

IN THE SUPREME COURT OF THE

STATE OF NEVADA

CLARK NMSD, LLC,
Appellant,

vs

JENNIFER GOLDSTEIN,
Respondent.

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Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court Case No. 84623

District Court Case No. A-15-728510-B

**SUPPLEMENT TO APPELLANT'S EMERGENCY MOTION FOR
STAY OR INJUNCTION**

LAW OFFICE OF MITCHELL STIPP
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Counsel for Appellant

DATED this 8th day of December, 2022.

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

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Counsel for Appellant

MEMORANDUM OF POINTS AND AUTHORITIES

This appeal concerns the post-judgment collection activity of Jennifer Goldstein (“Respondent”) in District Court Case No. A-15-728510-B. Appellant, Clark NMSD, LLC, a Nevada limited liability company d/b/a The Sanctuary (“Appellant”), intervened in the district court case pursuant to which NuVeda, LLC (“NuVeda”) is a judgment debtor and Respondent is a judgment creditor. See Dkt. No. 22-36847 (dismissing Respondent’s motion to dismiss appeal and confirming Appellant’s standing under NRS 31.070 and right to appeal). Appellant is not subject to Respondent’s judgment. See Case No. 79806 (Dkt. No. 19-42584).

Appellant filed an emergency motion for stay or injunction. See Dkt. No. 22-38207. The motion is supported by an appendix containing Volumes 1-4 with **Exhibits 1-10**. See Dkt. Nos. 22-38208 through 22-38211.¹ In its emergency motion, Appellant briefed the circumstances of Respondent’s request for a receivership. Specifically, Appellant noted that the clerk of the district court **did not** schedule a hearing on the request for a receivership. Instead, the district court issued a memorandum, which continued a status check but converted the same to a hearing on the appointment of a receiver. See Dkt. No. 22-38207, pages 5-6

¹ Volume I, Dkt. No. 22-38208, contains **Exhibit 1**, **Exhibit 2**, and part of **Exhibit 3**. Volume II, Dkt. No. 22-38209, contains the remainder of **Exhibit 3**, **Exhibits 4-7**, and part of **Exhibit 8**. Volume III, Dkt. No. 22-38210, contains part of **Exhibit 8**. Volume IV, Dkt. 22-38211, contains the remainder of **Exhibit 8** and **Exhibits 9-10**. The reference to “Exhibit 4 Continued” on the exhibit coversheet in Volume II should read “Exhibit 3 Continued,” and the exhibit coversheet in Volume IV, which reads “Exhibit 8 Continued” should immediately follow the coversheet for this volume of the appendix. Appellant will file an errata to Volumes II and IV of its appendix to correct these errors.

(Exhibits 4-6 to Appendix, Volume II, Dkt. No. 22-38209).² NuVeda filed a motion in the district court seeking to continue the hearing and set a briefing schedule (or alternative, to file a supplement). See Motion, which is attached hereto as Exhibit 11. NuVeda asked for the motion to be heard on shortened time. In response to the request, the district court issued a minute order, which is attached hereto as Exhibit 12.

According to the minute order, the hearing on December 13, 2022 will be a *status check—not a hearing on Respondent’s request for the appointment of a receiver*. Given the district court’s decision, it is no longer necessary to hear the request for a stay or injunction on an emergency basis (i.e., on or before 5pm on December 9, 2022). Appellant requests that the motion for a stay or injunction be heard in the normal course and will update the Nevada Supreme Court after the hearing on December 13, 2022 via a status report.

DATED this 8th day of December, 2022.

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

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Counsel for Appellant

² Exhibit 6 contains the district court’s memorandum.

CERTIFICATE OF SERVICE

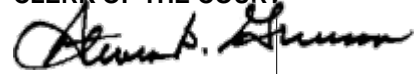
I HEREBY CERTIFY that on the 8th day of December, 2022, I filed the foregoing **SUPPLEMENT**, using the court's electronic filing system.

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By: /s/ Mitchell Stipp

An employee of Law Office of Mitchell Stipp

EXHIBIT 11



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Attorneys for NuVeda, LLC

**DISTRICT OF NEVADA
CLARK COUNTY, NEVADA**

NUVEDA, LLC, a Nevada limited liability
company; SHANE M. TERRY, an
individual; and JENNIFER M.
GOLDSTEIN, an individual;

Plaintiffs,

v.

PEJMAN BADY, an individual; POUYA
MOHAJER, an individual; DOES I to X,
inclusive; and ROES I to X, inclusive,

Defendants.

Case No.: A-15-728510-B

Dept. No.: 31

**MOTION TO CONTINUE HEARING
AND ESTABLISH BRIEFING
SCHEDULE OR ALTERNATIVELY,
PERMIT SUPPLEMENT,
ON ORDER SHORTENING TIME**

Hearing on Shortened Time Requested¹

NuVeda, LLC a Nevada limited liability company (“NuVeda”), by and through counsel, Brenoch Wirthlin, Esq., and Traci Cassity, Esq., of Hutchison & Steffen, hereby files its Motion to Continue Hearing on Jennifer Goldstein’s (“Goldstein”) Motion to Appoint a Receiver (“Receivership Motion”) or alternatively, permit the filing of a supplement attached as **Exhibit 1** hereto. As set forth more fully herein, the key issue involved in Goldstein’s underlying motion

¹ An ex parte application to have the current motion heard on shortened time has been submitted to the Court for review concurrently with the filing of this motion. There is likely insufficient time to have NuVeda’s motion heard in the ordinary course as the Receivership Motion is set to be heard on December 13, 2022.

to appoint a receiver (“Receivership Motion”) has been addressed by the voluntary Chapter 11 bankruptcy case, no.: 22-11249-abl, filed by NuVeda (“Bankruptcy Case”). While Goldstein filed her Notice of Dismissal of Bankruptcy Case and Request to Set Hearing on Motion to Appoint Receiver (“Notice of Dismissal”), the briefing is stale, and Goldstein did not inform the Court that the material issue upon which her Receivership Motion is based has been decided by the Bankruptcy Court which precludes the relief sought in Goldstein’s Receivership Motion. Thus, Goldstein’s request to appoint a receiver is improper and barred by the doctrine of issue preclusion.

Undersigned counsel is new to this case.² After being retained by NuVeda, the undersigned reached out to Goldstein's counsel to request a continuance of the hearing on the Receivership Motion and to establish a new briefing schedule. Goldstein's counsel did not agree. *See* **Exhibit 2**, email chain between counsel.

This motion is brought pursuant to EDCR 2.20(i) and is based on the following Memorandum of Points and Authorities and all exhibits attached thereto, the Declaration of Dr. Pejman Bady (“Bady Declaration”), any oral argument the Court entertains at a hearing on this motion, and all papers and pleadings on file herein.

Dated this 6th day of December, 2022.

HUTCHISON & STEFFEN, PLLC

By: /s/Brenoch Wirthlin

Brenoch R. Wirthlin, Esq. SBN 10282
Traci L. Cassity, Esq. SBN 9648
Attorneys for NuVeda, LLC

² Undersigned counsel has been involved for a short period in a related matter, case no.: A-17-755479-B (“Receivership Action”) since June 21, 2022.

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION AND SUMMARY OF ARGUMENT**

3 Goldstein filed her Notice of Dismissal regarding the proceedings in Bankruptcy Court,
4 but did not inform the Court that the issue of NuVeda's lack of any assets or income to fund a
5 feasible plan to pay Goldstein was decided by the Bankruptcy Court. Goldstein filed a motion to
6 dismiss NuVeda's Bankruptcy Case, which request was subsequently joined by the Cannabis
7 Compliance Board ("CCB"). However, the CCB stipulated with NuVeda to withdraw its joinder
8 and did not oppose NuVeda's position that NuVeda divested its interests in all cannabis licenses
9 and cannabis business including Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC
10 ("Former Subsidiaries") in June of 2019. See **Exhibit 3** ("CCB Stipulation"). As such, NuVeda
11 respectfully requests that this Court grant the motion and continue the hearing on the
12 Receivership Motion to permit this issue to be fully briefed.

13 Because the Bankruptcy Court entered the CCB Stipulation as an order and subsequently
14 determined in a written decision after full briefing by NuVeda, Goldstein, the CCB, and the U.S.
15 Trustee's Office that NuVeda had no material assets or income to fund a plan, Goldstein is
16 prohibited now under the doctrine of issue preclusion as set forth in the Nevada Supreme Court's
17 decision in *Five Star Cap. Corp. v. Ruby*³ from re-litigating NuVeda's ownership of the Former
18 Subsidiaries. Accordingly, there is no basis for Goldstein to request a receivership, including
19 over the Former Subsidiaries. NuVeda does not own the Former Subsidiaries. Even if Goldstein
20 could re-litigate the matter – which she cannot – her request that this Court appoint a receivership
21 over NuVeda's purported "subsidiaries and affiliates" is unlawful and improper. Courts have
22 recognized that where no judgment exists against a subsidiary or affiliate, a court lacks
23 jurisdiction to appoint a receiver over those entities. Accordingly, Goldstein's Receivership
24 Motion should be denied.

25 **II. STATEMENT OF FACTS**

26
27

³ 124 Nev. 1048, 1055, 194 P.3d 709, 713 (2008).

1 **A. Goldstein files her Receivership Motion**

2 1. On March 7, 2022, Goldstein filed her Receivership Motion.⁴

3 2. In the Receivership Motion, Goldstein requests a receiver be appointed over
4 NuVeda “and its subsidiaries and affiliates.” *See* Receivership Motion, on file herein, at p. 1.

5 3. Goldstein also asserts in the Receivership Motion that NuVeda’s assets “are
6 substantial” and that NuVeda “operates, through its wholly-owned subsidiaries Clark NMSD,
7 LLC, Clark Natural Medicinal Solutions, LLC, and Nye Natural Medicinal Solutions, LLC, two
8 cannabis dispensaries and a cannabis cultivation and production facility in Clark County and a
9 cultivation and production facility in Nye County.” *See* Receivership Motion at 15:7-12.

10 4. NuVeda does not have any interest in Clark NMSD, LLC, Clark Natural
11 Medicinal Solutions, LLC, and Nye Natural Medicinal Solutions, LLC. *See* Bady Declaration,
12 **Exhibit 4** hereto, at ¶ 7.

13 5. The Bankruptcy Court made numerous findings that in fact which directly impact
14 the request for the appointment of a receiver, including, without limitation, the following: (a)
15 NuVeda has not generated any money at all from operations during the pendency of the
16 bankruptcy or the two (2) years prior to the filing of the bankruptcy petition; and (b) NuVeda has
17 no assets available to fund a plan. For example, the Bankruptcy Court found as follows:

18 Starting through the Little Creek factors. First, the debtor has one asset, such as a
19 tract of undeveloped or developed real property. **Well, in this case, debtor**
20 **schedules and monthly operating reports show debtor doesn't have any**
21 **assets at all aside from the litigation claim in the CWNevada receivership**
22 **case, which involves, of course, cannabis business operations.**⁵
“And its schedules show absolutely no assets for use in posting a bond to support
any sort of injunction against Goldstein’s collection actions.”⁶

23 ⁴ NuVeda respectfully requests that this Court take judicial notice of all pleadings on its
24 docket in this matter pursuant to NRS §§ 47.130, 47.140 *et seq.*

25 ⁵ *See* Transcript of Oral Ruling on October 14, 2022 (“Bankruptcy Transcript”), attached
26 as **Exhibit 5**, at 46:9-18.

1 “None of the debtor’s monthly operating reports show any income from
2 operations or assets from which income could be derived.”⁷

3 “It [*i.e.* NuVeda] has no scheduled assets or business operations from which we
4 could fund a plan.”⁸

5 6. Goldstein prevailed on her Motion to Dismiss NuVeda’s bankruptcy case. *See*
6 **Exhibit 6** hereto, Order Dismissing Bankruptcy Case. The Bankruptcy Court’s findings were
7 incorporated into a written order, which has not been appealed and is now final. *Id.*

8 7. As the Court is aware, the Bankruptcy Court has access to all information
9 regarding NuVeda’s assets (including its schedules and statement of financial affairs), monthly
10 operating reports, and jurisdiction over NuVeda and its assets and liabilities.

11 8. Accordingly, the issue of what assets are owned by NuVeda has been actually and
12 necessarily litigated in the Bankruptcy Court, and Goldstein prevailed on her motion to dismiss
13 NuVeda’s Bankruptcy Case.

14 9. On October 31, 2022, Goldstein filed her Notice with this Court and attached the
15 Bankruptcy Transcript, but Goldstein failed to inform the Court of the findings of fact made by
16 the Bankruptcy Court regarding NuVeda’s lack of assets and income.

17 **III. LAW AND ARGUMENT**

18 **A. Goldstein’s Receivership Motion should be denied as a result of the findings**
19 **and orders by the Bankruptcy Court, which should be fully briefed.**
20 **Alternatively, NuVeda respectfully requests permission to supplement the**
briefing to inform the Court of the proceedings in the Bankruptcy Court.

21 NuVeda respectfully requests that the Court should set a briefing schedule and calendar a
22 new hearing date for the Receivership Motion, as the issues presented to the Court in the current
23 briefing do not take into account the proceedings in the Bankruptcy Court. Goldstein has failed
24 to update the Court on the findings made by the Bankruptcy Court, which make the appointment
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1 of a receiver over NuVeda, not to mention the Former Subsidiaries, improper and unlawful.
2 Without assets there is no basis for the appointment of a receiver over NuVeda. *See Anes v.*
3 *Crown P'ship, Inc.*, 113 Nev. 195, 199, 932 P.2d 1067, 1069 (1997) (observing that the purpose
4 of appointing a receiver is to "preserve [a receivership estate's] value for the benefit of the person
5 or entity subsequently determined to be entitled to the property"). There is nothing for the
6 receiver to preserve, no assets to liquidate, no income or other funds to pay creditors or to pay
7 the receiver or his professionals. The appointment of a receiver "is a harsh and extreme remedy
8 which should be used sparingly and only when the securing of ultimate justice requires it." *Hines*
9 *v. Plante*, 99 Nev. 259, 261, 661 P.2d 880, 881–82 (1983). "[I]f the desired outcome may be
10 achieved by some method other than appointing a receiver, then this course should be followed."
11 *Id.* at 261, 661 P.2d at 882.

12 Alternatively, NuVeda respectfully submits that it should be permitted to supplement the
13 briefing in this matter given the proceedings in Bankruptcy Court. EDCR 2.20(i) provides as
14 follows:

15 (i) A memorandum of points and authorities that consists of bare
16 citations to statutes, rules, or case authority does not comply with this rule and the
17 court may decline to consider it. Supplemental briefs will only be permitted if
18 filed within the original time limitations of paragraphs (d), (e), or (g), or by order
of the court.

19 The Nevada Supreme Court has not addressed the standard for filing a supplement, but
20 other courts doing so have found that supplements but EDCR 5.509 – applicable to family
21 division matters and guardianships – provides some guidance in that it contemplates supplements
22 which "pertain to the subject matter of an existing filing, provide information that could not
23 reasonably have been supplied in the earlier filings, and reference the subject matter and filing to
24 which it relates."

25 In this case, Goldstein filed her Notice in support of her Receivership Motion. But
26 Goldstein did not inform the Court of the relevant findings of fact made by the Bankruptcy
27 Court, namely the findings related to NuVeda's lack of assets. Accordingly, NuVeda could not

1 have supplied the information regarding the Bankruptcy Court proceedings prior to the
2 conclusion of the briefing on the Receivership Motion. Thus, NuVeda respectfully requests that
3 this Court permit the filing of NuVeda's supplement in its discretion pursuant to EDCR 2.20(i).

4
5 **B. Goldstein's request for the appointment of a receiver over NuVeda's**
6 **"subsidiaries and affiliates" is improper for multiple reasons. First, the**
7 **Bankruptcy Court has already found that NuVeda does not own the Former**
8 **Subsidiaries and the doctrine of issue preclusion applies to its findings.**
9 **Second, even if NuVeda did own the Former Subsidiaries, which it does not,**
10 **Goldstein's request asks this Court to far exceed its jurisdiction and is**
11 **therefore unlawful and should be denied.**

12 Because the Bankruptcy Court has already decided the issue regarding NuVeda's assets
13 and determined it does not own the Former Subsidiaries, Goldstein's request that a receiver be
14 appointed over NuVeda's "subsidiaries and affiliates" is barred by the doctrine of issue
15 preclusion. The Supreme Court of Nevada has outlined when issue preclusion applies:

16 Accordingly, the following factors are necessary for application of issue
17 preclusion: "(1) the issue decided in the prior litigation must be identical to the
18 issue presented in the current action; (2) the initial ruling must have been on the
19 merits and have become final; ... (3) the party against whom the judgment is
20 asserted must have been a party or in privity with a party to the prior
21 litigation";³² and (4) the issue was actually and necessarily litigated.

22 *Five Star Cap. Corp. v. Ruby*, 124 Nev. 1048, 1055, 194 P.3d 709, 713 (2008), holding modified
23 by *Weddell v. Sharp*, 131 Nev. 233, 350 P.3d 80 (2015). In this case, all four factors apply. The
24 issue decided by the Bankruptcy Court – what assets NuVeda has and what it does not have – is
25 presented in Goldstein's Receivership Motion. Goldstein improperly requests that this Court
26 appoint a receiver over NuVeda "and its subsidiaries and affiliates," effectively requesting this
27 Court decide the issue of what subsidiaries NuVeda has, which would require an evidentiary
hearing but for the fact that the Bankruptcy Court has already decided it. The Bankruptcy
Court's ruling was final (*see* Order on Motion to Dismiss and CCB Stipulation), the parties are
the same as the were in the Bankruptcy Court as it was Goldstein who filed her Motion to
Dismiss and prevailed on it in the Bankruptcy Court, and the issue was actually and necessarily

1 litigated, with the Bankruptcy Court having full access to all financial information related to
2 NuVeda. Accordingly, Goldstein is precluded from raising this issue in her Receivership
3 Motion, but seeks to do exactly that. However, because the Bankruptcy Court has already
4 determined that NuVeda has ownership of the Former Subsidiaries, Goldstein is precluded under
5 the doctrine of issue preclusion from attempting to assert or litigate that issue.

6 Further, even if Goldstein was not barred from re-litigating the issue of NuVeda's lack of
7 assets, which she is, her request that the Court grant a receivership over "subsidiaries and
8 affiliates" of NuVeda is entirely improper. Even if NuVeda owned the Former Subsidiaries,
9 which it does not, a Court does not have jurisdiction to appoint a receivership over entities
10 against which there is no judgment, and which are not even parties before the Court:

11 **While the court may have had jurisdiction to appoint a receiver over the**
12 **Florida corporation, this alone does not confer authority for appointing a**
13 **receiver over any wholly-owned subsidiary. See *Reynolds Am., Inc. v. Gero*, 56**
14 **So.3d 117, 120 (Fla. 3d DCA 2011) (stating it is "well settled that '[a] parent**
15 **corporation and its wholly-owned subsidiary are separate and distinct legal**
entities'"); *Am. Int'l Grp., Inc. v. Cornerstone Bus., Inc.*, 872 So.2d 333, 336 (Fla.
2d DCA 2004) (same).

16 *Edelsten v. Mawardi*, 137 So. 3d 459, 461 (Fla. Dist. Ct. App. 2014). Accordingly, Goldstein's
17 Receivership Motion should be denied.

18 **IV. CONCLUSION**

19 For all these reasons, NuVeda respectfully requests that the Court set a briefing schedule
20 and calendar a new hearing on the Receivership Motion. Otherwise, NuVeda respectfully
21 requests that the Supplement be permitted, the Receivership Motion be denied in its entirety and,

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1 and that the Court grant such other and further relief as it deems appropriate.

2 Dated this 6th day of December, 2022.

3 HUTCHISON & STEFFEN, PLLC

4 By: /s/Brenoch Wirthlin

5 Brenoch R. Wirthlin, Esq. SBN 10282

6 Traci L. Cassity, Esq. SBN 9648

7 *Attorneys for NuVeda, LLC*

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EXHIBIT PAGE ONLY

EXHIBIT 1

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

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4 HUTCHISON & STEFFEN, PLLC

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10 email: tmooddy@hutchlegal.com

11 email: bwirthlin@hutchlegal.com

12 Attorneys for NuVeda, LLC

13 **DISTRICT OF NEVADA**
14 **CLARK COUNTY, NEVADA**

15 NUVEDA, LLC, a Nevada limited liability
16 company; SHANE M. TERRY, an
17 individual; and JENNIFER M.
18 GOLDSTEIN, an individual;

19 Plaintiffs,

20 v.

21 PEJMAN BADY, an individual; POUYA
22 MOHAJER, an individual; DOES I to X,
23 inclusive; and ROES I to X, inclusive,

24 Defendants.

Case No.: A-15-728510-B

Dept. No.: 31

**SUPPLEMENT TO OPPOSITION TO
JENNIFER GOLDSTEIN'S MOTION
FOR APPOINTMENT OF A RECEIVER**

Hearing Date: December 13, 2022

Hearing Time: 8:30 a.m.

25 NuVeda, LLC a Nevada limited liability company ("NuVeda"), by and through counsel,
26 Brenoch Wirthlin, Esq., and Traci Cassity, Esq., of Hutchison & Steffen, hereby submits its
27 Supplement to Opposition to Jennifer Goldstein's Motion for Appointment of a Receiver
("Receivership Motion").

As set forth more fully herein, the key issue involved in Goldstein's underlying
Receivership Motion has been addressed by the voluntary Chapter 11 bankruptcy case, no.: 22-
11249-abl, filed by NuVeda ("Bankruptcy Case"). While Goldstein filed her Notice of
Dismissal of Bankruptcy Case and Request to Set Hearing on Motion to Appoint Receiver

1 (“Notice of Dismissal”), the briefing is stale, and Goldstein did not inform the Court that the
2 material issue upon which her Receivership Motion is based has been decided by the Bankruptcy
3 Court which precludes the relief sought in Goldstein’s Receivership Motion. Thus, Goldstein’s
4 request to appoint a receiver is improper and barred by the doctrine of issue preclusion.

5 Undersigned counsel is new to this case.¹ After being retained by NuVeda, the
6 undersigned reached out to Goldstein’s counsel to request a continuance of the hearing on the
7 Receivership Motion and to establish a new briefing schedule. Goldstein’s counsel did not
8 agree. *See Exhibit 1*, email chain between counsel.

9 This supplement is brought pursuant to EDCR 2.20(i)² and is based on the following
10 Memorandum of Points and Authorities and all exhibits attached thereto, the Declaration of Dr.
11 Pejman Bady (“Bady Declaration”), any oral argument the Court entertains at a hearing on this
12 motion, and all papers and pleadings on file herein.

13 Dated this 6th day of December, 2022.

14 HUTCHISON & STEFFEN, PLLC

15
16
17 By: /s/Brenoch Wirthlin

18 Brenoch R. Wirthlin, Esq. SBN 10282
19 Traci L. Cassity, Esq. SBN 9648
20 *Attorneys for NuVeda, LLC*
21
22
23
24

25 _____
26 ¹ Undersigned counsel has been involved for a short period in a related matter, case no.:
A-17-755479-B (“Receivership Action”) since June 21, 2022.

27 ² A motion for leave to file this supplement is being submitted concurrently herewith.

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION AND SUMMARY OF ARGUMENT**

3 Goldstein filed her Notice of Dismissal regarding the proceedings in Bankruptcy Court,
4 but did not inform the Court that the issue of NuVeda's lack of any assets or income to fund a
5 feasible plan to pay Goldstein was decided by the Bankruptcy Court. Goldstein filed a motion to
6 dismiss NuVeda's Bankruptcy Case, which request was subsequently joined by the Cannabis
7 Compliance Board ("CCB"). However, the CCB stipulated with NuVeda to withdraw its joinder
8 and did not oppose NuVeda's position that NuVeda divested its interests in all cannabis licenses
9 and cannabis business including Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC
10 ("Former Subsidiaries") in June of 2019. *See Exhibit 2* ("CCB Stipulation"). As such, NuVeda
11 respectfully requests that this Court grant the motion and continue the hearing on the
12 Receivership Motion to permit this issue to be fully briefed.

13 Because the Bankruptcy Court entered the CCB Stipulation as an order and subsequently
14 determined in a written decision after full briefing by NuVeda, Goldstein, the CCB, and the U.S.
15 Trustee's Office that NuVeda had no material assets or income to fund a plan, Goldstein is
16 prohibited now under the doctrine of issue preclusion as set forth in the Nevada Supreme Court's
17 decision in *Five Star Cap. Corp. v. Ruby*³ from re-litigating NuVeda's ownership of the Former
18 Subsidiaries. Accordingly, there is no basis for Goldstein to request a receivership, including
19 over the Former Subsidiaries. NuVeda does not own the Former Subsidiaries. Even if Goldstein
20 could re-litigate the matter – which she cannot – her request that this Court appoint a receivership
21 over NuVeda's purported "subsidiaries and affiliates" is unlawful and improper. Courts have
22 recognized that where no judgment exists against a subsidiary or affiliate, a court lacks
23 jurisdiction to appoint a receiver over those entities. Accordingly, Goldstein's Receivership
24 Motion should be denied.

25 ///

26 _____
27 ³ 124 Nev. 1048, 1055, 194 P.3d 709, 713 (2008).

1 **II. STATEMENT OF FACTS**

2 **A. Goldstein files her Receivership Motion**

3 1. On March 7, 2022, Goldstein filed her Receivership Motion.⁴

4 2. In the Receivership Motion, Goldstein requests a receiver be appointed over
5 NuVeda “and its subsidiaries and affiliates.” *See* Receivership Motion, on file herein, at p. 1.

6 3. Goldstein also asserts in the Receivership Motion that NuVeda’s assets “are
7 substantial” and that NuVeda “operates, through its wholly-owned subsidiaries Clark NMSD,
8 LLC, Clark Natural Medicinal Solutions, LLC, and Nye Natural Medicinal Solutions, LLC, two
9 cannabis dispensaries and a cannabis cultivation and production facility in Clark County and a
10 cultivation and production facility in Nye County.” *See* Receivership Motion at 15:7-12.

11 4. NuVeda does not have any interest in Clark NMSD, LLC, Clark Natural
12 Medicinal Solutions, LLC, and Nye Natural Medicinal Solutions, LLC. *See* Bady Declaration,
13 **Exhibit 3** hereto, at ¶ 7.

14 5. The Bankruptcy Court made numerous findings that in fact which directly impact
15 the request for the appointment of a receiver, including, without limitation, the following: (a)
16 NuVeda has not generated any money at all from operations during the pendency of the
17 bankruptcy or the two (2) years prior to the filing of the bankruptcy petition; and (b) NuVeda has
18 no assets available to fund a plan. For example, the Bankruptcy Court found as follows:

19 Starting through the Little Creek factors. First, the debtor has one asset, such as a
20 tract of undeveloped or developed real property. **Well, in this case, debtor**
21 **schedules and monthly operating reports show debtor doesn't have any**
22 **assets at all aside from the litigation claim in the CWNevada receivership**
case, which involves, of course, cannabis business operations.⁵

23 _____
24 ⁴ NuVeda respectfully requests that this Court take judicial notice of all pleadings on its
docket in this matter pursuant to NRS §§ 47.130, 47.140 *et seq.*

25 ⁵ *See* Transcript of Oral Ruling on October 14, 2022 (“Bankruptcy Transcript”), attached
26 as **Exhibit 4**, at 46:9-18.

1 “And its schedules show absolutely no assets for use in posting a bond to support
2 any sort of injunction against Goldstein’s collection actions.”⁶

3 “None of the debtor’s monthly operating reports show any income from
4 operations or assets from which income could be derived.”⁷

5 “It [*i.e.* NuVeda] has no scheduled assets or business operations from which we
6 could fund a plan.”⁸

6 6. Goldstein prevailed on her Motion to Dismiss NuVeda’s bankruptcy case. *See*
7 **Exhibit 5** hereto, Order Dismissing Bankruptcy Case. The Bankruptcy Court’s findings were
8 incorporated into a written order, which has not been appealed and is now final. *Id.*

9 7. As the Court is aware, the Bankruptcy Court has access to all information
10 regarding NuVeda’s assets (including its schedules and statement of financial affairs), monthly
11 operating reports, and jurisdiction over NuVeda and its assets and liabilities.

12 8. Accordingly, the issue of what assets are owned by NuVeda has been actually and
13 necessarily litigated in the Bankruptcy Court, and Goldstein prevailed on her motion to dismiss
14 NuVeda’s Bankruptcy Case.

15 9. On October 31, 2022, Goldstein filed her Notice with this Court and attached the
16 Bankruptcy Transcript, but Goldstein failed to inform the Court of the findings of fact made by
17 the Bankruptcy Court regarding NuVeda’s lack of assets and income.

18 **III. LAW AND ARGUMENT**

19
20 **A. Goldstein’s Receivership Motion should be denied as a result of the findings**
21 **and orders by the Bankruptcy Court, which should be fully briefed.**
22 **Alternatively, NuVeda respectfully requests permission to supplement the**
23 **briefing to inform the Court of the proceedings in the Bankruptcy Court.**

24 NuVeda respectfully requests that the Court should set a briefing schedule and calendar a
25 new hearing date for the Receivership Motion, as the issues presented to the Court in the current
26
27

1 briefing do not take into account the proceedings in the Bankruptcy Court. Goldstein has failed
2 to update the Court on the findings made by the Bankruptcy Court, which make the appointment
3 of a receiver over NuVeda, not to mention the Former Subsidiaries, improper and unlawful.
4 Without assets there is no basis for the appointment of a receiver over NuVeda. *See Anes v.*
5 *Crown P'ship, Inc.*, 113 Nev. 195, 199, 932 P.2d 1067, 1069 (1997) (observing that the purpose
6 of appointing a receiver is to "preserve [a receivership estate's] value for the benefit of the person
7 or entity subsequently determined to be entitled to the property"). There is nothing for the
8 receiver to preserve, no assets to liquidate, no income or other funds to pay creditors or to pay
9 the receiver or his professionals. The appointment of a receiver "is a harsh and extreme remedy
10 which should be used sparingly and only when the securing of ultimate justice requires it." *Hines*
11 *v. Plante*, 99 Nev. 259, 261, 661 P.2d 880, 881–82 (1983). "[I]f the desired outcome may be
12 achieved by some method other than appointing a receiver, then this course should be followed."
13 *Id.* at 261, 661 P.2d at 882.

14 Alternatively, NuVeda respectfully submits that it should be permitted to supplement the
15 briefing in this matter given the proceedings in Bankruptcy Court. EDCR 2.20(i) provides as
16 follows:

17 (i) A memorandum of points and authorities that consists of bare
18 citations to statutes, rules, or case authority does not comply with this rule and the
19 court may decline to consider it. Supplemental briefs will only be permitted if
20 filed within the original time limitations of paragraphs (d), (e), or (g), or by order
of the court.

21 The Nevada Supreme Court has not addressed the standard for filing a supplement, but
22 other courts doing so have found that supplements but EDCR 5.509 – applicable to family
23 division matters and guardianships – provides some guidance in that it contemplates supplements
24 which "pertain to the subject matter of an existing filing, provide information that could not
25 reasonably have been supplied in the earlier filings, and reference the subject matter and filing to
26 which it relates."

27 In this case, Goldstein filed her Notice in support of her Receivership Motion. But

1 Goldstein did not inform the Court of the relevant findings of fact made by the Bankruptcy
2 Court, namely the findings related to NuVeda's lack of assets. Accordingly, NuVeda could not
3 have supplied the information regarding the Bankruptcy Court proceedings prior to the
4 conclusion of the briefing on the Receivership Motion. Thus, NuVeda respectfully submits that
5 this supplement is appropriate.

6
7 **B. Goldstein's request for the appointment of a receiver over NuVeda's**
8 **"subsidiaries and affiliates" is improper for multiple reasons. First, the**
9 **Bankruptcy Court has already found that NuVeda does not own the Former**
10 **Subsidiaries and the doctrine of issue preclusion applies to its findings.**
11 **Second, even if NuVeda did own the Former Subsidiaries, which it does not,**
12 **Goldstein's request asks this Court to far exceed its jurisdiction and is**
13 **therefore unlawful and should be denied.**

14 Because the Bankruptcy Court has already decided the issue regarding NuVeda's assets
15 and determined it does not own the Former Subsidiaries, Goldstein's request that a receiver be
16 appointed over NuVeda's "subsidiaries and affiliates" is barred by the doctrine of issue
17 preclusion. The Supreme Court of Nevada has outlined when issue preclusion applies:

18 Accordingly, the following factors are necessary for application of issue
19 preclusion: "(1) the issue decided in the prior litigation must be identical to the
20 issue presented in the current action; (2) the initial ruling must have been on the
21 merits and have become final; ... (3) the party against whom the judgment is
22 asserted must have been a party or in privity with a party to the prior
23 litigation";³² and (4) the issue was actually and necessarily litigated.

24 *Five Star Cap. Corp. v. Ruby*, 124 Nev. 1048, 1055, 194 P.3d 709, 713 (2008), holding modified
25 by *Weddell v. Sharp*, 131 Nev. 233, 350 P.3d 80 (2015). In this case, all four factors apply. The
26 issue decided by the Bankruptcy Court – what assets NuVeda has and what it does not have – is
27 presented in Goldstein's Receivership Motion. Goldstein improperly requests that this Court
appoint a receiver over NuVeda "and its subsidiaries and affiliates," effectively requesting this
Court decide the issue of what subsidiaries NuVeda has, which would require an evidentiary
hearing but for the fact that the Bankruptcy Court has already decided it. The Bankruptcy
Court's ruling was final (*see* Order on Motion to Dismiss and CCB Stipulation), the parties are

1 the same as the were in the Bankruptcy Court as it was Goldstein who filed her Motion to
2 Dismiss and prevailed on it in the Bankruptcy Court, and the issue was actually and necessarily
3 litigated, with the Bankruptcy Court having full access to all financial information related to
4 NuVeda. Accordingly, Goldstein is precluded from raising this issue in her Receivership
5 Motion, but seeks to do exactly that. However, because the Bankruptcy Court has already
6 determined that NuVeda has ownership of the Former Subsidiaries, Goldstein is precluded under
7 the doctrine of issue preclusion from attempting to assert or litigate that issue.

8 Further, even if Goldstein was not barred from re-litigating the issue of NuVeda's lack of
9 assets, which she is, her request that the Court grant a receivership over "subsidiaries and
10 affiliates" of NuVeda is entirely improper. Even if NuVeda owned the Former Subsidiaries,
11 which it does not, a Court does not have jurisdiction to appoint a receivership over entities
12 against which there is no judgment, and which are not even parties before the Court:

13 **While the court may have had jurisdiction to appoint a receiver over the**
14 **Florida corporation, this alone does not confer authority for appointing a**
15 **receiver over any wholly-owned subsidiary. See *Reynolds Am., Inc. v. Gero*, 56**
16 **So.3d 117, 120 (Fla. 3d DCA 2011) (stating it is "well settled that '[a] parent**
17 **corporation and its wholly-owned subsidiary are separate and distinct legal**
entities' "); *Am. Int'l Grp., Inc. v. Cornerstone Bus., Inc.*, 872 So.2d 333, 336 (Fla.
2d DCA 2004) (same).

18 *Edelsten v. Mawardi*, 137 So. 3d 459, 461 (Fla. Dist. Ct. App. 2014). Accordingly, Goldstein's
19 Receivership Motion should be denied.

20 **IV. CONCLUSION**

21 For all these reasons, NuVeda respectfully requests that the Receivership Motion should
22 be denied in its entirety, and requests the Court grant such other and further relief as it deems

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1 appropriate.

2 Dated this 6th day of December, 2022.

3 HUTCHISON & STEFFEN, PLLC

4 By: /s/Brenoch Wirthlin

5 Brenoch R. Wirthlin, Esq. SBN 10282

6 Traci L. Cassity, Esq. SBN 9648

7 Attorneys for NuVeda, LLC

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EXHIBIT PAGE ONLY

EXHIBIT 1

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

Danielle Kelley

From: Brian R. Irvine <Blrvine@dickinson-wright.com>
Sent: Thursday, December 1, 2022 10:49 AM
To: Brenoch R. Wirthlin
Cc: Mitchell Stipp; Brooks T. Westergard
Subject: RE: EXTERNAL: Nuveda v. Mohajer - Case no.: A-15-728510-B - Hearing on Motion to Appoint Receiver

Brenoch-

We cannot agree to continue the hearing, as we have been waiting to conduct it for eight months while dealing with NuVeda's improper bankruptcy filing. I trust that you will be able to handle the hearing as you have been involved in this dispute for some time through your representation of Mr. Kennedy, and my client is not willing to stipulate to additional delay.

My client is of course willing to withdraw the motion to appoint receiver in exchange for payment of her judgment in full, including accrued interest and fees incurred since the judgment was entered. I am happy to provide you with that exact figure if NuVeda is interested in satisfying the judgment.

Thanks,

Brian

Brian R. Irvine Member

100 West Liberty Street
Suite 940
Reno NV 89501-1991

Phone 775-343-7507
Fax 844-670-6009
Email Blrvine@dickinsonwright.com



ARIZONA CALIFORNIA FLORIDA ILLINOIS KENTUCKY MICHIGAN NEVADA
OHIO TENNESSEE TEXAS WASHINGTON D.C. TORONTO

From: Brenoch R. Wirthlin <bworthlin@hutchlegal.com>
Sent: Wednesday, November 30, 2022 3:38 PM
To: Brian R. Irvine <Blrvine@dickinson-wright.com>
Cc: Mitchell Stipp <mstipp@stiplaw.com>
Subject: EXTERNAL: Nuveda v. Mohajer - Case no.: A-15-728510-B - Hearing on Motion to Appoint Receiver

Brian, I hope you had a good holiday.

I will be appearing in the above referenced matter on behalf of Nuveda. I understand there is a hearing on December 13 regarding your client's motion to appoint a receiver over Nuveda. I am just getting into this matter and would appreciate the courtesy of a brief continuance to allow me to get up to speed on the case. Given that and the upcoming holidays, would your client agree to move the hearing out a couple of

weeks? Anytime in January is fine with me. If you are amenable I will circulate a stipulation to that effect and let the Court know, etc.

Thanks,
Brenoch

Brenoch R. Wirthlin
Partner



HUTCHISON & STEFFEN, PLLC
(702) 385-2500
hutchlegal.com

Notice of Confidentiality: The information transmitted is intended only for the person or entity to whom it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking any action in reliance upon, this information by anyone other than the intended recipient is not authorized.

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EXHIBIT 2

HUTCHISON & STEFFEN
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*Attorneys for State of Nevada,
ex rel. Cannabis Compliance Board*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

BK-22-11249-abl
Chapter 11 (Subchapter V)

NUVEDA, LLC, a Nevada limited
liability company,

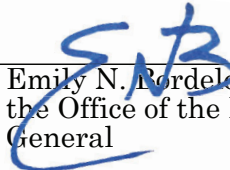
Debtor(s).

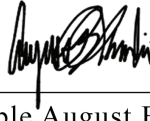
NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that an ORDER granting the Stipulation By STATE OF NEVADA, EX REL. CANNABIS COMPLIANCE BOARD and Between MITCHELL D. STIPP on behalf of NUVEDA, LLC, A NEVADA LIMITED LIABILITY COMPANY Filed by EMILY NAVASCA BORDELOVE on behalf of STATE OF NEVADA, EX REL. CANNABIS COMPLIANCE BOARD was filed in this matter on August 26, 2022, a copy of which is attached hereto.

DATED this 26th of August, 2022.

By:


Emily N. Bordelove an employee of
the Office of the Nevada Attorney
General



Honorable August B. Landis
United States Bankruptcy Judge



Entered on Docket
August 26, 2022

AARON D. FORD
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Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General
Emily N. Bordelove (Bar No. 13202)
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ebordelove@ag.nv.gov

*Attorneys for State of Nevada,
ex rel. Cannabis Compliance Board &
the Department of Taxation*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: BK-22-11249-abl
Chapter 11 (Subchapter V)

NUVEDA, LLC, a Nevada limited
liability company,

Debtor(s)

**ORDER APPROVING STIPULATION BY AND AMONG DEBTOR, THE
CANNABIS COMPLIANCE BOARD, AND THE DEPARTMENT OF
TAXATION**

The Court, having considered the Stipulation by and among Debtor, the State of Nevada, *ex rel.* the Cannabis Compliance Board (“CCB”) and the Department of Taxation (“DOT”), attached hereto as **Exhibit 1**, and good cause appearing:

////

1 IT IS HEREBY ORDERED that the Stipulation is APPROVED as follows:

2 1. That 11 U.S.C. § 362(a)'s automatic stay in this matter does not apply to any
3 action or proceeding instituted or maintained by the State of Nevada, *ex rel.* Cannabis
4 Compliance Board or the Department of Taxation involving the Debtor, Clark NMSD,
5 LLC ("Clark NMSD"), or Nye Natural Medicinal Solutions, LLC ("Nye Natural").

6 2. Upon entry by the United States Bankruptcy Judge of this Order approving
7 said Stipulation, the CCB's Joinder to the Motion to Dismiss [dkt. 92] and Motion for
8 Declaratory Relief [dkt. 96] shall be deemed withdrawn.

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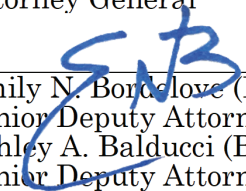
1 Further, upon entry by the United States Bankruptcy Judge of this Order approving
2 said Stipulation, the CCB and the DOT will not file an opposition in this case to the
3 Debtor's position that Debtor does not own any interest in any cannabis
4 establishments including, without, limitation, Clark NMSD and Nye Natural.
5 However, the CCB reserves all rights and remedies to take any action regarding any
6 transfers concerning the Debtor's interest in Clark NMSD and Nye Natural that
7 violated Nevada laws and regulations which governed the same. Similarly, the DOT
8 reserves all rights and remedies to take any action regarding any tax liabilities within
9 the DOT's jurisdiction and collection of the same from any and all persons liable
10 including, but not limited to, responsible persons pursuant to NRS 360.297 and
11 successors pursuant to NRS 360.525.

12
13 IT IS SO ORDERED.

14
15 Respectfully submitted:

16 DATED this 23rd day of August, 2022

17 AARON D. FORD
18 Attorney General

19  Emily N. Bordelove (Bar No. 13202)
20 Senior Deputy Attorney General
21 Ashley A. Balducci (Bar No. 12687)
22 Senior Deputy Attorney General

23 *Attorneys for State of Nevada, ex rel.*
24 *Cannabis Compliance Board and*
25 *Department of Taxation.*
26
27
28

EXHIBIT “1”

EXHIBIT “1”

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*Attorneys for State of Nevada,
ex rel. Cannabis Compliance Board &
the Department of Taxation*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:	BK-22-11249-abl Chapter 11 (Subchapter V)
NUVEDA, LLC, a Nevada limited liability company,	
Debtor(s)	

**STIPULATION BY AND AMONG DEBTOR, THE CANNABIS COMPLIANCE
BOARD, AND THE DEPARTMENT OF TAXATION**

This stipulation ("Stipulation") is made by and between debtor NuVeda LLC ("Debtor"), by and through its counsel, Mitchell Stipp, Esq. and Nathan A. Schultz Esq., and the State of Nevada, *ex rel.* the Cannabis Compliance Board ("CCB") and the Department of Taxation ("DOT"), by and through their counsel of record, Attorney General Aaron D. Ford, Senior Deputy Attorney General Emily N. Bordelove, Senior Deputy Attorney General Ashley A. Balducci, and is predicated upon the following:

1. The CCB is the regulatory body over cannabis establishments and cannabis establishment agents in the State of Nevada.
2. The DOT regulates, imposes, and collects taxes for doing business in the State of Nevada.
3. Debtor filed its petition for bankruptcy on or about April 11, 2022. This

petition enacted an automatic stay of “the commencement or continuation, including ... other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title.” 11 USC § 362 (a)(1).

4. The CCB and the DOT seek to maintain their regulatory authority over cannabis establishments and cannabis establishment agents in the State of Nevada.

5. 11 USC § 362(b)(4) provides exceptions to the automatic stay under subsection (a) in pertinent part:

(b) The filing of a petition under section 301, 302, or 303 of this title, or of an application under section 5(a)(3) of the Securities Investor Protection Act of 1970, does not operate as a stay—

... (4) under paragraph (1), (2), (3), or (6) of subsection (a) of this section, of the commencement or continuation of an action or proceeding by a governmental unit ... to enforce such governmental unit's or organization's police and regulatory power, including the enforcement of a judgment other than a money judgment, obtained in an action or proceeding by the governmental unit to enforce such governmental unit's or organization's police or regulatory power;

6. The CCB agrees that, by entering into this Stipulation and upon entry by the United States Bankruptcy Judge of the associated Order approving this Stipulation, the CCB's Joinder to the Motion to Dismiss [dkt. 92] and Motion for Declaratory Relief [dkt. 96] shall be deemed withdrawn.

7. Further, the CCB and the DOT stipulate and agree that, upon entry by the United States Bankruptcy Judge of the associated Order approving this Stipulation, neither will file an opposition in this case to the Debtor's position that Debtor does not own any interest in any cannabis establishments including, without, limitation, Clark NMSD, LLC (“Clark NMSD”) and Nye Natural Medicinal Solutions, LLC (“Nye Natural”). However, the CCB reserves all rights and remedies to take any action regarding any transfers which violated Nevada laws and regulations which governed the same. Similarly, the DOT reserves all rights and remedies to take any action regarding any tax liabilities within the DOT's jurisdiction and collection of the same

1 from any and all persons liable including, but not limited to, responsible persons
2 pursuant to NRS 360.297 and successors pursuant to NRS 360.525.

3 **NOW, THEREFORE**, Debtor, the CCB, and the DOT stipulate as follows:

4 1. Debtor, the CCB, and the DOT have met, conferred, and agreed to stipulate
5 that 11 U.S.C. § 362(a)'s automatic stay in this matter does not apply to any action
6 or proceeding instituted or maintained by the State of Nevada, *ex rel.* Cannabis
7 Compliance Board or the Department of Taxation involving the Debtor, Clark NMSD,
8 or Nye Natural.

9 2. Upon entry by the United States Bankruptcy Judge of the associated Order
10 approving this Stipulation, the CCB's Joinder to the Motion to Dismiss [dkt. 92] and
11 Motion for Declaratory Relief [dkt. 96] shall be deemed withdrawn.

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3. Further, upon entry by the United States Bankruptcy Judge of the associated Order approving this Stipulation, the CCB and the DOT stipulate and agree not to file an opposition in this case to the Debtor's position that Debtor does not own any interest in any cannabis establishments including, without, limitation, Clark NMSD and Nye Natural. However, the CCB reserves all rights and remedies to take any action regarding any transfers by Debtor in Clark NMSD and Nye Natural that violated Nevada laws and regulations which governed the same. Similarly, the DOT reserves all rights and remedies to take any action regarding any tax liabilities within the DOT's jurisdiction and collection of the same from any and all persons liable including, but not limited to, responsible persons pursuant to NRS 360.297 and successors pursuant to NRS 360.525.

DATED this 23rd day of August, 2022.

LAW OFFICE OF MITCHELL STIPP,
P.C.

/s/ Mitchell Stipp

MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive, #100
Las Vegas, Nevada 89144

*Co-Counsel for Debtor
and Debtor In Possession*

DATED this 23rd day of August, 2022

AARON D. FORD
Attorney General

Emily N. Bordelove (Bar No. 13202)
Senior Deputy Attorney General
Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General

*Attorneys for State of Nevada, ex rel.
Cannabis Compliance Board and
Department of Taxation.*

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EXHIBIT PAGE ONLY

EXHIBIT 3

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

1 **DEC**

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3 Traci L. Cassity, Esq. SBN 9648

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5 Peccole Professional Plaza

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10 email: tmooddy@hutchlegal.com

11 email: bwirthlin@hutchlegal.com

12 Attorneys for NuVeda, LLC

13 **DISTRICT OF NEVADA**
14 **CLARK COUNTY, NEVADA**

15 NUVEDA, LLC, a Nevada limited liability
16 company; SHANE M. TERRY, an
17 individual; and JENNIFER M.
18 GOLDSTEIN, an individual;

19 Plaintiffs,

20 v.

21 PEJMAN BADY, an individual; POUYA
22 MOHAJER, an individual; DOES I to X,
23 inclusive; and ROES I to X, inclusive,

24 Defendants.

Case No.: A-15-728510-B

Dept. No.: 31

25 **DECLARATION OF DR. PEJMAN**
26 **BADY IN SUPPORT OF MOTION TO**
27 **CONTINUE HEARING AND**
ESTABLISH BRIEFING SCHEDULE
OR ALTERNATIVELY, PERMIT
SUPPLEMENT ON ORDER
SHORTENING TIME

19 I, Dr. Pejman Bady, hereby declare under the penalty of perjury for the laws of the state of
20 Nevada as follows:

- 21 1. I am a resident of Nevada and over 18 years old.
- 22 2. I am a managing member of NuVeda, LLC ("NuVeda").
- 23 3. I make this declaration in support of NuVeda's Motion to Continue Hearing and
24 Establish Briefing Schedule or Alternatively, Permit Supplement on Order Shortening Time
25 ("Motion").
- 26 4. I have personal knowledge of the content of the Motion and if called to testify
27

1 regarding the same I could competently do so.

2 5. The facts set forth in the Motion are true and accurate to the best of my
3 knowledge and belief.

4 6. The exhibits attached to the Motion are accurate and complete.

5 7. As set forth in the Motion, NuVeda does not have any interest in Clark NMSD,
6 LLC, Clark Natural Medicinal Solutions, LLC, and Nye Natural Medicinal Solutions, LLC

7 8. I declare the foregoing to be true under the penalty of perjury for the laws of the
8 State of Nevada.

9 Executed on date: 12/6/2022 /s/ Pejman Bady
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EXHIBIT PAGE ONLY

EXHIBIT 4

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA (LAS VEGAS)

IN RE: . Case No. 22-11249-abl
. Chapter 11
NUVEDA LLC, A Nevada Limited .
Liability Company, . 300 Las Vegas Blvd. South
. Las Vegas, NV 89101
Debtor. .
. Friday, October 14, 2022
. 2:50 p.m.

AMENDED TRANSCRIPT OF ORAL RULING RE: MOTION TO DISMISS CASE
UNITED STATES TRUSTEE'S MOTION TO DIMISS CASE FILED
BY U.S. TRUSTEE [111];
ORAL RULING RE: MOTION TO DISMISS CASE FILED BY BRIAN R. IRVINE
ON BEHALF OF JENNIFER M. GOLDSTEIN [69];
STATUS CONFERENCE RE: CHAPTER 11 SUBCHAPTER V VOLUNTARY
PETITION NON-INDIVIDUAL; FEE AMOUNT 1738; FILED BY
MITCHELL D. STIPP ON BEHALF OF NUVEDA LLC CHAPTER 11
PLAN SMALL BUSINESS SUBCHAPTER V DUE 7/11/2022 [1]
BEFORE THE HONORABLE AUGUST B. LANDIS
UNITED STATES BANKRUPTCY COURT JUDGE

TELEPHONIC APPEARANCES:

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For Dotan Melech: Mushkin & Coppedge
 By: JOE COPPEDGE, ESQ.
 6070 S. Eastern Ave., Suite 270
 Las Vegas, NV 89119
 (702) 454-3333

For Jennifer Goldstein: Dickinson Wright
 By: WILLIAM NOVOTY, ESQ.
 3883 Howard Hughes Pkwy., Suite 800
 Las Vegas, NV 89169
 (602) 285-5006



1 (Proceedings commence at 4:45 p.m.)

2 THE CLERK: We're live, Your Honor.

3 THE COURT: Outstanding. All right. We're here for
4 the matters on my 2:30 calendar. There are two of them.
5 They're in the same case. Chapter 11 Number 22-11249,
6 Subchapter V case, NuVeda LLC, a Nevada Limited Liability
7 Company, debtor.

8 Item Number 1 on the calendar is a motion to dismiss
9 this case, filed by the United States Trustee, which is at ECF
10 Number 111 in that case. The second matter is the motion to
11 dismiss filed by Creditor Jennifer M. Goldstein, ECF Number 69
12 in the NuVeda LLC bankruptcy, Number 22-11249.

13 We'll take those in reverse order. We'll start with
14 the motion to dismiss the case that was filed by Creditor
15 Goldstein. But before I dig into the oral rulings here, I need
16 to make appearance known for the record. So we'll start with
17 the appearance for Movant Jennifer Goldstein.

18 MR. NOVOTNY: Good afternoon, Your Honor. (Audio
19 interference) Dickinson Wright, PLLC, (audio interference) for
20 Jennifer Goldstein.

21 THE COURT: Good afternoon. And for Debtor NuVeda,
22 LLC?

23 MR. STIPP: Good afternoon, Your Honor. This is
24 Mitchell Stipp appearing on behalf of the debtor, together with
25 Nathan Schultz, co-counsel of record.



1 THE COURT: Good afternoon, Counsel, and thank all of
2 you for your patience with the Court.

3 Other appearances as it relates to the oral ruling on
4 this motion to dismiss filed by Creditor Goldstein?

5 MR. MCDONALD: Edward McDonald, Department of Justice
6 for the U.S. Trustee. Good afternoon, Your Honor.

7 THE COURT: Good afternoon, Mr. McDonald.

8 Other appearances in NuVeda LLC before I start in on
9 this oral ruling?

10 MR. BURR: Good afternoon, Your Honor.

11 THE COURT: Oh. I should have asked for the
12 Subchapter V trustee. Mr. Burr, I apologize. Go ahead. I
13 heard your voice.

14 MR. BURR: Good afternoon, Your Honor. Ted Burr, the
15 Subchapter V trustee.

16 THE COURT: Good afternoon. And I heard a female
17 voice out there.

18 MS. RUBIN: Good afternoon, Your Honor. I apologize.
19 Good afternoon, Your Honor. Stacy Rubin on behalf of the
20 court-appointed receiver of (audio interference) NuVeda LLC,
21 Dotan Y. Melech.

22 THE COURT: All right. Good afternoon, Ms. Rubin.

23 Other appearances?

24 MR. COPPEDGE: Yes, Your Honor. This is Joe Coppedge
25 for the state court plaintiffs, Shane Terry and Philip Ivey,



1 and the Receiver, Dotan Melech, and Mr. Melech is also on the
2 line, Your Honor.

3 THE COURT: All right, very well. Anyone else?
4 Going once? Don't be shy if you're out there. Going twice.

5 All right. Hearing none, this is the date and time
6 for the Court's oral ruling on the motion to dismiss this
7 Chapter 11 Subchapter V bankruptcy case. The matter before me
8 pends in NuVeda LLC, a Nevada Limited Liability Company,
9 Chapter 11 Number 22-11249. Appearances have been noted on the
10 record and as I see it, the best way I could -- as best I could
11 distill it, there are two issues.

12 The first is whether cause exists to dismiss the
13 Chapter 11, Subchapter V bankruptcy case filed by debtor
14 NuVeda, LLC, and I'll call that entity the debtor today, under
15 11 U.S. C Section 1112(b).

16 The second issue is an alternative; whether the
17 interest of creditors and the debtor would be better served if
18 this case were dismissed or further proceedings in it were
19 suspended under 11 U.S.C. Section 305(a).

20 In order to understand the Court's decision today,
21 it's necessary to appreciate the record I considered in
22 reaching it, and I will tell you extensive is probably an
23 understatement. But in preparing for this ruling, the Court
24 has carefully reviewed the docket in the debtor's Chapter 11
25 Subchapter V bankruptcy case and takes judicial notice of its



1 Two weeks later, on April 25th, 2022, that's April
2 25th, 2022, debtor filed its bankruptcy schedules and statement
3 of financial affairs. ECF Numbers 17 and 18.

4 Debtor's schedule, signed under oath by Baty as the
5 debtor's manager and filed with the Court, show these things
6 there are no cash assets for the debtor. There were no bank
7 accounts for the debtor. The Debtor owned CWNV LLC and CWNV
8 One LLC, valued at an unknown amount. Claims against CWNevada
9 totaling \$45 million is the only asset with a value ascribed to
10 it. ECF 17, Pages 2 through 9 of 16. No secured debts. No
11 priority unsecured claims, and a total of four unsecured
12 claims, the CWNevada litigation claim listed in an unknown
13 amount, Goldstein for her money judgment in the amount of
14 \$2,565,276.041. The Philip Ivey litigation claim in an
15 unknown amount and the Shane Terry litigation claim in an
16 unknown amount. ECF 17, Pages 10 through 13 of 16.

17 Debtor's statement of financial affairs, also signed
18 under oath by Baty as the debtor's manager and filed with the
19 Court, shows these things; no business income during the
20 two-year period prior to the debtor's bankruptcy filing.
21 Nothing about the confessions of judgment in favor of its
22 insiders. That CWNV, LLC and CWNV One LLC were holding
23 companies for the failed joint venture with CWNevada. ECF
24 Number 18.

25 None of the debtor's monthly operating reports show



1 any income from operations or assets from which income could be
2 derived. ECF number 30, 62, 104, 144, and 145. Only one of
3 those monthly operating reports shows the debtor had any money
4 at all; \$100 in the debtor-in-possession bank account at Bank
5 of the West. ECF 145.

6 On those facts, the Court has to resolve the
7 contested Goldstein dismissal motion. The fact of the matter
8 is that as it relates to the issues pending before here, the
9 Court has jurisdiction; 28 U.S.C. Section 1334(a), 157(a) and
10 Local Rule 1001(b)(1) as to the debtor's Chapter 11 Subchapter
11 V bankruptcy case. Venue of the debtor's Chapter 11,
12 Subchapter V bankruptcy case is appropriate in the District of
13 Nevada; 28 U.S.C. Section 1408(1).

14 This motion, this contested motion to dismiss filed
15 by Ms. Goldstein, the Goldstein dismissal motion, is a core
16 proceeding; 28 U.S.C. Section 157(b)(2)(A) and (O).

17 Here, the Court finds that the dismissal motion is a
18 constitutionally core proceeding as well. It's statutorily
19 core proceeding, 28 U.S.C. Section 157(b)(2)(A) and (O), but
20 it's constitutionally a core proceeding because it arises under
21 the Bankruptcy Code. It specifically seeks to dismiss this
22 bankruptcy case under Section 1112(b)(1).

23 With that in mind, the question is what to do here.
24 The fact of the matter is that the Court has to start its
25 analysis with the statute under which relief is requested, and



1 litigation, and the debtor has lost or has been required to
2 post a bond which it cannot afford. And that is precisely the
3 situation here. Goldstein holds a final non-appealable
4 judgment against the debtor for better than \$2.5 million,
5 approaching 3 million with interest. Debtor has lost not just
6 once, but at every turn in seeking to avoid that judgment. And
7 its schedules show absolutely no assets for use in posting a
8 bond to support any sort of injunction against Goldstein's
9 collection actions.

10 Next factor is bankruptcy offers the only possibility
11 of forestalling loss of the property. Well, here, the totality
12 of the circumstances show that the debtor's only hope of
13 forestalling Goldstein's collection efforts generally, and the
14 appointment of a state court receiver for the debtor in
15 particular, was the filing of this bankruptcy case, which
16 happened the last day before the hearing on Goldstein's
17 receivership application in the state court lawsuit.

18 Next, there are sometimes allegations of wrongdoing
19 by the debtor or its principals. Here, the record is replete
20 with allegations of wrongdoing by the debtor. First and
21 foremost, operating a cannabis business in violation of the
22 Controlled Substances Act. Next, executing confessions of
23 judgment in favor of the debtors insiders for millions of
24 dollars just days after the final award was entered in the
25 arbitration proceedings, entering into a membership interest



1 So reorganization considerations are next in the slog
2 through the amalgam.

3 The Court's mindful that the 9th Circuit has held
4 that perhaps the most compelling grounds for denying the motion
5 to dismiss grounded on bad faith is the determination that a
6 reorganization plan qualifies for confirmation. That's because
7 the debtor showing that a plan of reorganization is ready for
8 confirmation essentially refutes a contention that the case is
9 filed or prosecuted in bad faith. In the case that this quote
10 comes from the bankruptcy court properly considered the
11 viability of the debtor's proposed plan is weighing heavily
12 against dismissal. That's the Marshall case, Marshall v.
13 Marshall (In re Marshall), 721 F.3d 1032 (9th Cir. 2013).

14 Here, the Court's mindful that the debtor has filed
15 and amended a Subchapter V plan of reorganization, ECF Numbers
16 89 and 146. But the debtor has not generated any money at all
17 from operations during the pendency of the case. It has no
18 scheduled assets or business operations from which we could
19 fund a plan. And cause for dismissal may also exist under
20 Section 1112(b)(4)(A) as the administrative expenses being
21 incurred here constitute a continuing loss to or diminution of
22 the estate and there is absolutely not one nickel of offsetting
23 income.

24 So having considered the amalgam of factors with no
25 single fact or factor controlling its calculus the Court



1 concludes the cause for relief under Section 1112(b)(1) does
2 exist because this case was filed in bad faith.

3 Ultimately, the issue before the Court is whether the
4 debtor is attempting to unreasonably deter and harass Goldstein
5 and the debtor's other creditors, or is attempting to affect a
6 speedy, efficient reorganization on a feasible basis. That's
7 the Grego case, 2015 WL 3451559 at *5, citing Marsch,
8 M-A-R-S-C-H, 36 F.3d 828, and Arnold, 806 F.2d 939.

9 Having carefully considered the amalgam of relevant
10 facts and factors identified by the authorities that I just
11 cited, and with no single fact or factor controlling the
12 calculus, the Court concludes that Goldstein has met her burden
13 of proving by a preponderance of the evidence that by filing
14 this case the debtor was, and is attempting to first,
15 unreasonably deter and harass Goldstein and its other
16 creditors; second, to impede the exercise of Goldstein's state
17 court collection rights and remedies; and third, debtor has no
18 assets or income to support a feasible plan.

19 The Court finds further that the debtor is not
20 attempting to affect the speedy, efficient reorganization on a
21 feasible basis, but is instead attempting to achieve delay on
22 other objectives outside the legitimate scope of the bankruptcy
23 laws.

24 On the entire record before it, the Court concludes
25 that the debtor's bankruptcy petition was not filed in good

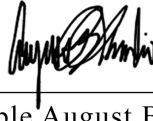


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EXHIBIT 5

HUTCHISON & STEFFEN

A PROFESSIONAL LLC



Honorable August B. Landis
United States Bankruptcy Judge



Entered on Docket
October 19, 2022

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

* * * * *

In re:)	Case No.: 22-11249-abl
)	
NUVEDA, LLC, A NEVADA LIMITED)	Chapter 11
LIABILITY COMPANY,)	
)	
Debtor.)	Hearing Date: October 14, 2022
)	Hearing Time: 2:30 p.m.
)	
)	

ORDER GRANTING MOTION TO DISMISS

On October 14, 2022, the Court issued its oral ruling on a Motion to Dismiss Bankruptcy Case (“Goldstein Dismissal Motion”) (ECF No. 69).¹ The Goldstein Dismissal Motion was filed on behalf of Creditor Jennifer M. Goldstein (“Goldstein”).

At the October 14, 2022 oral ruling, attorney Mitchell D. Stipp appeared telephonically on behalf of NuVeda, LLC (“Debtor”). Attorney Edward M. Burr appeared telephonically as SubChapter V Trustee. Attorney William Novotny appeared telephonically on behalf of Creditor Goldstein. Attorney Stacy Rubin appeared telephonically on behalf of State Court Appointed Receiver, Dotan Y. Melech. Other telephonic appearances were noted on the record.

To the extent that the Court made findings of fact and conclusions of law in the course of

¹ In this Order, all references to “ECF No.” are to the numbers assigned to the documents filed in the above-captioned bankruptcy case as they appear on the docket maintained by the Clerk of the Court.

1 its oral ruling on October 14, 2022, those findings of fact and conclusions of law are
2 incorporated into this Order by this reference pursuant to FED. R. CIV. P. 52, made applicable in
3 this contested matter pursuant to FED. R. BANKR. P. 9014(a) and (c) and 7052.

4 For the reasons stated on the record:

5 **IT IS ORDERED** that the Goldstein Dismissal Motion is **GRANTED** and this case is
6 **DISMISSED**.

7
8 Copies sent to all parties via CM/ECF Electronic Filing.

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EXHIBIT 2

Danielle Kelley

From: Brian R. Irvine <Blrvine@dickinson-wright.com>
Sent: Thursday, December 1, 2022 10:49 AM
To: Brenoch R. Wirthlin
Cc: Mitchell Stipp; Brooks T. Westergard
Subject: RE: EXTERNAL: Nuveda v. Mohajer - Case no.: A-15-728510-B - Hearing on Motion to Appoint Receiver

Brenoch-

We cannot agree to continue the hearing, as we have been waiting to conduct it for eight months while dealing with NuVeda's improper bankruptcy filing. I trust that you will be able to handle the hearing as you have been involved in this dispute for some time through your representation of Mr. Kennedy, and my client is not willing to stipulate to additional delay.

My client is of course willing to withdraw the motion to appoint receiver in exchange for payment of her judgment in full, including accrued interest and fees incurred since the judgment was entered. I am happy to provide you with that exact figure if NuVeda is interested in satisfying the judgment.

Thanks,

Brian

Brian R. Irvine Member

100 West Liberty Street
Suite 940
Reno NV 89501-1991

Phone 775-343-7507
Fax 844-670-6009
Email Blrvine@dickinsonwright.com



ARIZONA CALIFORNIA FLORIDA ILLINOIS KENTUCKY MICHIGAN NEVADA
OHIO TENNESSEE TEXAS WASHINGTON D.C. TORONTO

From: Brenoch R. Wirthlin <bworthlin@hutchlegal.com>
Sent: Wednesday, November 30, 2022 3:38 PM
To: Brian R. Irvine <Blrvine@dickinson-wright.com>
Cc: Mitchell Stipp <mstipp@stiplaw.com>
Subject: EXTERNAL: Nuveda v. Mohajer - Case no.: A-15-728510-B - Hearing on Motion to Appoint Receiver

Brian, I hope you had a good holiday.

I will be appearing in the above referenced matter on behalf of Nuveda. I understand there is a hearing on December 13 regarding your client's motion to appoint a receiver over Nuveda. I am just getting into this matter and would appreciate the courtesy of a brief continuance to allow me to get up to speed on the case. Given that and the upcoming holidays, would your client agree to move the hearing out a couple of

weeks? Anytime in January is fine with me. If you are amenable I will circulate a stipulation to that effect and let the Court know, etc.

Thanks,
Brenoch

Brenoch R. Wirthlin
Partner



HUTCHISON & STEFFEN, PLLC
(702) 385-2500
hutchlegal.com

Notice of Confidentiality: The information transmitted is intended only for the person or entity to whom it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking any action in reliance upon, this information by anyone other than the intended recipient is not authorized.

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Neither this transmission nor any attachment shall be deemed for any purpose to be a "signature" or "signed" under any electronic transmission acts, unless otherwise specifically stated herein. Thank you.

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EXHIBIT 3

AARON D. FORD
Attorney General
Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General
Emily N. Bordelove (Bar No. 13202)
Senior Deputy Attorney General
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ebordelove@ag.nv.gov

*Attorneys for State of Nevada,
ex rel. Cannabis Compliance Board*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

BK-22-11249-abl
Chapter 11 (Subchapter V)

NUVEDA, LLC, a Nevada limited
liability company,

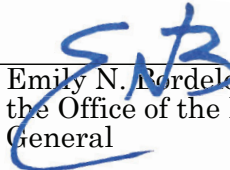
Debtor(s).

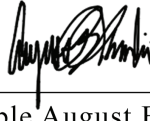
NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that an ORDER granting the Stipulation By STATE OF NEVADA, EX REL. CANNABIS COMPLIANCE BOARD and Between MITCHELL D. STIPP on behalf of NUVEDA, LLC, A NEVADA LIMITED LIABILITY COMPANY Filed by EMILY NAVASCA BORDELOVE on behalf of STATE OF NEVADA, EX REL. CANNABIS COMPLIANCE BOARD was filed in this matter on August 26, 2022, a copy of which is attached hereto.

DATED this 26th of August, 2022.

By:


Emily N. Bordelove an employee of
the Office of the Nevada Attorney
General



Honorable August B. Landis
United States Bankruptcy Judge



Entered on Docket
August 26, 2022

AARON D. FORD
Attorney General
Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General
Emily N. Bordelove (Bar No. 13202)
Senior Deputy Attorney General
Office of Attorney General
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*Attorneys for State of Nevada,
ex rel. Cannabis Compliance Board &
the Department of Taxation*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: BK-22-11249-abl
Chapter 11 (Subchapter V)

NUVEDA, LLC, a Nevada limited
liability company,

Debtor(s)

**ORDER APPROVING STIPULATION BY AND AMONG DEBTOR, THE
CANNABIS COMPLIANCE BOARD, AND THE DEPARTMENT OF
TAXATION**

The Court, having considered the Stipulation by and among Debtor, the State of Nevada, *ex rel.* the Cannabis Compliance Board (“CCB”) and the Department of Taxation (“DOT”), attached hereto as **Exhibit 1**, and good cause appearing:

////

1 IT IS HEREBY ORDERED that the Stipulation is APPROVED as follows:

2 1. That 11 U.S.C. § 362(a)'s automatic stay in this matter does not apply to any
3 action or proceeding instituted or maintained by the State of Nevada, *ex rel.* Cannabis
4 Compliance Board or the Department of Taxation involving the Debtor, Clark NMSD,
5 LLC ("Clark NMSD"), or Nye Natural Medicinal Solutions, LLC ("Nye Natural").

6 2. Upon entry by the United States Bankruptcy Judge of this Order approving
7 said Stipulation, the CCB's Joinder to the Motion to Dismiss [dkt. 92] and Motion for
8 Declaratory Relief [dkt. 96] shall be deemed withdrawn.

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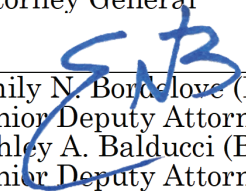
1 Further, upon entry by the United States Bankruptcy Judge of this Order approving
2 said Stipulation, the CCB and the DOT will not file an opposition in this case to the
3 Debtor's position that Debtor does not own any interest in any cannabis
4 establishments including, without, limitation, Clark NMSD and Nye Natural.
5 However, the CCB reserves all rights and remedies to take any action regarding any
6 transfers concerning the Debtor's interest in Clark NMSD and Nye Natural that
7 violated Nevada laws and regulations which governed the same. Similarly, the DOT
8 reserves all rights and remedies to take any action regarding any tax liabilities within
9 the DOT's jurisdiction and collection of the same from any and all persons liable
10 including, but not limited to, responsible persons pursuant to NRS 360.297 and
11 successors pursuant to NRS 360.525.

12
13 IT IS SO ORDERED.

14
15 Respectfully submitted:

16 DATED this 23rd day of August, 2022

17 AARON D. FORD
18 Attorney General

19  Emily N. Bordelove (Bar No. 13202)
20 Senior Deputy Attorney General
21 Ashley A. Balducci (Bar No. 12687)
22 Senior Deputy Attorney General

23 *Attorneys for State of Nevada, ex rel.*
24 *Cannabis Compliance Board and*
25 *Department of Taxation.*
26
27
28

EXHIBIT “1”

EXHIBIT “1”

AARON D. FORD
Attorney General
Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General
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*Attorneys for State of Nevada,
ex rel. Cannabis Compliance Board &
the Department of Taxation*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:	BK-22-11249-abl Chapter 11 (Subchapter V)
NUVEDA, LLC, a Nevada limited liability company,	
Debtor(s)	

**STIPULATION BY AND AMONG DEBTOR, THE CANNABIS COMPLIANCE
BOARD, AND THE DEPARTMENT OF TAXATION**

This stipulation ("Stipulation") is made by and between debtor NuVeda LLC ("Debtor"), by and through its counsel, Mitchell Stipp, Esq. and Nathan A. Schultz Esq., and the State of Nevada, *ex rel.* the Cannabis Compliance Board ("CCB") and the Department of Taxation ("DOT"), by and through their counsel of record, Attorney General Aaron D. Ford, Senior Deputy Attorney General Emily N. Bordelove, Senior Deputy Attorney General Ashley A. Balducci, and is predicated upon the following:

1. The CCB is the regulatory body over cannabis establishments and cannabis establishment agents in the State of Nevada.
2. The DOT regulates, imposes, and collects taxes for doing business in the State of Nevada.
3. Debtor filed its petition for bankruptcy on or about April 11, 2022. This

petition enacted an automatic stay of “the commencement or continuation, including ... other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title.” 11 USC § 362 (a)(1).

4. The CCB and the DOT seek to maintain their regulatory authority over cannabis establishments and cannabis establishment agents in the State of Nevada.

5. 11 USC § 362(b)(4) provides exceptions to the automatic stay under subsection (a) in pertinent part:

(b) The filing of a petition under section 301, 302, or 303 of this title, or of an application under section 5(a)(3) of the Securities Investor Protection Act of 1970, does not operate as a stay—

... (4) under paragraph (1), (2), (3), or (6) of subsection (a) of this section, of the commencement or continuation of an action or proceeding by a governmental unit ... to enforce such governmental unit's or organization's police and regulatory power, including the enforcement of a judgment other than a money judgment, obtained in an action or proceeding by the governmental unit to enforce such governmental unit's or organization's police or regulatory power;

6. The CCB agrees that, by entering into this Stipulation and upon entry by the United States Bankruptcy Judge of the associated Order approving this Stipulation, the CCB's Joinder to the Motion to Dismiss [dkt. 92] and Motion for Declaratory Relief [dkt. 96] shall be deemed withdrawn.

7. Further, the CCB and the DOT stipulate and agree that, upon entry by the United States Bankruptcy Judge of the associated Order approving this Stipulation, neither will file an opposition in this case to the Debtor's position that Debtor does not own any interest in any cannabis establishments including, without, limitation, Clark NMSD, LLC (“Clark NMSD”) and Nye Natural Medicinal Solutions, LLC (“Nye Natural”). However, the CCB reserves all rights and remedies to take any action regarding any transfers which violated Nevada laws and regulations which governed the same. Similarly, the DOT reserves all rights and remedies to take any action regarding any tax liabilities within the DOT's jurisdiction and collection of the same

1 from any and all persons liable including, but not limited to, responsible persons
2 pursuant to NRS 360.297 and successors pursuant to NRS 360.525.

3 **NOW, THEREFORE**, Debtor, the CCB, and the DOT stipulate as follows:

4 1. Debtor, the CCB, and the DOT have met, conferred, and agreed to stipulate
5 that 11 U.S.C. § 362(a)'s automatic stay in this matter does not apply to any action
6 or proceeding instituted or maintained by the State of Nevada, *ex rel.* Cannabis
7 Compliance Board or the Department of Taxation involving the Debtor, Clark NMSD,
8 or Nye Natural.

9 2. Upon entry by the United States Bankruptcy Judge of the associated Order
10 approving this Stipulation, the CCB's Joinder to the Motion to Dismiss [dkt. 92] and
11 Motion for Declaratory Relief [dkt. 96] shall be deemed withdrawn.

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3. Further, upon entry by the United States Bankruptcy Judge of the associated Order approving this Stipulation, the CCB and the DOT stipulate and agree not to file an opposition in this case to the Debtor's position that Debtor does not own any interest in any cannabis establishments including, without, limitation, Clark NMSD and Nye Natural. However, the CCB reserves all rights and remedies to take any action regarding any transfers by Debtor in Clark NMSD and Nye Natural that violated Nevada laws and regulations which governed the same. Similarly, the DOT reserves all rights and remedies to take any action regarding any tax liabilities within the DOT's jurisdiction and collection of the same from any and all persons liable including, but not limited to, responsible persons pursuant to NRS 360.297 and successors pursuant to NRS 360.525.

DATED this 23rd day of August, 2022.

LAW OFFICE OF MITCHELL STIPP,
P.C.

/s/ Mitchell Stipp

MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive, #100
Las Vegas, Nevada 89144

*Co-Counsel for Debtor
and Debtor In Possession*

DATED this 23rd day of August, 2022

AARON D. FORD
Attorney General

Emily N. Bordelove (Bar No. 13202)
Senior Deputy Attorney General
Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General

*Attorneys for State of Nevada, ex rel.
Cannabis Compliance Board and
Department of Taxation.*

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EXHIBIT PAGE ONLY

EXHIBIT 4

1 **DEC**

2 Brenoch R. Wirthlin, Esq. SBN 10282

3 Traci L. Cassity, Esq. SBN 9648

4 HUTCHISON & STEFFEN, PLLC

5 Peccole Professional Plaza

6 10080 Alta Drive No. 200

7 Las Vegas, Nevada 89145

8 Telephone: (702) 385-2500

9 Facsimile: (702) 385-2086

10 email: tmooddy@hutchlegal.com

11 email: bwirthlin@hutchlegal.com

12 Attorneys for NuVeda, LLC

13 **DISTRICT OF NEVADA**
14 **CLARK COUNTY, NEVADA**

15 NUVEDA, LLC, a Nevada limited liability
16 company; SHANE M. TERRY, an
17 individual; and JENNIFER M.
18 GOLDSTEIN, an individual;

19 Plaintiffs,

20 v.

21 PEJMAN BADY, an individual; POUYA
22 MOHAJER, an individual; DOES I to X,
23 inclusive; and ROES I to X, inclusive,

24 Defendants.

Case No.: A-15-728510-B

Dept. No.: 31

**DECLARATION OF DR. PEJMAN
BADY IN SUPPORT OF MOTION TO
CONTINUE HEARING AND
ESTABLISH BRIEFING SCHEDULE
OR ALTERNATIVELY, PERMIT
SUPPLEMENT ON ORDER
SHORTENING TIME**

25 I, Dr. Pejman Bady, hereby declare under the penalty of perjury for the laws of the state of
26 Nevada as follows:

- 27 1. I am a resident of Nevada and over 18 years old.
- 28 2. I am a managing member of NuVeda, LLC ("NuVeda").
- 29 3. I make this declaration in support of NuVeda's Motion to Continue Hearing and
30 Establish Briefing Schedule or Alternatively, Permit Supplement on Order Shortening Time
31 ("Motion").
- 32 4. I have personal knowledge of the content of the Motion and if called to testify

1 regarding the same I could competently do so.

2 5. The facts set forth in the Motion are true and accurate to the best of my
3 knowledge and belief.

4 6. The exhibits attached to the Motion are accurate and complete.

5 7. As set forth in the Motion, NuVeda does not have any interest in Clark NMSD,
6 LLC, Clark Natural Medicinal Solutions, LLC, and Nye Natural Medicinal Solutions, LLC

7 8. I declare the foregoing to be true under the penalty of perjury for the laws of the
8 State of Nevada.

9 Executed on date: 12/6/2022 /s/ Pejman Bady
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EXHIBIT 5

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA (LAS VEGAS)

IN RE: . Case No. 22-11249-abl
. Chapter 11
NUVEDA LLC, A Nevada Limited .
Liability Company, . 300 Las Vegas Blvd. South
. Las Vegas, NV 89101
Debtor. .
. Friday, October 14, 2022
. 2:50 p.m.

AMENDED TRANSCRIPT OF ORAL RULING RE: MOTION TO DISMISS CASE
UNITED STATES TRUSTEE'S MOTION TO DIMISS CASE FILED
BY U.S. TRUSTEE [111];
ORAL RULING RE: MOTION TO DISMISS CASE FILED BY BRIAN R. IRVINE
ON BEHALF OF JENNIFER M. GOLDSTEIN [69];
STATUS CONFERENCE RE: CHAPTER 11 SUBCHAPTER V VOLUNTARY
PETITION NON-INDIVIDUAL; FEE AMOUNT 1738; FILED BY
MITCHELL D. STIPP ON BEHALF OF NUVEDA LLC CHAPTER 11
PLAN SMALL BUSINESS SUBCHAPTER V DUE 7/11/2022 [1]
BEFORE THE HONORABLE AUGUST B. LANDIS
UNITED STATES BANKRUPTCY COURT JUDGE

TELEPHONIC APPEARANCES:

For the Debtor: Law Office of Mitchell Stipp, P.C.
By: MITCHELL STIPP, P.C.
1180 N. Town Center Drive, Suite 100
Las Vegas, NV 89144

Law Office of Nathan A. Schultz, PC
By: NATHAN A. SCHULTZ, ESQ.
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(310) 429-7128

APPEARANCES CONTINUED.

Audio Operator: Andrea Mendoza, ECR

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transcript produced by transcription service.

TELEPHONIC APPEARANCES (Continued):

For the U.S. Trustee: Office of U.S. Trustee
 By: EDWARD MCDONALD, ESQ.
 300 Las Vegas Blvd. South, Ste. 4300
 Las Vegas, NV 89101
 (702) 388-6600

For the Subchapter V Trustee: Mac Restructuring Advisors
 By: EDWARD BURR, ESQ.
 10191 E. Shangri La Blvd.
 Scottsdale, AZ 85260
 (602) 418-2906

For the Receiver: Holley Driggs
 By: STACY RUBIN, ESQ.
 300 South 4th Street, Suite 1600
 Las Vegas, Nevada 89101
 (702) 791-0308

For Dotan Melech: Mushkin & Coppedge
 By: JOE COPPEDGE, ESQ.
 6070 S. Eastern Ave., Suite 270
 Las Vegas, NV 89119
 (702) 454-3333

For Jennifer Goldstein: Dickinson Wright
 By: WILLIAM NOVOTY, ESQ.
 3883 Howard Hughes Pkwy., Suite 800
 Las Vegas, NV 89169
 (602) 285-5006



1 (Proceedings commence at 4:45 p.m.)

2 THE CLERK: We're live, Your Honor.

3 THE COURT: Outstanding. All right. We're here for
4 the matters on my 2:30 calendar. There are two of them.
5 They're in the same case. Chapter 11 Number 22-11249,
6 Subchapter V case, NuVeda LLC, a Nevada Limited Liability
7 Company, debtor.

8 Item Number 1 on the calendar is a motion to dismiss
9 this case, filed by the United States Trustee, which is at ECF
10 Number 111 in that case. The second matter is the motion to
11 dismiss filed by Creditor Jennifer M. Goldstein, ECF Number 69
12 in the NuVeda LLC bankruptcy, Number 22-11249.

13 We'll take those in reverse order. We'll start with
14 the motion to dismiss the case that was filed by Creditor
15 Goldstein. But before I dig into the oral rulings here, I need
16 to make appearance known for the record. So we'll start with
17 the appearance for Movant Jennifer Goldstein.

18 MR. NOVOTNY: Good afternoon, Your Honor. (Audio
19 interference) Dickinson Wright, PLLC, (audio interference) for
20 Jennifer Goldstein.

21 THE COURT: Good afternoon. And for Debtor NuVeda,
22 LLC?

23 MR. STIPP: Good afternoon, Your Honor. This is
24 Mitchell Stipp appearing on behalf of the debtor, together with
25 Nathan Schultz, co-counsel of record.



1 THE COURT: Good afternoon, Counsel, and thank all of
2 you for your patience with the Court.

3 Other appearances as it relates to the oral ruling on
4 this motion to dismiss filed by Creditor Goldstein?

5 MR. MCDONALD: Edward McDonald, Department of Justice
6 for the U.S. Trustee. Good afternoon, Your Honor.

7 THE COURT: Good afternoon, Mr. McDonald.

8 Other appearances in NuVeda LLC before I start in on
9 this oral ruling?

10 MR. BURR: Good afternoon, Your Honor.

11 THE COURT: Oh. I should have asked for the
12 Subchapter V trustee. Mr. Burr, I apologize. Go ahead. I
13 heard your voice.

14 MR. BURR: Good afternoon, Your Honor. Ted Burr, the
15 Subchapter V trustee.

16 THE COURT: Good afternoon. And I heard a female
17 voice out there.

18 MS. RUBIN: Good afternoon, Your Honor. I apologize.
19 Good afternoon, Your Honor. Stacy Rubin on behalf of the
20 court-appointed receiver of (audio interference) NuVeda LLC,
21 Dotan Y. Melech.

22 THE COURT: All right. Good afternoon, Ms. Rubin.

23 Other appearances?

24 MR. COPPEDGE: Yes, Your Honor. This is Joe Coppedge
25 for the state court plaintiffs, Shane Terry and Philip Ivey,



1 and the Receiver, Dotan Melech, and Mr. Melech is also on the
2 line, Your Honor.

3 THE COURT: All right, very well. Anyone else?
4 Going once? Don't be shy if you're out there. Going twice.

5 All right. Hearing none, this is the date and time
6 for the Court's oral ruling on the motion to dismiss this
7 Chapter 11 Subchapter V bankruptcy case. The matter before me
8 pends in NuVeda LLC, a Nevada Limited Liability Company,
9 Chapter 11 Number 22-11249. Appearances have been noted on the
10 record and as I see it, the best way I could -- as best I could
11 distill it, there are two issues.

12 The first is whether cause exists to dismiss the
13 Chapter 11, Subchapter V bankruptcy case filed by debtor
14 NuVeda, LLC, and I'll call that entity the debtor today, under
15 11 U.S. C Section 1112(b).

16 The second issue is an alternative; whether the
17 interest of creditors and the debtor would be better served if
18 this case were dismissed or further proceedings in it were
19 suspended under 11 U.S.C. Section 305(a).

20 In order to understand the Court's decision today,
21 it's necessary to appreciate the record I considered in
22 reaching it, and I will tell you extensive is probably an
23 understatement. But in preparing for this ruling, the Court
24 has carefully reviewed the docket in the debtor's Chapter 11
25 Subchapter V bankruptcy case and takes judicial notice of its



1 Two weeks later, on April 25th, 2022, that's April
2 25th, 2022, debtor filed its bankruptcy schedules and statement
3 of financial affairs. ECF Numbers 17 and 18.

4 Debtor's schedule, signed under oath by Baty as the
5 debtor's manager and filed with the Court, show these things
6 there are no cash assets for the debtor. There were no bank
7 accounts for the debtor. The Debtor owned CWNV LLC and CWNV
8 One LLC, valued at an unknown amount. Claims against CWNevada
9 totaling \$45 million is the only asset with a value ascribed to
10 it. ECF 17, Pages 2 through 9 of 16. No secured debts. No
11 priority unsecured claims, and a total of four unsecured
12 claims, the CWNevada litigation claim listed in an unknown
13 amount, Goldstein for her money judgment in the amount of
14 \$2,565,276.041. The Philip Ivey litigation claim in an
15 unknown amount and the Shane Terry litigation claim in an
16 unknown amount. ECF 17, Pages 10 through 13 of 16.

17 Debtor's statement of financial affairs, also signed
18 under oath by Baty as the debtor's manager and filed with the
19 Court, shows these things; no business income during the
20 two-year period prior to the debtor's bankruptcy filing.
21 Nothing about the confessions of judgment in favor of its
22 insiders. That CWNV, LLC and CWNV One LLC were holding
23 companies for the failed joint venture with CWNevada. ECF
24 Number 18.

25 None of the debtor's monthly operating reports show



1 any income from operations or assets from which income could be
2 derived. ECF number 30, 62, 104, 144, and 145. Only one of
3 those monthly operating reports shows the debtor had any money
4 at all; \$100 in the debtor-in-possession bank account at Bank
5 of the West. ECF 145.

6 On those facts, the Court has to resolve the
7 contested Goldstein dismissal motion. The fact of the matter
8 is that as it relates to the issues pending before here, the
9 Court has jurisdiction; 28 U.S.C. Section 1334(a), 157(a) and
10 Local Rule 1001(b)(1) as to the debtor's Chapter 11 Subchapter
11 V bankruptcy case. Venue of the debtor's Chapter 11,
12 Subchapter V bankruptcy case is appropriate in the District of
13 Nevada; 28 U.S.C. Section 1408(1).

14 This motion, this contested motion to dismiss filed
15 by Ms. Goldstein, the Goldstein dismissal motion, is a core
16 proceeding; 28 U.S.C. Section 157(b)(2)(A) and (O).

17 Here, the Court finds that the dismissal motion is a
18 constitutionally core proceeding as well. It's statutorily
19 core proceeding, 28 U.S.C. Section 157(b)(2)(A) and (O), but
20 it's constitutionally a core proceeding because it arises under
21 the Bankruptcy Code. It specifically seeks to dismiss this
22 bankruptcy case under Section 1112(b)(1).

23 With that in mind, the question is what to do here.
24 The fact of the matter is that the Court has to start its
25 analysis with the statute under which relief is requested, and



1 litigation, and the debtor has lost or has been required to
2 post a bond which it cannot afford. And that is precisely the
3 situation here. Goldstein holds a final non-appealable
4 judgment against the debtor for better than \$2.5 million,
5 approaching 3 million with interest. Debtor has lost not just
6 once, but at every turn in seeking to avoid that judgment. And
7 its schedules show absolutely no assets for use in posting a
8 bond to support any sort of injunction against Goldstein's
9 collection actions.

10 Next factor is bankruptcy offers the only possibility
11 of forestalling loss of the property. Well, here, the totality
12 of the circumstances show that the debtor's only hope of
13 forestalling Goldstein's collection efforts generally, and the
14 appointment of a state court receiver for the debtor in
15 particular, was the filing of this bankruptcy case, which
16 happened the last day before the hearing on Goldstein's
17 receivership application in the state court lawsuit.

18 Next, there are sometimes allegations of wrongdoing
19 by the debtor or its principals. Here, the record is replete
20 with allegations of wrongdoing by the debtor. First and
21 foremost, operating a cannabis business in violation of the
22 Controlled Substances Act. Next, executing confessions of
23 judgment in favor of the debtors insiders for millions of
24 dollars just days after the final award was entered in the
25 arbitration proceedings, entering into a membership interest



1 So reorganization considerations are next in the slog
2 through the amalgam.

3 The Court's mindful that the 9th Circuit has held
4 that perhaps the most compelling grounds for denying the motion
5 to dismiss grounded on bad faith is the determination that a
6 reorganization plan qualifies for confirmation. That's because
7 the debtor showing that a plan of reorganization is ready for
8 confirmation essentially refutes a contention that the case is
9 filed or prosecuted in bad faith. In the case that this quote
10 comes from the bankruptcy court properly considered the
11 viability of the debtor's proposed plan is weighing heavily
12 against dismissal. That's the Marshall case, Marshall v.
13 Marshall (In re Marshall), 721 F.3d 1032 (9th Cir. 2013).

14 Here, the Court's mindful that the debtor has filed
15 and amended a Subchapter V plan of reorganization, ECF Numbers
16 89 and 146. But the debtor has not generated any money at all
17 from operations during the pendency of the case. It has no
18 scheduled assets or business operations from which we could
19 fund a plan. And cause for dismissal may also exist under
20 Section 1112(b)(4)(A) as the administrative expenses being
21 incurred here constitute a continuing loss to or diminution of
22 the estate and there is absolutely not one nickel of offsetting
23 income.

24 So having considered the amalgam of factors with no
25 single fact or factor controlling its calculus the Court



1 concludes the cause for relief under Section 1112(b)(1) does
2 exist because this case was filed in bad faith.

3 Ultimately, the issue before the Court is whether the
4 debtor is attempting to unreasonably deter and harass Goldstein
5 and the debtor's other creditors, or is attempting to affect a
6 speedy, efficient reorganization on a feasible basis. That's
7 the Grego case, 2015 WL 3451559 at *5, citing Marsch,
8 M-A-R-S-C-H, 36 F.3d 828, and Arnold, 806 F.2d 939.

9 Having carefully considered the amalgam of relevant
10 facts and factors identified by the authorities that I just
11 cited, and with no single fact or factor controlling the
12 calculus, the Court concludes that Goldstein has met her burden
13 of proving by a preponderance of the evidence that by filing
14 this case the debtor was, and is attempting to first,
15 unreasonably deter and harass Goldstein and its other
16 creditors; second, to impede the exercise of Goldstein's state
17 court collection rights and remedies; and third, debtor has no
18 assets or income to support a feasible plan.

19 The Court finds further that the debtor is not
20 attempting to affect the speedy, efficient reorganization on a
21 feasible basis, but is instead attempting to achieve delay on
22 other objectives outside the legitimate scope of the bankruptcy
23 laws.

24 On the entire record before it, the Court concludes
25 that the debtor's bankruptcy petition was not filed in good



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EXHIBIT 6



Honorable August B. Landis
United States Bankruptcy Judge



Entered on Docket
October 19, 2022

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

* * * * *

In re:)	Case No.: 22-11249-abl
)	
NUVEDA, LLC, A NEVADA LIMITED)	Chapter 11
LIABILITY COMPANY,)	
)	
Debtor.)	Hearing Date: October 14, 2022
)	Hearing Time: 2:30 p.m.
)	
)	

ORDER GRANTING MOTION TO DISMISS

On October 14, 2022, the Court issued its oral ruling on a Motion to Dismiss Bankruptcy Case (“Goldstein Dismissal Motion”) (ECF No. 69).¹ The Goldstein Dismissal Motion was filed on behalf of Creditor Jennifer M. Goldstein (“Goldstein”).

At the October 14, 2022 oral ruling, attorney Mitchell D. Stipp appeared telephonically on behalf of NuVeda, LLC (“Debtor”). Attorney Edward M. Burr appeared telephonically as SubChapter V Trustee. Attorney William Novotny appeared telephonically on behalf of Creditor Goldstein. Attorney Stacy Rubin appeared telephonically on behalf of State Court Appointed Receiver, Dotan Y. Melech. Other telephonic appearances were noted on the record.

To the extent that the Court made findings of fact and conclusions of law in the course of

¹ In this Order, all references to “ECF No.” are to the numbers assigned to the documents filed in the above-captioned bankruptcy case as they appear on the docket maintained by the Clerk of the Court.

1 its oral ruling on October 14, 2022, those findings of fact and conclusions of law are
2 incorporated into this Order by this reference pursuant to FED. R. CIV. P. 52, made applicable in
3 this contested matter pursuant to FED. R. BANKR. P. 9014(a) and (c) and 7052.

4 For the reasons stated on the record:

5 **IT IS ORDERED** that the Goldstein Dismissal Motion is **GRANTED** and this case is
6 **DISMISSED**.

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8 Copies sent to all parties via CM/ECF Electronic Filing.

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EXHIBIT 11

A-15-728510-B

**DISTRICT COURT
CLARK COUNTY, NEVADA**

Other Business Court Matters

COURT MINUTES

December 08, 2022

A-15-728510-B Nuveda, LLC , Plaintiff(s)
vs.
Pejman Bady, Defendant(s)

December 08, 2022 3:00 AM Minute Order

HEARD BY: Kishner, Joanna S.

COURTROOM: Chambers

COURT CLERK: Stephanie Rapel

JOURNAL ENTRIES

On December 7, 2022, the Court received two duplicate Ex Parte Application(s) For Order Shortening Time On Motion to Continue Hearing and Establish Briefing Schedule Or Alternatively, Permit Supplement. In reviewing the Motion on Order Shortening Time, the Court became aware that there was an error in what was said to be on calendar for December 13, 2022, in a Memo filed on November 28, 2022. To clarify, the only matter that is currently scheduled for December 13, 2022, at 8:30 a.m. is a Status Check. While this Status Check was initially scheduled (pursuant to the September 21, 2022, Minute Order) to determine whether or not the bankruptcy stay was lifted, the Court will also need to address whether the pending Appeal impacts whether or not the Court is able to hear the Motion to Appoint Receiver (Doc #179). Thus, on December 13, 2022, at 8:30 a.m., the Court will only conduct a Status Check on the impact of the pending Appeal pursuant to the Supreme Court Order filed November 23, 2022, and determine what matters, if any, may move forward at present and then schedule any matters that can move forward. The actual oral argument on the Motion to Appoint Receiver will not be heard at the Status Check hearing on December 13, 2022.

This Minute Order has been electronically served to all registered parties for Odyssey File & Serve.
/smr

PRINT DATE: 12/08/2022

Page 1 of 1

Minutes Date: December 08, 2022