just related to Ms. Taracki and her appearance. It was very clear from that hearing that Your Honor found that the discovery responses that were served by both E&T and Miral Consulting, Happy Campers and CBD Supply were, quote, "impermissibly non-responsive." So this hearing is not just about Ms. Taracki appearing or not appearing. It's about the overall issues that this Court found after ordering the parties to provide the information with regards to, amongst other things, their financial status.

As the Court also stated at the January 4th hearing, the Court: "Even given the benefit of the supplementals way back in October, it is absolutely incomprehensible to this Court on how somebody with supposedly a very small company can't provide basic records in a more than two month time period, nor was there anything provided to this Court that was any good faith effort to try and get that or obtain that information." That's what the Court has already found.

Obviously, this evidentiary hearing was to discuss the sanctions that would be appropriate. And the Court has

made it clear that terminating sanctions are under consideration. We would certainly ask this Court to impose the terminating sanctions that we have requested, and in addition to that order them to pay the attorney's fees and costs that have been incurred in not only the motion, the evidentiary hearing, but frankly, all that's gone on since the evidentiary hearing, including writs, including motions before the Chief Judge.

And also, because the parties continue to refuse to provide any financial information even after this order, that the parties -- that the principals of the parties, Mr. Kennedy, Ms. Taracki, Alex Taracki and Miro Taracki be deemed to be alter egos of the E&T parties in this matter.

THE COURT: Okay. Let's walk through a couple of different things just from a procedural basis first, please. Okay. We had the hearing on November 4th, 2022 (sic) on the various pending motions against the various entities that were set forth. Between the time of January 4th, 2022 and today, which is February 11th, 2022, has there been any additional supplementation of -- I'll phrase it in the broadest terms, of any of the discovery? And then if so, can you break it down on what has been provided?

MR. JONES: Your Honor, there have been varying -THE COURT: And remember to please state your name
each time you speak, even though -- go ahead, please.

MR. JONES: Sorry. Justin Jones on behalf of Euphoria. There was, I believe, some nominal supplementation. Just, frankly, prior to this hearing at two o'clock we received a ninth supplement, though it did not relate to the discovery responses here. However, as of today, there are still no responses whatsoever, no documents produced by Miral Consulting, Happy Campers or CBD Supply, other than referring to documents that have been produced by Euphoria Wellness.

THE COURT: Okay. So just a quick point of clarification. You mentioned there was some documentation that was provided around 2:00 p.m. today. Were those discovery responses or disclosures? What were they? Could you please clarify so the Court understands?

MR. JONES: Sure. It was a ninth supplement to the Rule 16.1 disclosures. It was, frankly, with regards to adding two witnesses and to modifying their damages calculations, obviously after the discovery cutoff. It did not relate to the supplementation of discovery responses that are at issue here.

THE COURT: And that's what the Court was trying to determine. Was there any supplementary responses to any of the interrogatories?

MR. JONES: I don't believe so, Your Honor. I can go back and check. I apologize.

THE COURT: No worries. I'm just trying to get the

chronology to make sure since January 4th because I want to make sure, for the benefit of all parties -- you know, the same thing as I asked you when we had the issue with regards to the privilege log, right, what was done in the intervening time, because I want to take everything fully and fairly into consideration.

So, Ms. Lovelock, it looks like you wanted to speak. Do you know the answer to that? If so, you may go ahead and proceed.

MS. LOVELOCK: I do, Your Honor. We received supplemental responses as to E&T this week. It had changed to Joseph Kennedy and I believe that he verified those responses. They were substantially the same responses. I do not believe there were any more documents besides the documents we received today, which was an update as to the expert report. But there were this week a second supplement and it changed the signatory to Mr. Joseph Kennedy. But the answers, while they said second supplement, I believe that they were substantially similar. And, Your Honor, we apologize that we did not submit that to the Court, but I do not believe that the E&T parties did either.

THE COURT: I did not receive it. Like I said, I've been here all afternoon, if somebody dropped off something.

I've asked everyone on my team. I've been told no. But if somebody thinks they have, feel free to say where it was.

So, okay, so we have a second supplement --

MR. STIPP: Your Honor.

THE COURT: Just a second, Mr. Stipp. Let me clarify with Euphoria. I'll get to you in just one second, okay. But let them finish and then we'll go to you, please. Thank you so much.

Okay. So a second supplement with Mr. Joseph Kennedy and then a ninth supplement on the 16.1 disclosures. Has there been anything else provided to Euphoria Wellness between January 4th and today that would relate to today's hearing?

MR. JONES: No, Your Honor.

THE COURT: Okay. Mr. Stipp, on behalf of E&T Ventures, Miral Consulting, etcetera, let's walk through. Do you concur that there was a second supplemental and interrogatories?

MR. STIPP: Your Honor, we did the Court a favor and also provided e-service to Euphoria by actually preparing notices of the disclosures that have been provided by E&T and the third party defendants in this case, which undermine Euphoria's position in terms of what and how much was disclosed. In addition to those disclosures which were filed, we also provided a copy of the third supplemental disclosure, which included a copy of the original expert report that at the last hearing the Court had concerns about whether or not

it was disclosed, and as a matter of record it was. And we supplemented the discovery responses on behalf of E&T Ventures. Those supplemental responses were prepared and served on the 9th.

So, Your Honor, the disclosures that were filed today as a matter of record at 2:01 p.m. provides a notice of the ninth supplemental disclosures that were actually filed on 1/24/2022, which was the end of discovery. Mr. Jones falsely stated to the Court that these supplemental disclosures were made after the end of discovery. That's false. The supplemental disclosures were made on 1/24/2022 at 5:08 p.m. They were attached to the notice filed today in this case on February 11th, 2022 at 2:01 p.m.

As the Court can see in the ninth supplemental disclosures by E&T and the third supplemental disclosures by Happy Campers, Miral Consulting and CBD Supply, that several thousand pages of documents have been produced by these parties, as referenced on page 7, section B regarding those disclosures.

With respect to the second supplemental responses and objections, a copy of that was provided via notice today, on February 11th today at 2:40 p.m. That included a copy of the second supplemental responses that were e-served on February 9th at 3:18 p.m. All of the responses, to the extent they required supplementation have been supplemented,

including the provision of Joe Kennedy's address as the principal now of E&T. And also a confirmation that requests were made to the third party plan provider for payroll; that no response was received as a result of that request and that information was not provided. Otherwise it would have been disclosed.

There's a redline attached to the supplemental second -- I'm sorry, the second supplemental responses that show the differences between these supplemental responses and the ones that were before the Court on January the 4th. So, you know, the only concern the Court expressed and Euphoria expressed at the hearing were those two items, payroll and the address. However, the other discovery requests were -- to the extent that it required supplementation, answers were provided.

So, in addition to that, Your Honor, I'm happy to answer questions with respect to those documents which were filed as of record in this case. The Court doesn't need to take judicial notice of them because they're filed as a matter of record and they are part of the record in this case that confirms the supplementation, the disclosures and the expert report.

To the extent that Euphoria continues to take this position that E&T and the third party defendants have only disclosed, you know, minimal documents, it's just a false

statement. There are 1,432 pages, independent of the 1,300 pages that we obtained from the Nevada Department of Taxation and the Cannabis Compliance Board. As labeled here, Plaintiff's Documents 1 through 111, 112 through 371, the expert report, then 428 through 610, 611 through 617, 618 through 652, 53 through 56 and 57 through 1432.

So it's absolutely a false statement for Mr. Jones to stand before the Court and say no disclosures have been made, no documents have been provided, and to the extent there was any supplementation it occurred after the end of discovery.

THE COURT: Okay. So, Mr. Stipp, let's walk through the same question I was asking Euphoria Wellness. Between January 4th, 2022, which was the date of the hearing that set the -- precipitated the setting of the evidentiary hearing, and today, as far as new supplementations -- let's walk first through on behalf of E&T Ventures, what new supplementations. And what I'm trying to get a distinction is a difference of where you may be referencing prior documents that were produced or prior answers, I'm trying to get new documents or new supplementations to interrogatories.

What, on behalf of E&T Ventures, if anything -- and they say there was a second supplemental for E&T and I just want to see, is there anything else other -- first off, do you -- let me stop. First off, do you concur there was a second

supplemental and anything else on behalf of E&T Ventures that you've done between January 4th, 2022 and today? Anything else on behalf of E&T Ventures from a supplemental standpoint, please.

MR. STIPP: Your Honor, your question was fairly

complex, and so if you could rephrase it so I can answer it?

THE COURT: Sure. Of course. Okay. Between

January 4th, 2022, the date of the hearing, on behalf of

E&T Ventures have you provided any supplements to the first supplemental responses and objections to the request for the production of documents and interrogatories that was filed on 10/25/2021? It might be easier just to break it down

MR. STIPP: Yes.

that way.

THE COURT: Okay. And what did you provide, as far as were they new supplemental responses to interrogatories, were they new documents, were they both? Or was there -- just, can you explain what you're stating was provided?

MR. STIPP: Sure. On February 9th, 2022 at 3:18, second supplemental responses for the production of documents and interrogatories was e-served and provided to Euphoria. All of the responses to document requests and interrogatories were supplemented, to the extent that they needed supplementation. No additional documents were produced in connection with their requests for production because

everything has been produced. To the extent that the requests have been made and the documents are available, they've been produced. Now, there were prior responses that may not have had a reference to documents that were previously produced, and so those matters were updated. Answers to interrogatories that were subject to further discovery were revised to reflect the fact that no documents are available and the condition to being subject to discovery has been removed.

And so if the Court would like, you can -- you know, just like the motion to disqualify, it's a matter of record. You can pull it up and you can see attached to it is a redline that shows each of the changes. If the Court is not inclined to pull it up, I'll read it to you or I can share the screen and you'll see that with respect to the documents -- and I'm just looking at the redline here because I think the redline itself which is attached I think is instructive in terms of the changes.

Response to Document Request Number 1 was supplemented. Supplemental response to Document Request Number 6 was supplemented. There was a second supplemental response to Document Request Number 7. That was supplemented with reference to specific documents. There is a second supplemental response to Document Request Number 8. There is a second supplemental response to Document Request Number 9. There is a second supplemental response to Document Request Number 9.

Number 10.

There is a second supplemental response to Document Request Number 11. There is a second supplemental response to Document Request Number 12, which refers specifically to Plaintiff's Documents 112 through 427 and 1431 through 32. There is a second supplemental response to Document Request Number 13, also referring to those same documents referenced. There is a second supplemental response to Document Request Number 14. There is a second supplemental response to Document Request Number 15. There is a second supplemental response to Document Request Number 16. There is a second supplemental response to Document Request Number 17. There is a second supplemental response to Document Request Number 18. There is a second supplemental response to Document Request Number 18. There is a second supplemental response to Document Request Number 19. There is a second supplemental response to Document Request Number 19. There is a second supplemental response to Document Request Number 20.

There is a second supplemental response to Document Request Number 22. There is a second supplemental response to Document Request Number 23. There is a second supplemental response to Document Request Number 24. There is a second supplemental response to Document Request Number 25. There is a supplemental response to Document Request Number 26. There is a supplemental response to Document Request Number 27. There is a supplemental response to Document Request Number 28. There is a supplemental response to Document Request Number 28. There is a supplemental response to Document Request Number 28.

Number 29. There is a second supplemental response to Document Request Number 30. There is a supplemental response to Document Request Number 31. There is a second supplemental response to Document Request Number 32. There is a second supplemental response to Document Request Number 33.

With respect to interrogatories, there is a second supplemental response to Interrogatory Number 1. There is, as I scroll down quickly, there is a second supplemental response to Interrogatory Number 14. There is a second supplemental response to Interrogatory Number 15. There is a second supplemental response to Interrogatory Number 17.

I'm happy to go through the specific requests and I'm happy to put on the record the responses that were made in connection with the requests for production and the interrogatories if the Court prefers.

MS. LOVELOCK: Your Honor, if I may, I need to make a point of clarification as to what I said previously.

THE COURT: Go ahead, counsel for Euphoria.

MS. LOVELOCK: Your Honor, we represented that no documents had been disclosed, and then I did see when Mr. Stipp stated that 657 to 1430 were disclosed and that is accurate. But that is the CCB's response to a subpoena that he redisclosed, and that information relates to Euphoria and is not responsive to discovery requests. I just want to make that clear. There were additional documents disclosed,

but those documents were the CCB's response to a subpoena that he redisclosed. I just want to be clear that's why the number goes up to 1430 now.

There are three Bates stamp ranges, 653 to 656 that I at the moment don't know what those are, but those would be the only three documents that have been disclosed that I can't identify. But those other Bates ranges that were disclosed after the January 4th hearing is the subpoena response from the Cannabis Compliance Board. I just want to make a record of that and clear up the previous misunderstanding.

THE COURT: Okay. Mr. Stipp, do you concur?

MR. STIPP: Your Honor --

THE COURT: Do you concur with what counsel for Euphoria said with regards to that range is a response to a subpoena to the Cannabis Compliance Board? Or are you stating that those are brand new documents that have not been disclosed yet in this case, Case Number 796919? Do you mind responding to that, please?

MR. STIPP: Thank you, Your Honor. This is Mitchell Stipp on behalf of E&T Ventures. No, we disagree with Ms. Lovelock's assessment. Some of those documents are documents that we requested from the CCB -- I'm sorry, strike that -- from the Nevada Department of Taxation. Not all of the documents that were included in that disclosure were from the CCB.

Having said that, Your Honor, the fact that we had to subpoen the CCB for this information for purposes of responding to discovery requests and also for purposes of disclosure shouldn't be held against E&T. These are matters that are relevant in the case. And to the extent that we didn't have them in our possession and had to get them from a third party should be rewarded rather than penalized.

And so we don't agree that Ms. Lovelock's assessment -- in fact, as she states on the record, she doesn't know as to a range of documents what they even are. And so we could have filed those documents as a matter of record in this case so that the Court could see the documents that were previously disclosed, but we didn't do that. We're happy to do it if that's what the Court would like in order to determine whether or not the -- what I view, combined with the documents we disclosed and obtained, we're talking about in excess of 4,000 pages of records.

THE COURT: Okay. So this Court has a clear point of understanding, please, what I'm trying to get an understanding is the difference between pages of documents which may have been previously disclosed and now have a reference to possibly either a document production number or an interrogatory number versus brand new documents. When I'm using the term brand new, that doesn't mean that they were created in 2022. What I'm using is documents that had not

been previously disclosed by either party in this case.

So a very quick hypothetical. Say hypothetically there were 5,000 pages that had been disclosed, combined, by the parties as of January 4th. Is there now a 5,001 through something or is what's been disclosed just clarified what it applied to previously?

Counsel for E&T and then counsel for Euphoria, I'd like to get each of your positions on that so I have a better understanding. Thank you.

MS. LOVELOCK: Understood, Your Honor.

MR. STIPP: This is Mitchell Stipp on behalf of E&T. I'm pulling up right now the documents that were disclosed. I'm trying to get a date on the eighth and ninth disclosure. I believe on the -- I believe after January the 4th there were documents that were produced that were new and that they were produced in connection with -- they were produced in connection with E&T's and the third party defendants' disclosures that were made after the hearing. They were new documents that were provided. They were disclosed before the end of discovery and they were, to the best of my recollection, disclosed after the January 4th hearing on this matter.

So on the -- I believe they were disclosed, and I'm looking at it, on the eighth supplement that was disclosed in this case. And I need to look at -- yes, on --

Do you have some page number ranges? 1 THE COURT: 2 Mr. Stipp, do you have -- Sorry, go ahead. 3 MR. STIPP: On January the 21st at 4:00 p.m., and 4 I'm looking at the eighth supplemental disclosures and the 5 second supplemental disclosures by Happy Campers, Miral 6 Consulting and CBD Supply. I need to look at the numbers. 7 Just give me -- Court's indulgence. 8 THE COURT: Sure. Right. Because you understand 9 what the Court's question is; right? The Court is going to 10 ask you --MR. STIPP: [Video distortion; inaudible]. 11 THE COURT: 12 -- the Bates range. 13 MR. STIPP: 00563. 14 THE COURT: 005 --15 MR. STIPP: 005 -- I'm sorry. 00653 through 00656 16 and 00657 through 01432 were disclosed on January 21. 17 THE COURT: Sorry. I didn't hear the date. You 18 said January and then you dropped off. I didn't hear the end 19 of that, please. 20 MR. STIPP: I apologize, Your Honor. They were 21 electronically served as part of the eighth supplemental 22 disclosures by E&T Ventures and the second supplemental 23 disclosures by the third party defendants on January 21st, 2022 at 4:00 p.m. 24 25 THE COURT: Okay.

MR. STIPP: Three days before the end of discovery.

THE COURT: So you said a lot of things in there.

Can we break it down for a quick second? Was that same document range produced on behalf of E&T Ventures and one of the cross-defendants or more than one of the cross-defendants, or were there unique documents produced by the cross-defendants?

MR. STIPP: These documents were new documents and they were produced in connection with a combined eighth supplemental disclosure and second supplemental disclosure. So the title of the document that was e-served is "Eighth Supplemental Disclosures by E&T Ventures and Second Supplemental Disclosures by Happy Campers, Miral Consulting and CBD Supply." And pursuant to that disclosure it included new documents referenced, as I indicated, Your Honor, plaintiff's documents 653 through 656 and 657 through 1432.

THE COURT: Okay. Since they were disclosed as eighth and ninth disclosures pursuant to 16.1 -- is that correct? Because I'm going to ask you a follow-up question if that part is correct. Is that correct?

MR. STIPP: Yeah, they were provided in connection with the parties' 16.1 obligations. And then the second supplemental response to Euphoria's written discovery included then references to those documents to the extent that the discovery request requested either -- references to those

documents in terms of identification or production.

THE COURT: Okay. So, counsel for Euphoria, do you agree? I know you said you were not sure about the 653 to 656. So do you agree or disagree that these were cross-referenced for both response to discovery purposes, is what I heard counsel, Mr. Stipp, state, as well as eighth and ninth supplemental?

MS. LOVELOCK: Your Honor, I don't necessarily understand how he's describing it, but we delivered to your chambers the evidentiary hearing exhibits and we have those in there. So if I can reference you to them and I can walk you through, I now know these -- the other ranges. And again, that is not documents that belong to those businesses. The range that I was referring to, he produced a State of Nevada Performance Audit, Department of Taxation Marijuana Regulation Enforcement page from 2019, and that was those documents. When I said I wasn't sure what was 618 on, it was that document. That was not business records.

But I am happy to walk you through. If you look at Exhibit FF, that's E&T's seventh supplemental disclosures that were e-served on January 6th, so that's two days after the evidentiary hearing. And if you scroll down to or if you flip to page -- we have them marked -- he will show you what has been changed from the previous disclosure to that disclosure, including the documents. And at that time he produced 618

to 652, and that's the Nevada document that I just referenced. That's not a business record.

If you then flip to the next exhibit, Exhibit GG.

One second, Your Honor. Court's indulgence while I pull that

up. So I referenced the Exhibit FF, which was the seventh

supplement from January 6th. Exhibit GG is the January 21st

e-served eighth supplemental disclosure.

THE COURT: Uh-huh.

MS. LOVELOCK: And there is a reference from the 657 to the 1432, which again, as I referenced before, was the CCB. And he said the Department of Taxation's response. And I apologize if I thought it was just the CCB, but it's a discovery subpoena response. So those are not business records. And in there as well he has 653 to 656, Your Honor, and I do not know what those just three pages are. However, we then received as Exhibit HH on the last day of discovery, January 24th, the ninth supplemental disclosure.

And I want to be clear, Mr. Jones referenced today that we just received a new one at 2:00 p.m. We did not understand that what he did was file what he had already done. We were confused. As you know, we had this evidentiary hearing set for 3:00. Mr. Jones was already down at the courthouse. And I just want to be clear, we did not know that he would be filing what he had already e-served. And if you look at that document, the one that was served on the 9th,

no additional documents were served.

THE COURT: Okay.

MS. LOVELOCK: And I just wanted to make that clear. And if you flip through, again, he shows how things have changed. And in that one what he did, as Mr. Jones had said previously, is added two more witnesses and then changed his damages calculation.

So essentially, and I want to be clear, it is
Euphoria's position since January 4th he may have crossreferenced documents among the businesses and he has purposely
only filed that ninth supplement that makes it appear that
1,000 or more documents have been disclosed, but that was a
CCB response. No business records have been disclosed, unless
it's those three pages which, Your Honor, I just can't tell
you what those three pages are. And if those are business
records, then it would be just three pages since January 4th.

And you have before you the second supplemental, which I now understand that he filed, and you can see how deficient they are. Essentially, as I said, he then changed it to Joseph Kennedy and essentially repeated and identified documents produced by the Department of Taxation or the CCB which relates to Euphoria's documents, not the business records of the third party defendants or E&T. So nothing has changed besides the third parties referencing documents from E&T and/or Euphoria or was served by the Department of

Taxation and/or the CCB. Nothing has changed. It's substantially the same. And, Your Honor, if you have any direct questions, we did produce those as exhibits so you have it before you.

THE COURT: Okay. We're going to need to end -- we're going to need to end this.

MR. STIPP: Your Honor, I don't see where the documents [inaudible].

THE COURT: Wait, wait. I'm just telling you it's five minutes of 5:00; right? My team doesn't do overtime. So I'm going to give two minutes to you, Mr. Stipp. I'm going to give two minutes to Euphoria. And then what I'm going to tell you both is there was a lot of exhibits presented to the Court for purposes of today's hearing. I'm going to have to continue today's hearing because you can appreciate I've got in hard copy a lot of exhibits that were presented today and have now been explained during the hearing.

And, Mr. Stipp, you filed a lot of things which I will -- you filed it while I was already on the bench with other matters. I'm not saying that's right, wrong or indifferent, I'm just saying you can appreciate I was handling other matters, and so I couldn't look at things when you submit things, right, the same day as the hearing, you know, without 24 hours. Remember, the courtesy copy rule, which can be done electronically, it's not required to be hard copies

under the current administrative orders. But the Court is going to have to look at a lot of these things to evaluate the arguments from each of the counsel.

So, two minutes for you, Mr. Stipp, two minutes for Euphoria, and then we're going to end it and I'm going to have to circle back to you all as well on a continued hearing date so we can get this done. And then figure out about how quickly you can get done and your trial, or whether or not you all want me to rule in chambers.

So, Mr. Stipp, your two minutes. Go ahead, please.

MR. STIPP: Thank you, Your Honor. I just want to note that in Euphoria's response to the Court it didn't address our eighth supplemental or our ninth supplemental.

Ms. Lovelock was focused on the seventh supplemental. I'll also note that none of the exhibits that she has prepared or that the firm of Jones Lovelock have prepared for their clients have been admitted for purposes of this evidentiary hearing.

Second of all, Ms. Lovelock intentionally misrepresents to the Court that these supplemental disclosures contain specific documents. I'm looking at her exhibits. The exhibits don't contain the documents. They don't even contain the actual supplemental disclosure. So she's testifying to the Court as to what the documents -- what documents were disclosed as part of the supplement and

referring to the Court that the exhibits include those documents and that's false. It's a false statement. I'm looking at her exhibits right now and they just contain the body of the disclosures without the documents themselves. And so to tell the Court during this hearing that the documents have been included as part of their exhibits and the Court can look at it and see that the documents that were disclosed were not as represented, that evidence isn't before the Court. And so she's misrepresenting to the Court what's actually before the Court, assuming that any of these exhibits have been offered into and accepted by the Court as evidence.

While I appreciate her explaining Mr. Jones's material misrepresentations to the Court, the fact of the matter is is that they didn't -- they didn't provide any of their trial exhibits until less than 45 minutes before the hearing. The reason why I filed what was relevant to this case is so the Court could actually look, look at the document and rule on the basis of actual evidence, rather than material misrepresentations by Ms. Lovelock and Mr. Jones to this Court. And while --

THE COURT: Okay. Mr. Stipp, I'm going to stop you because remember, I said two minutes each, right, in fairness. It's almost the five o'clock hour and the team with regards to overtime. So your two minutes are up.

I do need now to go to -- Euphoria gets the same two

minutes. I'll cut you off if you also go longer, in fairness to each side, in fairness to the team not having to work overtime. Thank you so very much.

Go ahead, please, Euphoria.

MR. JONES: Thank you, Your Honor. We'd just reiterate, as I stated at the beginning, this Court found at the January 4th hearing that the responses by not only E&T but Miral Consulting, Happy Campers and CBD were impermissibly non-responsive. Although there has been some supplementation since then, it has been simply pointing to documents that were already produced in response to a subpoena.

To the extent that Your Honor is asking whether you would like to continue this hearing for further consideration or to rule on what's been submitted, Mr. Stipp has made misrepresentations with regards to what the supplementation is. As Ms. Lovelock identified, there is but a few pages that have been actually produced by the E&T parties since the evidentiary hearing was ordered. We are happy to provide those documents.

And just to reiterate, Your Honor, this evidentiary hearing was ordered by Your Honor. It was the E&T parties' obligation, their burden to show that sanctions shouldn't be ordered and they have failed to do so.

THE COURT: Thank you so very much. Okay. And you had about 28 seconds to spare.

So then at this juncture what the Court is going to do, we're going to say the first day of the evidentiary hearing is completed due to the time issues. Appreciate everyone providing the information that you provided. The Court is going to have to evaluate whether there was or was not compliance. The Court is going to evaluate whether or not there needs to be an additional day.

What I'm going to do is I'm going to look at the documents provided by both sides, right, whether you e-filed them and therefore you want me to look at them, as counsel for one set of parties is asking me to do, or whether they're in hard copies, which the other side is asking me to do. I'm going to look at it all to make a fair, well-reasoned ruling with regards to this outstanding matters and determine whether or not we need another portion of an evidentiary hearing. And then I will contact the parties once I can take a look at each of those. Thank you for the explanation provided by all parties with regards to your positions and argument.

With regards to the outstanding motion for summary judgment, I have to find you a date for that. You can appreciate you can't do it right now because it's five o'clock on a Friday and we have overtime considerations with regards to the wonderful team that I have who's been working nonstop for us today and several other different days.

So in that regard, I'm going to wish you all a very

nice weekend. We will get in touch with you on scheduling another date and then figure out a time for some of the matters that we did not have a chance to get to. Appreciate everyone's time and efforts. Have a great rest of your day and your weekend. And like I said, we'll get back to you the early part of next week once we can figure out some time in light of all the different trial schedules and everything else going on in all of our other different matters.

Thank you so very much.

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MR. STIPP: Have a nice weekend.

THE COURT: Thank you. So, remotely, we're going to turn off remote. And then any counsel who's here in court, we're going to thank you and please feel free to leave, pack up and leave, okay.

MR. JONES: Thank you, Your Honor.

THE COURT: I appreciate it. Thank you so much.

We'll go off the record. Appreciate it. Thank you.

(PROCEEDINGS CONCLUDED AT 5:01 P.M.)

\* \* \* \* \*

ATTEST: I do hereby certify that I have truly and correctly transcribed the audio/video proceedings in the above-entitled case to the best of my ability.

Liz Gadia, Transcriber LGM Transcription Service

**NEOJ** 

Nicole E. Lovelock, Esq. Nevada State Bar No. 11187 **Electronically Filed** 6/8/2022 10:15 AM Steven D. Grierson **CLERK OF THE COURT** 

#### CLARK COUNTY, NEVADA

CASE NO.: A-19-796919-B DEPT. NO.: XXXI

NOTICE OF ENTRY OF ORDER REGARDING EUPHORIA WELLNESS LLC'S MOTION FOR DISCOVERY SANCTIONS AFTER CONDUCTING EVIDENTIARY HEARING

JONES LOVELOCK 6600 Amelia Earhart Ct., Suite C Las Vegas, Nevada 89119

MIRAL CONSULTING, LLC, a Nevada limited liability company; HAPPY CAMPERS, LLC, a Nevada limited liability company; CBD SUPPLY CO, LLC, a Nevada limited liability company; DOE Individuals I-X, inclusive; and ROE ENTITIES 1-10, inclusive;

Third-Party Defendants.

PLEASE TAKE NOTICE that an *Order Regarding Euphoria Wellness LLC's Motion for Discovery Sanctions After Conducting Evidentiary Hearing* was filed on June 6, 2022, a true and correct copy of which is attached hereto.

DATED this 8th day of June 2022.

#### JONES LOVELOCK

By: /s/Marta D. Kurshumova, Esq.
Nicole E. Lovelock, Esq. (11187)
Justin C. Jones, Esq. (8519)
Marta D. Kurshumova, Esq. (14728)
6600 Amelia Earhart Ct., Suite C
Las Vegas, Nevada 89119

Attorneys for Euphoria Wellness, LLC

### **CERTIFICATE OF SERVICE**

I hereby certify that on this 8<sup>th</sup> day of June 2022, a true and correct copy of the **NOTICE OF ENTRY OF ORDER REGARDING EUPHORIA WELLNESS LLC'S MOTION FOR DISCOVERY SANCTIONS AFTER CONDUCTING EVIDENTIARY HEARING** was served by electronically filing with the Clerk of the Court using the electronic system and serving all parties with an email-address on record.

By /s/ Julie Linton
An Employee of JONES LOVELOCK

#### **ELECTRONICALLY SERVED** 6/7/2022 9:56 AM

Electronically Filed 06/06/2022 2:34 PM CLERK OF THE COUR

**ORDR** 

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DISTRICT COURT CLARK COUNTY, NEVADA

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E&T VENTURES, LLC, a Nevada limited liability company,

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EUPHORIA WELLNESS, LLC, a Nevada limited liability company; DOE Individuals I-X, 10 inclusive; and ROE ENTITIES 1-10, inclusive;

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Defendants.

Counterclaimant,

Plaintiff,

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EUPHORIA WELLNESS, LLC, a Nevada limited liability company,

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15 E&T VENTURES, LLC, a Nevada limited liability

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company;

liability company,

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Case No.: A-19-796919-B Dept. No.: XXXI

ORDER REGARDING **EUPHORIA WELLNESS LLC'S** MOTION FOR DISCOVERY SANCTIONS AFTER **CONDUCTING EVIDENTIARY HEARING** 

Counter-Defendant.

Third-Party Plaintiff,

MIRAL CONSULTING, LLC, a Nevada limited liability company; HAPPY CAMPERS, LLC, a Nevada limited liability company; CBD SUPPLY CO, LLC, a Nevada limited liability company: DOE Individuals I-X, inclusive; and ROE ENTITIES 1-10, inclusive:

EUPHORIA WELLNESS, LLC, a Nevada limited

Third-Party Defendants.

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JOANNA S. KISHNER
DISTRICT JUDGE
DEPARTMENT XXXI
AS VEGAS, NEVADA 89155

#### I. FACTUAL AND PROCEDURAL BACKGROUND

This matter arises from Defendant Euphoria Wellness, LLC's Motion for Discovery Sanctions Against E&T Ventures, Miral Consulting, Happy Campers, and CBD Supply Co, filed on November 24, 2021, and the Evidentiary Hearing that was conducted in conjunction therewith. See Doc. No. 198. The matter was set for hearing on January 4, 2022. Due to the case being stayed due to filings by one of the parties, extensions provided due to health issues of the parties and/or their counsel, and the setting of the evidentiary hearing dates, the matter was subsequently considered for decision after all the procedural issues were addressed.

The pleadings set forth that E&T Ventures, LLC, along with Miral Consulting, Happy Campers, and CBD Supply, were not properly engaging in Discovery and were violating the Court's Order from October 15, 2021, by not providing supplemental responses to discovery requests within 21 days of Notice of Entry of Order. See Doc. Nos. 185, and 198. Euphoria Wellness's Motion for Discovery Sanctions further set forth that E&T Ventures did not properly respond or comply with the rules in its discovery responses. As one of the examples of said non-compliance, Euphoria set forth that E&T Ventures and the other companies had Kristin Taracki purportedly verify Interrogatory responses with an electronic signature; but purportedly, E&T's counsel asserted she was not an authorized agent elsewhere in its pleadings and/or in its argument and contended that she did not live in Nevada, yet the Interrogatory Responses purportedly verified by her said she lived in Clark County, Nevada as of the date

JOANNA S. KISHNER
DISTRICT JUDGE
DEPARTMENT XXXI
AS VEGAS, NEVADA 89155

of the discovery. See Doc. Nos. 198, and 199. Euphoria also set forth that the address Kristin Taracki purportedly verified, which was her address in the Interrogatories, had been sold on or about December 23, 2020, prior to her verifying that she lived at the address on October 25, 2021. Movant then set forth numerous other examples of where responses were not provided or were inconsistent with other evidence. Specifically, Euphoria contended that:

E&T expects Euphoria and the Court to believe the following:

- A company that obtained licenses to work in the highly regulated marijuana field and had numerous paid employees has no paper or electronic trail. According to E&T, it has no corporate documents, no tax documents, no tax returns, no QuickBooks records, no financial books or records (but by some means possesses a self-serving profit and loss statement), nothing except the limited material that E&T deemed helpful to itself in the litigation.
- A company that was issued a notice of default under a contract and was asked to explain the subject of the default had no documents related to the asserted default or its response to the notice of default. According to E&T, it has no internal emails, no correspondence with its employees or principals, nothing except the limited material that E&T deemed may be helpful to itself in the litigation.
- A company that was accused by its employee of tampering with test results, subjecting the company to investigation by the Department of Taxation had no documents related to the complaint or the investigation. According to E&T, it has no internal emails, no correspondence with its employees or principals, nothing except the limited material that E&T deemed may be helpful to itself in the litigation. (See Motion pg. 6)

In sum, Euphoria contended that the other parties at issue egregiously did not comply with their discovery obligations and thwarted Euphoria's ability to obtain proper information and said conduct was in violation of prior Order(s) of the

Court. It also contended that the lack of responses supported their request to reinstate their alter ego claims.

Euphoria sought case terminating sanctions. In the alternative, Euphoria requested the Court set an evidentiary hearing to determine if the E&T Parties' Answers and affirmative defenses should be stricken and an entry of default judgment issued against them. It also sought relief to file additional pleadings to reinstate its prior alter ego claims. It also sought fees and costs related to the conduct of the opposing parties.

At the Court's January 4, 2022, hearing, the Court inquired of counsel who represented all the parties who were alleged to be non-compliant what the asserted scope of non-compliance was and whether there was any good cause for the purported actions. In so doing, the Court asked counsel for E&T Ventures and the other parties, Mr. Stipp, *inter alia*, about Ms. Taracki's Verification of the Interrogatory Responses and the substance of the answers contained in the Response. See Transcript of January 4, 2021, Hearing; Doc. No. 242 at 35-40. The Court also clarified with counsel for E&T Ventures and the other parties, Mr. Stipp, whether the supplemental responses Ordered by the Court from the Order dated October 15, 2021, had been provided. See Transcript of January 4, 2021, Hearing; Doc. No. 242 at 45-54.

The Court was informed by Mr. Stipp that he had typed Ms. Taracki's name on the Verification page with her permission. He stated that he had not provided her with the draft Responses, but he understood that she had received the discovery responses through Joseph Kennedy to review. Despite its

inquiry, the Court was not informed as to whether Ms. Taracki actually read the responses before they were verified with her name, or whether there was any substantial compliance with the Court's prior Order by any of the parties.

Further, what was stated to be the supplement did not indicate that there were any supplemental documents actually provided and there were not even any Bates stamp numbering to indicate that there were actual documents provided as required by the Court's Order. See Transcript of January 4, 2021, Hearing;

Doc. No. 242 at 35-40, 45-54. There was also a lack of information provided to the Court regarding the corporate relationships with the individuals and the other corporations. This lack of information supported Euphoria's request to be able to amend their pleadings.

As it appeared that E&T and the other parties had not complied with the Court's Order, nor their obligations under the rules, in order to provide all parties an opportunity to be heard prior to making a determination as to whether sanctions should be imposed and, if so, whether the sanctions should include striking pleadings or case terminating sanctions, the Court ordered an Evidentiary Hearing consistent with *Young v. Johnny Ribeiro Bldg.*, 106 Nev. 88, 93 (Nev. 1990) as requested in the alternative relief. See Transcript of January 4, 2021, Hearing; Doc. No. 242 at 64-68. As Ms. Taracki's conduct on behalf of the E&T parties was provided as a purported egregious example of the intentional conduct of the parties and/or their representatives, she was stated to be the authorized representative of at least one of those parties, and since she was the one who purportedly verified the Interrogatories with the non-

compliant Reponses, it was necessary to have her attend the Evidentiary hearing by appropriate means particularly since she asserted she lived in Clark County. The Court was cognizant that counsel for the E&T parties did not inform the Court as to whether Ms. Taracki actually read the Interrogatories that bore her signature or not. Thus, only Ms. Taracki would have the knowledge of whether she read the Interrogatories or not, as well as whether she was aware that there was incorrect information provided, or that the Response was noncompliant with the rules. See Transcript of January 4, 2021, Hearing; Doc. No. 242 at 68-70. The Court further ordered that the specific people who would be responsible for providing information on behalf of E&T Ventures, Miral Consulting, Happy Campers, and CBD Supply would need to provide responses to the Court as to how they had complied with the Court's Order from October 15, 2021, to provide supplemental responses to discovery requests. See Transcript of January 4, 2021, Hearing; Doc. No. 242 at 64-65.

In Order to provide the parties time to prepare, but given the deadlines in place at the time, the Court stated the hearing would be the following week and that parties and witnesses could appear remotely via audiovisual appearance or appear in person at the option of the parties. See Transcript of January 4, 2021, Hearing; Doc. No. 242 at 65. Afterwards, the Court was informed that the date was not convenient so it reset the hearing to early February.

On January 20, 2022, the Court issued an Order Setting Evidentiary

Hearing. The Order included a provision that Kristin Taracki, in her role at E&T

and as the person who verified the Interrogatories at issue, would need to be present by some appropriate means as it was contended that she lived in Clark County, per the Interrogatories, and that she had information needed for the Court's determination as to whether sanctions should be imposed. See Doc. No. 198.

A few days after the Evidentiary Hearing was set on January 25, 2022, a Notice of Petition for Writ to Nevada Supreme Court was filed by E&T Ventures, LLC for an Emergency Petition for Writ of Prohibition or, in the Alternative, Petition for Writ of Mandamus, seeking to have the Order on the Evidentiary Hearing vacated. See Doc. No. 292. On January 28, 2022, A Notice of Emergency Motion for Stay was filed by filed by E&T Ventures, LLC, for an Emergency Motion Under NRAP 27(E) to Stay Evidentiary Hearing on Discovery Sanctions, seeking a stay of the Evidentiary Hearing. Due to the Writ Petitions filed with the Supreme Court of Nevada, the Court notified the parties the Evidentiary Hearing would be reset pending the decision on the Writ Petition.

On February 10, 2022, the Supreme Court of Nevada issued an Order Denying Petition for Writ of Mandamus or Prohibition and denying the Writ of Prohibition. The Nevada Supreme Court also set forth that the Emergency Motion for Stay was also moot.

Consistent with its Notice to the parties that the Court would reset the Evidentiary Hearing after a determination of the Writ by the Supreme Court; upon receipt of the denial of the Writ Petition, the Court issued an Amended

JOANNA S. KISHNER DISTRICT JUDGE DEPARTMENT XXXI AS VEGAS, NEVADA 89155 Order Setting Evidentiary Hearing. The Evidentiary Hearing was set for February 11, 2022. See Doc. No. 301.

At the February 11, 2022, Evidentiary Hearing, Kristin Taracki did not appear and no good cause was set forth for her non-appearance. There were also no other witnesses that appeared despite the Court providing the accommodation that any witness could appear by remote or in person means. There were no accommodations requested nor any reason provided for the non-appearance of any witness at what was to be an Evidentiary Hearing to determine if severe sanctions up to, and including, case-ending sanctions should be imposed upon the E&T parties. Given the hearing was timely and properly set, and all parties had an opportunity to provide witnesses and evidence as to what action the Court should take, the Court proceeded with the portions of the Evidentiary Hearing that it could given the non-appearance of Ms. Taracki and other witnesses.

During the Evidentiary Hearing, as set forth in the Record, the Court questioned the parties whether there had been any attempted compliance or good faith efforts of compliance with the Court's Order. The Court also asked the parties to clarify what, if any, additional documents were produced by E&T Ventures, Miral Consulting, CBD Supply, and Happy Campers between January 4, 2022, and February 11, 2022. It was demonstrated that there had not been significant compliance nor any justification for the non-compliance.

Given the non-appearance of Ms. Taracki, and to ensure that the parties had another opportunity to comply with the Court's Order as well as present any

evidence they wished prior to the Court making a ruling, the Court continued the Evidentiary Hearing to another day so that there could be a second day of evidence and argument. On March 18, 2022, the Court issued a Minute Order informing the parties that on March 24, 2022, the Court would hear the continued Evidentiary Hearing, in addition to other pending Motions. See Minute Order, March 18, 2022.

At the March 24, 2022, continued Evidentiary Hearing, all parties represented they had no witnesses to present and had no additional evidence. Instead, the parties indicated that there could be a ruling on the Motion based on the pleadings, oral argument at the two prior hearings, and the other information provided to the Court on the first day of the Evidentiary Hearing of February 11, 2022. Neither party, however, provided a proposed Order to the Court.

The Court, having examined the relevant pleadings and papers on file in this matter including, but not limited to, the pleadings, inclusive of Defendant Euphoria Wellness' Motion for Sanctions for Discovery Sanctions Against E&T Ventures, LLC: Miral Consulting, LLC; Happy Campers, LLC; and CBD Supply CO, LLC.; Opposition and Reply; Notices filed by E&T Ventures; exhibits provided by the parties; supplemental filings; having heard oral argument of the parties; and having conducted an Evidentiary Hearing, sets forth its ruling and analysis below. The ruling is based on the information and status of the case as of March 24, 2022, which is the date the Court set for the second day of the

JOANNA S. KISHNER DISTRICT JUDGE DEPARTMENT XXXI AS VEGAS, NEVADA 89155 Evidentiary Hearing<sup>1</sup>.

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#### II. LEGAL ANAYLSIS

This Court has the inherent discretion to sanction a party for failure to comply with a discovery order pursuant to NRCP 37(b) and EDCR 7.60. Young v. Johnny Ribeiro Building, Inc., 106 Nev. 88, 92 (1990). Pursuant to NRCP 37(b), those sanctions may include: (A) directing that the matters embraced in the order or other designated facts be taken as established for the purpose of the action, as the prevailing party claims; (B) prohibiting the disobedient party from supporting or opposing designated claims or defenses, or from introducing designated matters in evidence; (C) striking the pleadings in whole or part; (D) staying further proceedings until the order is obeyed; (E) dismissing the action or proceeding in whole or in part; (F) rendering a default judgment against the disobedient party; or (G) treating as contempt of court the failure to obey any order except an order to submit to a physical or mental examination. Sanctions are imposed where there is willful noncompliance with the Court's order. Fire Insurance Exchange v. Zenith Radio Corp., 103 Nev. 648, 651 (1987). Pursuant to EDCR 7.60(b) the Court may impose "any and all sanctions which may, under the facts of the case, be reasonable" which include fines, costs and attorney's fees.

In the present case, the Court has to determine whether sanctions should be imposed due to the clear non-compliance, not only with discovery

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<sup>&</sup>lt;sup>1</sup> The Court notes that since the first Evidentiary Hearing dates, there have been further instances of non-compliance with Court Orders and the Rules asserted by Euphoria against E&T and other parties. That subsequent conduct is not a part of the instant ruling but, instead, any determinations relating to those assertions appear in subsequent Orders of the Court.

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obligations, but also with two specific Orders of the Court. As set forth herein, the Court finds that E&T Ventures, LLC; Miral Consulting, LLC; Happy Campers, LLC; and CBD Supply CO, LLC failed to comply with their discovery obligations, pursuant to the NRCP, in that each failed to respond timely, or in accordance with the rules, to Discovery requests. The Court further finds that after said non-compliance, each of the parties subject to the Motion then failed to comply with the Court's Order from October 15, 2021, despite their having ample time to comply. See Doc. No. 184.

The Court further finds that the breadth and depth of the noncompliance was not excused by any good cause, and instead, was overt. As an example of the extent of non-compliance, it was shown that in the Interrogatories at issue, which were purportedly verified by Kristin Taracki, her own address was inaccurate in that the house had been sold about a year previously to someone not involved in the litigation. Further, although Ms. Taracki purportedly signed the Interrogatories in her authorized role at E&T, counsel for E&T, in response to questioning by the Court, said he understood he had her authority to type her electronic signature, but conceded that he did not even provide her with the Interrogatories, but understood that she had been provided them by another person who was asserted to be a subsequent member of E&T. It was subsequently contended by counsel for the E&T parties that despite the fact that Ms. Taracki had set forth in verified Interrogatories that she lived at the Clark County address, she had actually moved out of state prior to the Discovery response being due, and that she was not a member of E&T;

JOANNA S. KISHNER DISTRICT JUDGE DEPARTMENT XXXI AS VEGAS, NEVADA 89155 and thus, she could not be compelled to attend the Evidentiary Hearing. These conflicting positions raise concern regarding the overt nature of the non-compliance.

As a result of the conduct of E&T and the other related parties, and given that terminating sanctions were pending, the Court had found it was appropriate to conduct an Evidentiary Hearing so that the parties would have a full opportunity to provide their testimony and present evidence. As the witness, Ms. Taracki, who was ordered to appear did not appear, the Court continued the Evidentiary Hearing to a second day in March to provide time for compliance and to give the E&T parties yet another opportunity to provide any good cause for non-compliance. Despite these opportunities to provide the Court any evidence in opposition to the requested terminating sanctions, the E&T parties chose not to present any witnesses or evidence nor did they provide anything to show good faith efforts of compliance.

Pursuant to NRCP 11, every pleading or other paper must be signed by an attorney of record and that attorney certifies that the factual contents have evidentiary support. If, after notice and a reasonable opportunity to respond, this rule has been violated, the Court "may impose an appropriate sanction" on any attorney or party that violated the rule. NRCP 11 sanctions should be issued for frivolous actions. *Marshall v. District Court*, 108 Nev. 459, 465 (1992). Sanctions are also available pursuant to NRCP 37, EDCR 7.60, and the Court's inherent powers.

Here, E&T Ventures provided Interrogatory responses signed by Kristin

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Taracki that verified her address on October 15, 2021, as being in Henderson, Nevada. See Doc. No. 199 at Ex C. Contrary to the Verification, the house at that address had been sold by Kristin Taracki (at that time Kristin Ehasz) on December 29, 2020, approximately ten months prior to signing the Interrogatory responses and verifying the address as hers. See Doc. No. 199 at Ex I. E&T Ventures, LLC, Miral Consulting, LLC, Happy Campers, LLC and CBD Supply CO, LLC failed to present any witnesses at the Evidentiary Hearing to explain this discrepancy or provide clarification regarding the improper response. Indeed, there was no justification or analysis provided that there was any good cause for the failure to meaningfully engage in Discovery by any of the parties at issue.

Specifically, in addition to the issues raised by the questionable

Verification, or even if there was a review of the Interrogatory Responses, the responses to the Requests for Production of Documents by E&T Ventures, LLC; Miral Consulting, LLC; Happy Campers, LLC; and CBD Supply CO, LLC, were either non-existent or deficient. The Court finds the parties failed to present any evidence that they provided the appropriate documents related to their businesses or that there pleadings were responsive to the Court's Order compelling further discovery responses. Indeed, it was contended that between January 4, 2022, and the Evidentiary Hearing, Miral Consulting, LLC; Happy Campers, LLC; and CBD Supply CO, LLC did not provide any independent documents; and instead, incorporated by reference documents disclosed by E&T Ventures. The disclosures made following the January 4, 2022, hearing,

Regulation and Enforcement; Department of Taxations records; and E&T

Venture's Certificate of Reinstatement. These responses were deficient based on what was sought as well as what was provided.

In sum, after providing all parties an opportunity to come into

were public documents provided by the Department of Taxation's Marijuana

compliance, conducting two days of an Evidentiary Hearing during a two-month period, and issuing Order(s) compelling compliance, E&T Ventures, LLC; Miral Consulting, LLC; Happy Campers, LLC; and CBD Supply CO, LLC failed to comply. Instead, the parties violated various Court Orders, including this Court's Order compelling discovery responses from October 15, 2021. See Doc. No. 184. The Court further finds that E&T Ventures, LLC; Miral Consulting, LLC; Happy Campers, LLC; and CBD Supply CO, LLC violated this Court's Order to have Kristin Taracki appear at the Evidentiary Hearing. See Doc. No. 184.

Based on the breadth and depth of the non-compliance, despite the Court providing the parties months to comply, as well as the direct violation of at least two Court Orders, the Court finds that sanctions are warranted. While the extent of inappropriate conduct is extremely concerning, the full impact of the harm to Euphoria is not yet known. Thus, the Court does not find under the applicable case law that terminating sanctions would be appropriate. Instead, pursuant to *Young* and its progeny, as well as NRCP 37, EDCR 7.60, and the Court's inherent authority, the Court finds that the following sanctions and/or relief should be granted. First, Euphoria is granted permission to amend its

pleadings within 21 days of Notice of Entry of this Order to add in alter ego claims as requested in its Motion. This sanction is appropriate given that E&T and the other parties failed to provide any documentation that they are distinct or that they followed corporate formalities or provide other documentation in response to Euphoria's discovery request. As the entities are the source of said information and they would not provide any, the presumption would either be that none exists or that they willfully failed to provide relevant information that was properly sought in discovery. Either way, Euphoria has a basis to assert claims against the previously dismissed individuals and to assert additional claims against those entities who failed to provide appropriate responses.

Second, the Court also finds that the sanction of finding that each of the parties are bound by their responses and that they may not supplement them other than what they previously provided in supplements that were Ordered by the Court and which had already been provided timely consistent with the Trial Order in place at the time in an appropriate sanction for the conduct at issue. The Court's ruling does not preclude testimony or evidence that was obtained through deposition or agreement by the parties to produce documentation after Court imposed deadlines to the extent any such agreement exists. By requiring E&T and the other parties to be bound by their responses which have not previously been timely supplemented meets several of the *Young* prongs including deterring future impermissible conduct. As the E&T parties have failed significantly to comply with their discovery obligations, this sanction of precluding them from providing any exhibits or evidence that was sought and

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28 JOANNA S. KISHNER DISTRICT JUDGE DEPARTMENT XXXI .AS VEGAS, NEVADA 89155 not provided, or presenting any testimony that is inconsistent with or that supplements their Interrogatory Responses, prevents a trial by ambush and allows each party a full opportunity to participate in a trial.

Third, the Court will also address whether Ms. Taracki should be held in contempt, personally, for failure to comply with Court Orders when she appears for trial.

Fourth, as the conduct of the parties at issue unfairly caused Euphoria to expend time and incur expenses and attorney fees, the Court is awarding fees and costs. Euphoria is to prepare a Memorandum of Fees and Costs within seven (7) days of Notice of Entry of Order of this Order. The responding parties have seven (7) days from date of service of the Memorandum to oppose any said requested fees and costs. The Court will then rule on the amount of fees and costs in accordance with *Brunzell*, *Cadle*, and applicable law.

#### **ORDER**

Having reviewed the papers and pleadings on file herein including, but not limited to, the pleadings, exhibits, and affidavits, this Court makes the following ruling:

IT IS HEREBY ORDERED, ADJUDGED, and DECREED that pursuant to *Young* and its progeny, as well as NRCP 37, EDCR 7.60, and the Court's inherent authority, the Court finds that Euphoria is granted permission to amend its pleadings within 21 days of Notice of Entry of this Order to add in alter ego claims as requested in its Motion.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that as set forth above, E&T Ventures, LLC; Miral Consulting, LLC; Happy Campers, LLC; and CBD Supply CO, LLC have failed to comply with their discovery obligations and thus, they are precluded from providing any exhibits or evidence that was sought and not provided, or presenting any testimony that is inconsistent with or that supplements their Interrogatory Responses.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that the Court will also address whether Ms. Taracki should be held in contempt, personally, for failure to comply with Court Orders when she appears for trial.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that as the conduct of the parties at issue unfairly caused Euphoria to expend time and incur expenses and attorney fees, the Court is awarding fees and costs.

Euphoria is to prepare a Memorandum of Fees and Costs within seven (7) days of Notice of Entry of Order of this Order. The responding parties have seven (7) days from date of service of the Memorandum to oppose any said requested fees and costs. The Court will then rule on the amount of fees and costs in accordance with *Brunzell*, *Cadle* and applicable law.

IT IS SO ORDERED.

DATED this 6<sup>th</sup> day of June, 2022.

Dated this 6th day of June, 2022

HON. JOANNA S. KISHNER 21A 04D F856 C0C2 Joanna S. Kishner

District Court Judge

## **CERTIFICATE OF SERVICE**

I hereby certify that on or about the date filed, a copy of this Order was electronically submitted for automated Electronic Service by the Court to all counsel/registered parties, pursuant to the Nevada Electronic Filing Rules, unless otherwise noted below.

/s/ Tracy L. Cordoba
TRACY L. CORDOBA-WHEELER
Judicial Executive Assistant

Joanna S. Kishner District Judge Department XXXI Las Vegas, Nevada 89155

1	CSERV				
2	DISTRICT COLURT				
3	DISTRICT COURT CLARK COUNTY, NEVADA				
4					
5					
6	E&T Ventures LLC, Plaintiff(s)	CASE NO: A-19-796919-B			
7	VS.	DEPT. NO. Department 31			
8	Euphoria Wellness LLC,				
9	Defendant(s)				
10					
11	AUTOMATED CERTIFICATE OF SERVICE				
12	This automated certificate of service was generated by the Eighth Judicial District				
13	Court. The foregoing Order was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below:				
14	Service Date: 6/7/2022				
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11	Sue Cavaco	scavaco@joneslovelock.com		
12 13 14	If indicated below, a copy of the above mentioned filings were also served by mail via United States Postal Service, postage prepaid, to the parties listed below at their last known addresses on 6/8/2022			
15 16	Louis Humphrey III	Humphrey Law PLLC Attn: Louis Humphrey III, Esq 201 W. Liberty Street, Suite 350		
17		Reno, NV, 89501		
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