

IN THE SUPREME COURT OF THE

STATE OF NEVADA

CLARK NMSD, LLC,
Appellant,

VS

JENNIFER GOLDSTEIN,
Respondent,

NUVEDA, LLC, Interested Party.

Electronically Filed
Dec 16 2022 01:17 PM
Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court Case No. 84623

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

VOLUME I

APPENDIX IN SUPPORT OF STATUS REPORT
[ACTION REQUIRED ON OR BEFORE JANUARY 6, 2023 AT 5PM]¹

¹ The district court has scheduled the hearing on the appointment of a receiver over Interested Party, NuVeda, LLC (“NuVeda”) and its subsidiaries and affiliates (including Appellant, Clark NMSD, LLC) for **January 12, 2023 at 8:30 a.m.** Any brief by NuVeda is due on or before 5pm on December 26, 2022. The district court has prohibited parties other than Respondent, Jennifer Goldstein, and the Cannabis Compliance Board, which appeared in the district court case on December 11, 2022, from filing any briefs. **Respondent has not filed an opposition or other response to the emergency motion (Dkt. No. 22-38631) as required by NRAP 27(a)(3)(A).**

LAW OFFICE OF MITCHELL STIPP
MITCHELL STIPP, ESQ. (Nevada Bar No. 7531)
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144 Telephone: 702.602.1242 mstipp@stipplaw.com
*Counsel for Appellant, Clark NMSD, LLC and
Interested Party, NuVeda, LLC*

DATED this 16th day of December, 2022.

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive
Suite 100
Las Vegas, Nevada 89144
Telephone: (702) 602-1242
mstipp@stipplaw.com
*Counsel for Appellant, Clark NMSD, LLC
and Interested Party, NuVeda, LLC*

EXHIBIT 13

Electronically Filed
11/15/2019 1:53 PM
Steven D. Grierson
CLERK OF THE COURT



ORIGINAL

JUDG
DICKINSON WRIGHT PLLC
BRIAN R. IRVINE
Nevada Bar No. 7758
BROOKS T. WESTERGARD
Nevada Bar No. 14300
100 West Liberty Street
Suite 940
Reno, Nevada 89501
Tel.: (775) 343-7500
Fax: (844) 670-6009
Email: birvine@dickinsonwright.com
Email: bwestergard@dickinsonwright.com
Attorneys for Plaintiff Jennifer M. Goldstein

DISTRICT COURT
CLARK COUNTY, NEVADA

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

Case No.: A-15-728510-B
Dept. No.: 11

ORDER AND JUDGMENT

Plaintiffs,

vs.

PEJMAN BADI; POUYA MOHAJER; DOE
Individuals I-X and ROE Entities I-X, inclusive,

Defendants.

The Court determined that the arbitration award in favor of Plaintiff JENNIFER M. GOLDSTEIN ("Goldstein"), and against Defendant NUVEDA, LLC ("NuVeda") in the amount of \$2,426,163.80 ("Award") should be confirmed and entered its order confirming the Final Award on September 6, 2019.

Following confirmation of the Award, Goldstein filed a Motion for Attorneys' Fees and Costs, which the Court granted, in part, following a hearing on October 21, 2019. Goldstein also filed a Motion for Entry of Judgment requesting that this Court enter a judgment for Goldstein and against NuVeda. On October 31, 2019, the Court entered its Minute Order Granting in Part

11-13-19A0-0391

1 of 3

Case Number: A-15-728510-B

1 Goldstein's Motion for Entry of Judgment. The Court therefore orders and enters judgment as
2 follows:

3 IT IS HEREBY ORDERED that Goldstein's Motion for Entry of Judgment is
4 GRANTED.

5 IT IS HEREBY FURTHER ORDERED that Goldstein is entitled to a judgment in an
6 amount to include: (1) \$2,426,163.80, which is the amount of the Final Award; (2) plus
7 \$112,168.53 in post-judgment interest accrued between the date of the Final Award and the date
8 of entry of the Minute Order Granting Goldstein's Motion for Entry of Judgment; (3) plus
9 \$26,944.08 in attorneys' fees and costs awarded by this Court pursuant to Goldstein's Motion for
10 Attorneys' Fees and Costs.

11 THE COURT THEREFORE ENTERS JUDGMENT for Plaintiff JENNIFER M.
12 GOLDSTEIN, and against Defendant NUVEDA, LLC in the amount of \$2,565,276.41
13 ("Judgment"). The Judgment shall accrue post-judgment interest at the applicable statutory rate
14 of interest commencing on October 31, 2019, until paid in full.

15 JUDGMENT IS SO ENTERED.

16 Dated this 13 day of November, 2019.

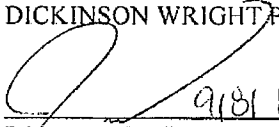
17 
18 DISTRICT COURT JUDGE


19 Respectfully submitted by:

Approved as to Form and Content

20 DICKINSON WRIGHT PLLC

KOLESAR & LEATHAM

21 
22 9/18/19 For:
23 BRIAN R. IRVINE
24 Nevada Bar No. 7758
25 BROOKS T. WESTERGARD
26 Nevada Bar No. 14300
27 100 West Liberty Street
28 Suite 940
Reno, Nevada 89501
birvine@dickinsonwright.com
bwestergard@dickinsonwright.com


Matthew T. Dushoff, Esq.
Scott D. Fleming, Esq.
400 South Rampart Boulevard
Suite 400
Las Vegas, NV 89145
mdushoff@klnevada.com
sfleming@klnevada.com

Attorneys for Nuveda, LLC

Attorneys for Plaintiff Jennifer M. Goldstein

CERTIFICATE OF SERVICE

I certify that I am an employee of DICKINSON WRIGHT PLLC, and that on this date, pursuant to NRCP 5(h), I am serving a true and correct copy of the **ORDER AND JUDGMENT** on the parties as set forth below via the Court's Electronic service system to the following counsel of record:

Jason M. Wiley, Esq
Ryan S. Petersen
WILEY PETERSON
1050 Indigo Drive, Suite 200B
Las Vegas, NV 89145
jwiley@wileypetersen.com
rpetersen@wileypeterson.com

Matthew T. Dushoff
Scott D. Fleming
KOLESAR & LEATHAM
400 South Rampart Boulevard
Suite 400
Las Vegas, NV 89145
mdushoff@klnevada.com
sfleming@klnevada.com

Shane Terry
222 Karen Avenue, Suite 3305
Las Vegas, NV 89109
shane@ahcgroup.com

DATED this 15th day of November, 2019.


An Employee of DICKINSON WRIGHT PLLC

RENO 88728-1 48138v2

Inst #: 20191209-0004471

Fee: \$40.00

12/09/2019 03:03:45 PM

Receipt #: 3924369

Requestor:

DICKINSON WRIGHT PLLC

Recorded By: RYUD Pgs: 4

DEBBIE CONWAY

CLARK COUNTY RECORDER

Src: ERECORD

Ofc: ERECORD

RECORDING COVER PAGE

(Must be typed or printed clearly in BLACK ink only
and avoid printing in the 1" margins of document)

APN# NUVEDA, LLC

(11 digit Assessor's Parcel Number may be obtained at:
<http://redrock.co.clark.nv.us/assrrealprop/ownr.aspx>)

TITLE OF DOCUMENT

(DO NOT Abbreviate)

ORDER AND JUDGMENT

Document Title on cover page must appear EXACTLY as the first page of the document
to be recorded.

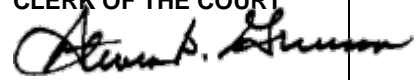
RECORDING REQUESTED BY:**Brian R. Irvine c/o Dickinson Wright PLLC****RETURN TO: Name** Brian R. Irvine c/o Dickinson Wright PLLC**Address** 100 West Liberty Street, Suite 940**City/State/Zip** Reno, Nevada 89501**MAIL TAX STATEMENT TO: (Applicable to documents transferring real property)****Name** _____**Address** _____**City/State/Zip** _____

This page provides additional information required by NRS 111.312 Sections 1-2.

To print this document properly, do not use page scaling.

P:\Common\Forms & Notices\Cover Page Template Oct2017

EXHIBIT 14



MARC
DICKINSON WRIGHT PLLC
BRIAN R. IRVINE
Nevada Bar No. 7758
BROOKS T. WESTERGARD
Nevada bar No. 14300
100 West Liberty Street
Suite 940
Reno, Nevada 89501
Tel.: (775) 343-7500
Fax: (844) 670-6009
Email: birvine@dickinsonwright.com
Email: bwestergard@dickinsonwright.com

Attorneys for Plaintiff Jennifer M. Goldstein

DISTRICT COURT
CLARK COUNTY, NEVADA

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

Plaintiffs,
Vs.

PEJMAN BADY; POUYA MOHAJER; DOE
Individuals I-X and ROE Entities I-X, inclusive,
Defendants.

Case No.: A-15-728510-B
Dept. No.: 31

(Hearing Requested)

PLAINTIFF JENNIFER M. GOLDSTEIN'S MOTION TO APPOINT RECEIVER

Plaintiff / Judgment Creditor Jennifer M. Goldstein ("Goldstein"), by and through her
counsel of record, BRIAN R. IRVINE and BROOKS T. WESTERGARD of the law firm of
DICKINSON WRIGHT PLLC, hereby respectfully submits her Motion to Appoint a Receiver
over NuVeda, LLC and its subsidiaries and affiliates.

1 This Motion is made pursuant to NRS 32.010 and is supported by the following
2 Memorandum of Points and Authorities, the Declaration of Brian Irvine, attached hereto as
3 **Exhibit 1**, the pleadings and papers on file herein and anything else this Court may wish to
4 consider.

5 DATED this 7th day of March, 2022.

6
7 DICKINSON WRIGHT PLLC

8 /s/ Brian R. Irvine

9 BRIAN R. IRVINE

10 Nevada Bar No. 7758

11 BROOKS T. WESTERGARD

12 Nevada Bar No. 14300

13 100 West Liberty Street

14 Suite 940

15 Reno, Nevada 89501

16 Tel.: (775) 343-7500

17 Fax: (844) 670-6009

18 Email: birvine@dickinsonwright.com

19 Email: bwestergard@dickinsonwright.com

20 *Attorneys for Plaintiff Jennifer M. Goldstein*

21 **MEMORANDUM OF POINTS AND AUTHORITIES**

22 **I. INTRODUCTION**

23 Goldstein is the judgment creditor, and NuVeda the judgment debtor, on a judgment in
24 the amount of \$2,426,163.80 entered against Nevada on November 15, 2019 (the "Judgment").
25 NuVeda has not even attempted to satisfy the Judgment, notwithstanding Goldstein's
26 numerous attempts at collection efforts. Indeed, every one of Goldstein's attempt at collection
27 has been met with nothing but dilatory tactics, and frivolous attempts before this Court to avoid
28 payment. And, NuVeda is a company that certainly has the ability to satisfy Goldstein's
judgment. NuVeda obtained six valuable cannabis licenses from the State of Nevada and is
currently conducting cultivation and dispensary operations under at least three of those licenses

1 at several locations. Presumably, those operations are generating cash revenue, and the
2 operating licenses are worth millions of dollars. However, instead of honoring its obligation to
3 pay Goldstein's judgment, NuVeda has chosen to hinder, delay and obfuscate in response to all
4 of Goldstein's collection efforts, and has never offered to satisfy any portion of the judgment
5 and has made no payment to Goldstein. Now, Goldstein is faced with no viable traditional
6 collection remedies and is left with no choice but to apply for the appointment of a receiver to
7 aid in collection. For all the reasons explained herein, the instant Application should be
8 granted.
9

10 **II. FACTS AND PROCEDURAL HISTORY**

11 **A. Background on NuVeda and the Underlying Dispute**

12 In July 2014, seven individuals executed an Operating Agreement for NuVeda to
13 engage in the "research, design, creation, management, licensing, advertising and consulting
14 regarding the legal medical marijuana industry, as such matters shall be lawfully allowed under
15 applicable state laws." (Dkt. 113, Mot. to Vac. at 3; Exhibit 1 ("Operating Agreement");
16 Exhibit 20 ("Interim Award")). The NuVeda members consisted of: (1) Pejman Bady
17 ("Bady"); (2) Pouya Mohajer ("Mohajer"); (3) Shane Terry ("Terry"); (4) Ryan Winmill
18 ("Winmill"); (5) Joseph Kennedy ("Kennedy"); (6) John Penders ("Penders"); and (7)
19 Goldstein. (*Id.* at Exhibit 1, Operating Agreement at 22). The members of NuVeda formed
20 several wholly-owned subsidiary companies and, through the subsidiaries, applied for and
21 received six (6) licenses to cultivate, process and dispense marijuana. (*Id.* at 4; Exhibit 20,
22 Interim Award at 2).
23

24 Subsequent disputes between the NuVeda members led to the initiation of the subject
25 arbitration and litigation in this Court. (Dkt. 113, Mot. to Vac. at 4; Exhibit 20 Interim Award
26 at 2). During the pendency of the arbitration, on August 8, 2017, the requisite number of voting
27 members voted to expel Goldstein from NuVeda pursuant to Section 6.2 of the Operating
28

1 Agreement. (*Id.* at 6; Exhibit 20, Interim Award at 3). Pursuant to Section 6.2 of the Operating
2 Agreement, Goldstein’s expulsion entitled her to “receive from the Company, in exchange for
3 all of the former Member’s Ownership Interest, the fair market value of that Member’s
4 Ownership Interest, adjusted for profits and losses to the date of expulsion...” (*Id.* at Exhibit
5 20, Interim Award at 3; Exhibit 1, Operating Agreement at Sec. 6.2). In the event that the fair
6 market value could not be agreed upon, “the Voting Members shall hire an appraiser to
7 determine fair market value.” (*Id.*)

8
9 **B. The Valuation of Goldstein’s interest in NuVeda, the arbitration and Arbitration**
10 **Award**

11 After Goldstein’s expulsion, Michael R. Webster of the Webster Business Group was
12 retained to provide an appraisal on behalf of NuVeda. (Dkt. 113, Mot. to Vac. at 6-7; Exhibit
13 20, Interim Award at 4). The Arbitrator found that Mr. Kennedy, on behalf of NuVeda, asked
14 Mr. Webster “to establish the value of NuVeda LLC in accordance with procedure in the
15 removal of its Manager Jennifer Goldstein who’s total compensation is seven percent (7%).”
16 (*Id.* at Exhibit 20, Interim Award at 4) (internal quotation marks omitted). The Arbitrator
17 further found that Mr. Kennedy prepared a document for Mr. Webster titled “Assets and
18 Liabilities as of 8-8-2017” (the “Aug. 8 Document”), which Mr. Kennedy testified that he
19 prepared “by looking at NuVeda’s (actual) balance sheets and profit & loss statements.” (*Id.*)

20 Finally, the Arbitrator found:

21 Mr. Kennedy provided to Mr. Webster the Aug. 8 Document.
22 The information contained in the Aug. 8 Document was then
23 copied into a letter dated August 19, 2017, which purported to be
24 a Certified Business Appraisal of NuVeda (the “Webster
25 Appraisal”). Although Mr. Webster claims to have spent a total
26 of four (4) hours working on the Webster Appraisal, he testified
27 that he spent “[m]aybe 10 minutes” simply adding up the assets
28 Mr. Kennedy provided in the Aug. 8 Document, and subtracting
from the total amount of the assets the liabilities that were also
provided by Mr. Kennedy in the Aug. 8 Document. Mr. Webster
did not undertake any effort to verify any of the information
provided by Mr. Kennedy in the Aug. 8 Document. Nor did Mr.

1 Webster inquire about whether NuVeda was generating any
2 revenue. Nevertheless, after performing this elementary
3 calculation, Mr. Webster concluded in the Webster Appraisal
4 that the fair market value of NuVeda on August 8, 2017, was
5 \$1,695,227.00.

6 (*Id.*) (citations and footnote omitted).

7 During the course of arbitration, Goldstein submitted a Supplemental Valuation and
8 Expert Report. (Dkt. 113, Mot. to Vac. at 9; Exhibit 17 (“Parker Report”). On December 27,
9 2018, NuVeda filed a Motion to Strike the Parker Report. (*Id.* at Exhibit 18 (“Mot. to Strike”).
10 NuVeda also submitted an expert report rebutting the Parker Report that was not disclosed by
11 the December 29, 2018 deadline for rebuttal expert reports, (Dkt. 113 at Exhibit 19, (“Ord. on
12 Mot. to Strike”)), and Goldstein argued that NuVeda’s untimely rebuttal report should not be
13 permitted.

14 On January 9, 2019, the Arbitrator distributed an email summarizing her ruling on both
15 NuVeda’s Motion to Strike and Goldstein’s argument to preclude NuVeda’s rebuttal report,
16 each of which were addressed during a telephonic hearing. (Dkt. 113 at Exhibit 19, Ord. on
17 Mot. to Strike). The Arbitrator concluded that “Respondent NuVeda’s Motion to Strike
18 Supplemental Valuation & Expert Report of Donald Parker dated December 14, 2018 is
19 **DENIED.**” Moreover, the Arbitrator ruled that “the opinions offered in Respondents’ rebuttal
20 to this report will not be stricken on the basis that the report was not disclosed on or by the
21 December 29 deadline.” (*Id.*) Thus, the Arbitrator exercised her discretion to allow all of the
22 expert reports submitted by all parties and to consider all expert testimony at the arbitration
23 hearing.

24 On January 10, 2019, the parties agreed to narrow the issues for the final hearing, and
25 further agreed “that the only issue that remain[ed] [was] the valuation of Ms. Goldstein’s
26 shares of August 8, 2017 and whether Ms. Goldstein [was] entitled to her attorneys’ fees
27 because she was never offered the actual fair market value of her shares of that date.” (Dkt. 113
28

1 at Exhibit 20, Interim Award at 5). In that regard, Goldstein argued “that the Webster
2 Appraisal did not accurately reflect the fair market value of NuVeda and inappropriately relied
3 solely on the Aug. 8 Document, without verifying the accuracy of the information contained in
4 the Aug 8 Document.” (*Id.*)

5 As explained, the Arbitrator determined, for several, independent reasons, that NuVeda
6 did not meet its express obligations under NuVeda’s Operating Agreement to have an appraiser
7 determine fair market value based on the deficiencies in the Webster Report. (Dkt. 113 at
8 Exhibit 20, Interim Award at 6-8). More specifically, the Arbitrator found that the Webster
9 Report did not appraise the “fair market value” of Goldstein’s interest in NuVeda, as required
10 in Section 6.2 of the Operating Agreement, because the Webster Report established only a
11 “book value” or “liquidation evaluation” of Goldstein’s interest rather than fair market value.
12 (*Id.* at 6-7)

14 Then, the Arbitrator adopted the definition of “fair market value” provided by both
15 Parker and NuVeda’s expert, Dr. Clauretie, “as the price at which the property would change
16 hands between a willing buyer and a willing seller, neither being under any compulsion to buy
17 or sell and both having reasonable knowledge of the relevant facts.” (*Id.* at 6). She then
18 determined that the fair market value of NuVeda was \$27,243,520.00, (*Id.* at 10), and that the
19 fair market value of Goldstein’s Ownership interest in NuVeda as of August 8, 2017, was
20 \$2,051,215.38, and that NuVeda owes Goldstein that amount. (*Id.* at 11). On March 19, 2019,
21 the Arbitrator issued the Final Award, which incorporated the findings set forth in the Interim
22 Award. (Mot. to Vac., Exhibit 21 “Final Award”). The Final Award awards Goldstein
23 \$2,051,215.38 for her ownership interest in NuVeda, plus prejudgment interest and attorneys’
24 fees and costs. (*Id.*)

26 **C. NuVeda Seeks to Vacate the Final Award**

1 On June 17, 2019, NuVeda filed a Motion to Vacate the Final Award in this Court.
2 NuVeda's arguments were twofold. First, NuVeda argued that the Arbitrator exceeded her
3 powers and manifested a disregard for the law when she allowed Goldstein to disclose an
4 expert witness and report, which was filed beyond the deadline set forth in the scheduling
5 orders entered by the arbitrator. Second, NuVeda argued that the arbitrator manifested a
6 disregard for the law in interpreting the Operating Agreement and determining that NuVeda
7 had not complied with the terms of the Operating Agreement because NuVeda's appraiser
8 calculated Goldstein's ownership interest based on NuVeda's book value, rather than its fair
9 market value.
10

11 In response, Goldstein argued that NuVeda misconstrued the standard upon which
12 courts review arbitration decisions, and similarly relied on Nevada and Federal rules of
13 procedure that did not govern the arbitration proceedings. (Dkt. 123). Indeed, the arbitration
14 Scheduling Orders expressly provided that the AAA Commercial Arbitration Rules for Large,
15 Complex Cases would govern the arbitration proceedings. (*Id.*). Goldstein further argued that
16 the Arbitrator did not manifestly disregard the law in modifying its own Scheduling Order or
17 interpreting the terms of the Operating Agreement. (*Id.*).
18

19 On September 6, 2019, the Court entered its Order denying NuVeda's Motion to
20 Vacate, and confirmed the Arbitrator's Final Award. (Dkt. 126). Following confirmation of the
21 Final Award, Goldstein filed a Motion for Attorneys' Fees and Costs (Dkt. 129), which the
22 Court granted, in part. On November 15, 2019, the Court entered its Order and Judgment,
23 wherein the Court ordered that Goldstein was entitled to a judgment in an amount to include:
24 (1) \$2,426,163.80, which was the amount of the Final Award; (2) plus \$112,68.53 in post-
25 judgment interest accrued between the date of the Final Award and the date of entry of the
26 Minute Order Granting Goldstein 's Motion for Entry of Judgment; (3) plus \$26,944.08 in
27 attorneys' fees and costs awarded by the Court pursuant to Goldstein's Motion for Attorneys'
28

1 Fees and Costs. (Dkt. 139). The Court therefore entered Judgment for Goldstein and against
2 NuVeda in the amount of \$2,565,276.41 (the “Judgment”). (*Id.*). Post-judgment interest
3 continues to accrue on the Judgment, which now totals approximately \$3 million. (Exhibit 1 at
4 ¶ 3).

5 **D. NuVeda Thwarts Goldstein’s Collection Efforts**

6 On December 26, 2019 Goldstein filed her Motion for Charging Order Against
7 Judgment Debtor’s Membership Interests in its subsidiaries CWNV, LLC (“CWNV”); Clark
8 NMSD, LLC (“Clark NMSD”); and Nye Natural Medicinal Solutions, LLC (“Nye Natural”),
9 pursuant to NRS 86.401. (Dkt. 141, Motion for Charging Order). Therein, Goldstein explained
10 that NuVeda is a 35% member of CWNV, and a 100% owner of both Clark NMSD and Nye
11 Natural. (*Id.*). Thereafter, the parties stipulated that the Court would issue a charging order
12 against the membership interests of NuVeda in CWNV, Clark NMSD, and Nye Natural. (Dkt.
13 144, Stip. and Ord. Entering Charging Ord.)

14 On December 26, 2019, Goldstein filed a Motion for Supplementary Proceeding (Dkt.
15 142, “MSP”) wherein she moved the Court for an order pursuant to NRS 21.270 requiring
16 NuVeda through its designated Person Most Knowledgeable, to appear before a master
17 appointed by this Court for examination supplementary to execution upon the ground that a
18 judgment had been in favor of Goldstein and against NuVeda which remained unsatisfied. (*See*
19 *generally*, MSP.) NuVeda opposed the MSP, arguing that Goldstein’s sole collection remedy
20 was the charging order to which NuVeda had stipulated, and that Goldstein was not entitled to
21 obtain documents or conduct a judgment debtor’s examination to aid her collection efforts.
22 (Dkt. 147). This Court granted Goldstein’s MSP over NuVeda’s opposition by its Order dated
23 March 12, 2020, wherein it ordered:

- 24
- 25 • That the Person Most Knowledgeable for NuVeda appear on the 31st day of March,
26 2020, at 10:00 a.m. at Dickinson Wright PLLC . . . to then and there answer upon oath
27
28

1 concerning the property of NuVeda and for such other proceedings as may there occur
2 consistent with proceedings supplementary to execution.

- 3 • That not later than March 23, 2020, NuVeda produce to Plaintiffs' counsel, at the law
4 offices of Dickinson Wright PLLC . . . the following books and records identified in
5 **Exhibit A** attached to the Order;
- 6 • That the failure by NuVeda to produce all responsive documents and or appear at the
7 above ordered examination may subject NuVeda to contempt of court; and
- 8 • That NuVeda, or anyone acting on its behalf, are forbidden from making any transfer of
9 NuVeda's property, including funds in any bank or deposit account of any kind, that is
10 not exempt from execution and from interfering therewith until ordered.

11 (Dkt. 149, Ord. Granting MSP at 2).

12 NuVeda failed to comply with this Court's Order Granting MSP. It refused to produce
13 documents and failed to provide dates for a judgment debtor's exam for several months.
14 Accordingly, on January 27, 2021, Goldstein filed a Motion requesting that this Court enter an
15 Order to show cause why NuVeda, LLC should not be sanctioned for failing to comply with
16 this Court's March 12, 2020 Order for Supplementary Proceedings. (Dkt. 154, Motion for
17 Order to Show Cause). NuVeda opposed the Motion for Order to Show Cause and filed a
18 purported Countermotion to Stay Collection Proceedings, arguing that "Goldstein's judgment
19 is subject to an indemnification agreement with CWNevada" and that "[u]ntil the disputes
20 between NuVeda and CWNevada are resolved, postjudgment collection activity should be
21 stayed." (Dkt. 156, Opposition to Motion for an Order to Show Cause and Countermotion for
22 Related Relief). In addition, following the filing of Goldstein's Motion for Order to Show
23 Cause, NuVeda finally served "responses and objections" to the document requests contained
24 in this Court's Order Granting MSP. However, NuVeda simply served boiler-plate objections
25 and produced no documents. (Dkt. 157, Supplement to Motion for Order to Show Cause at
26 Exhibit 1). In fact, NuVeda indicated that there were no documents "which are available for
27 production and responsive" to Requests Nos. 1-22, which include requests for NuVeda's tax
28

1 returns, A/P records, records reflecting assets and liabilities, income statements, financial
2 statements, balance sheets, bank records, A/R records from July of 2014 to present. (*Id.* at 7
3 and at Exhibit 1). And, with regard to Requests Nos. 22-25, NuVeda indicated that it “will
4 make available responsive documents and records for inspection or copying subject to a
5 confidentiality order.” (*Id.* at 8 and at Exhibit 1). This Court then granted Goldstein’s Motion
6 for Order to Show Cause and ordered NuVeda to produce: (1) the documents responsive to the
7 requests in the Order Granting MSP; and (2) its witness for a Judgment Debtor’s examination¹.

8 On June 11, 2021, Goldstein, in further efforts to collect on her judgment, caused writs
9 of execution to be issued for several locations that are part of NuVeda’s business operations,
10 Execution directed at NuVeda and various third-parties who are in possession of property
11 subject to execution. (*See* Dkt. Nos. 160, 161, 164 and 165). NuVeda filed a Motion to Quash
12 Writs of Execution, again arguing that “Goldstein’s judgment is subject to an indemnification
13 agreement with CWNevada, LLC.” (Dkt. 162, Motion to Quash Writs of Execution). NuVeda
14 also argued that it “does not own or have rights to any property at the addresses” where the
15 writs of execution were directed. (*Id.*). This Court denied the Motion to Quash Writs of
16 Execution because: (1) “NuVeda lacks standing to assert exemptions on behalf of third
17 parties”; (2) NuVeda “failed to identify what property subject to the Writs of Execution is
18 exempt, as required to NRS Chapter 21”; and (3) “the Court is not persuaded by NuVeda’s
19 argument that Goldstein’s exclusive remedy is in the form of a charging order pursuant to NRS
20 86.401” because “Goldstein is not seeking to satisfy the judgment out of any member’s interest
21 in NuVeda.” (Dkt. 168, Findings of Fact, Conclusions of Law and Order Denying Motion to
22 Quash Writs of Execution at 3-4). However, the Writs of Execution were not fruitful and only
23 resulted in \$638.00 being seized by the constable. (**Exhibit 2**, Return of Writs of Execution;
24
25

26 ¹ The Court also entered a protective order at NuVeda’s request, which delayed the judgment
27 debtor’s examination until NuVeda’s witness was physically able to be deposed, and also
28 prohibited Goldstein from sharing any documents designated as confidential by NuVeda with
any other party. (*See* Dkt. 159, Transcript of Proceedings at 14).

1 *see also* Dkt. 169 at Ex. 2). And, NuVeda has paid nothing to Goldstein toward satisfaction of
2 the Judgment. (*See* Exhibit 1 at ¶ 4).

3 NuVeda then filed an Application seeking to prohibit Goldstein from engaging in any
4 collection activity based on alleged abuse of the court process by Goldstein. (Dkt. 169). This
5 Court denied that Application. (*See* October 5, 2021 Minute Order, on file herein).

6 On August 6, 2021, NuVeda finally produced documents in response to the requests
7 contained in the Order Granting MSP. (**Exhibit 3**, First Supplemental Responses and
8 Objections to Requests for the Production of Documents (“Supplemental Response”)).
9 However, the Supplemental Response was useless to Goldstein’s collection efforts. It indicated
10 that there were no documents “which are available for production and responsive” to Requests
11 1-22 and 26, which sought, among other documents:
12

- 13 • NuVeda’s state and federal tax returns;
- 14 • Documents detailing amounts payable to NuVeda;
- 15 • Documents reflecting NuVeda’s liabilities and assets;
- 16 • NuVeda’s income statements, financial statements and balance sheets;
- 17 • Records of NuVeda’s bank accounts, savings and loan accounts, credit union or other
18 depository accounts;
- 19 • Accounts receivable ledgers detailing debts owed to NuVeda;
- 20 • Documents reflecting NuVeda’s accounts payable;
- 21 • Title certificates, bills of sale, registrations and records related to motor vehicles,
22 trailers, boats or aircraft in which NuVeda held an interest;
- 23 • Insurance policies held by NuVeda;
- 24 • Property assessment notices issued to NuVeda;
- 25 • Lists of NuVeda’s safety deposit boxes;
- 26 • Documents reflecting any asset transfer by NuVeda;
- 27
- 28

- 1 • Documents detailing NuVeda’ any equipment, tools, machinery, furniture or fixtures in
- 2 which NuVeda held an interest;
- 3 • Financing statements and security agreements related to any assets in which NuVeda
- 4 held an interest;
- 5 • Titles, deeds and contracts of sale of real or personal property in which NuVeda held an
- 6 interest;
- 7 • Documents reflecting income received by NuVeda;
- 8 • Documents reflecting any interest NuVeda held in any real property;
- 9 • Liens and mortgages against any property of NuVeda;
- 10 • Documents reflecting NuVeda’s interest in stocks, mutual funds, bonds, commodities,
- 11 etc.; and
- 12 • Judgments and arbitration awards issued in favor or against NuVeda.

14 (Order Granting MSP; Exhibit 3).

15 The Supplemental Response included approximately 785 pages of documents, but the
16 documents provided by NuVeda were not responsive to the document requests included in the
17 Order Granting MSP and do not provide any meaningful information that Goldstein could use
18 to collect on her judgment. Specifically, NuVeda produced operating agreements, contracts, a
19 few letters and emails from 2014-2015 and a deposition transcript and lengthy exhibits from
20 another lawsuit involving NuVeda. (See Exhibit 3). Thus, according to NuVeda, NuVeda has
21 no income, has no financial records, has not filed state or federal tax returns, owns no real
22 property and has no insurance policies. And, despite the fact that NuVeda owns several
23 cannabis licenses, it produced no documents detailing its assets.

25 As of the filing of the instant Motion, no part of the Judgment has been satisfied, and
26 NuVeda has made no efforts whatsoever to satisfy the judgment. Instead, NuVeda has fought

Goldstein's collection efforts at every turn, and it will be unlikely, if not impossible, for Goldstein to collect on her judgment without the appointment of a receiver.

III. DISCUSSION

A. Goldstein is Entitled to the Appointment of a Receiver

A judgment creditor is not obligated to do anything to collect its judgment against the judgment debtor. To the contrary, "a judgment debtor is under a legal obligation to satisfy the judgment against him." *See U.S. v. Neidor*, 522 F.2d 916, 919 n.5 (9th Cir. 1975). Thus, a judgment debtor has the affirmative obligation to pay the judgment entered against it - and that obligation exists without demand, execution, garnishment, or any other action by the judgment creditor.

"Since very early days, courts of equity have appointed receivers at the request of judgment creditors when execution has been returned unsatisfied." *Pittsburgh Equitable Meter Co. v. Paul C. Loeber & Co.*, 160 F.2d 721, 728 (7th Cir. 1947). In short, it is hornbook law that a "receivership may be an appropriate remedy for a judgment creditor." 12 Alan C. Wright & Arthur R. Miller, *Federal Practice and Procedure* §2983 (3d ed.). "The appointment of a receiver is an action within the trial court's sound discretion and will not be disturbed absent a clear abuse." *Nishon's, Inc. v. Kendigian*, 91 Nev. 504, 505, 538 P.2d 580, 581 (1975).

1. **A Receiver Should be Appointed Pursuant to NRS 32.010(3) and NRS 32.010(4), and NRS 32.010(6)**

"A receiver may be appointed ... [a]fter judgment, to carry the judgment into effect." NRS 32.010(3). A receiver may also "[a]fter judgment ... in proceedings in aid of execution, when an execution has been returned unsatisfied ... or when the judgment debtor refuses to apply the judgment debtor's property in satisfaction of the judgment." NRS 32.010(4). A receiver may also be appointed "[i]n all other cases where receivers have heretofore been appointed by the usages of the courts of equity." NRS 32.010(6). "Pursuant to this section, a receiver may be appointed to collect a simple money judgment, provided that other remedies

1 are inadequate.” *Decision Support Sys. v. Prima Micro, Inc.*, No. B165506, 2004 WL 64966, at
2 *2 (Cal. Ct. App. Jan. 15, 2004).²

3 Under NRS § 32.010(3), a receiver may be appointed in an action “[a]fter judgment, to
4 carry the judgment into effect.” *FDIC for AmTrust Bank v. Lewis*, No. 2-10-CV-00439-JCM-
5 VCF, 2017 WL 6618683, at *1 (D. Nev. Oct. 24, 2017); *see also Summers v Nutraceutical*
6 *Development Corp.*, No. 4508327, 2009 WL 8394965 (Nev. Dist. Ct. Dec. 21, 2009)
7 (appointing a receiver to dispose of property when a judgment debtor refuses to apply his
8 property in satisfaction of the judgment). “[T]he appointment of a receiver to enforce a money
9 judgment is reserved for ‘exceptional’ circumstances where the judgment creditor’s conduct
10 makes a receiver necessary—and hence ‘proper.’” *Medipro Med. Staffing LLC v. Certified*
11 *Nursing Registry, Inc.*, 60 Cal. App. 5th 622, 628, 274 Cal. Rptr. 3d 797, 801 (2021)
12 (collecting cases). “This occurs when the judgment debtor has frustrated the judgment
13 creditor's collection efforts through obfuscation or through otherwise contumacious conduct
14 that has rendered feckless the panoply of less intrusive mechanisms for enforcing a money
15 judgment.” *Id.*

17 Here, Goldstein has attempted to collect on her judgment through several less intrusive
18 mechanisms. Specifically, Goldstein has (1) applied for, and obtained, charging orders against
19 NuVeda’s interest in several other entities, (2) applied for, and obtained, approval for
20 supplementary proceedings to enforce the Judgment, and (3) applied for, and obtained, writs of
21 execution on NuVeda’s assets. However, *all* of Goldstein’s collection efforts have been
22 fruitless, and have been frustrated by NuVeda at every turn. Goldstein is flatly out of options,
23 and a receiver should therefore be appointed pursuant to NRS 32.010(3) and NRS 32.010(4).
24 *See e.g., Summers v Nutraceutical Development Corp.*, No. 4508327, 2009 WL 8394965 (Nev.

26 ² Cal. Code Civ. P. Section 564(b)(3) provides: “A receiver may be appointed by the court in
27 which an action or proceeding is pending, or by a judge thereof, in the following cases: . . .
28 After judgment, to carry the judgment into effect.”

1 Dist. Ct. Dec. 21, 2009) (appointing a receiver to dispose of property when a judgment debtor
2 refuses to apply his property in satisfaction of the judgment); *see also Hutchings v.*
3 *Drommerhausen*, No. B213719, 2010 WL 522776, at *4 (Cal. Ct. App. Feb. 16, 2010)
4 (upholding appointment of receiver “to carry the judgment into effect” where the lower court
5 “had before it a lengthy history of [appellant’s] conduct in to resisting the collection of the
6 judgments against him.”).

7
8 NuVeda’s conduct is egregious. It has refused to produce basic judgment debtor
9 documents detailing its assets, which are substantial. NuVeda operates, through its wholly-
10 owned subsidiaries Clark NMSD, LLC, Clark Natural Medicinal Solutions, LLC and Nye
11 Natural Medicinal Solutions, LLC, two cannabis dispensaries and a cannabis cultivation and
12 production facility in Clark County and a cultivation and production facility in Nye County. It
13 is axiomatic that each of these facilities has both cannabis inventory and non-cannabis assets,
14 yet NuVeda provided no information about any assets, including its membership interests in
15 other companies. Also, each of these facilities generates cash, which would presumably flow to
16 NuVeda as the sole member of the operating companies, yet NuVeda claims to have no
17 income. Obviously, if income is, as presumed, flowing to NuVeda, then NuVeda is violating
18 the charging order issued by this Court if it is making any distributions of those funds.

19
20 However, there is no way for Goldstein to obtain this information, as NuVeda has not
21 even produced any financial records or tax returns. NuVeda’s claim that it has no income and
22 that financial documents and tax returns are “not available for production” (*see* Exhibit 3) is
23 either unbelievable, or NuVeda is not running a competent business. NuVeda’s business is a
24 cash business, and if there is no income to NuVeda, then NuVeda’s assets are in danger of
25 being lost or materially injured, which forms another basis for this Court to appoint a receiver.
26 NRS 32.010(1); *see also Medical Device Alliance, Inc. v. Ahr*, 716 Nev. 851, 862, 8 P.3d 135,
27 142 (2000) (stating that a district court "may appoint a temporary receiver in a number of
28

1 instances, including, but not limited to, situations where corporate directors are guilty of fraud
2 or gross mismanagement or where the assets of the corporation are in danger of waste."); *FCC,*
3 *LLC v Equipment Management Technology*, No. 04628 045, 2010 WL 99227 49, at *1 (Nev.
4 Dist. Ct. Oct. 26, 2010) (finding that a receiver is appropriate and necessary to conserve,
5 preserve, and protect personal property securing defaulted obligations pursuant to a contract).

6 A further obstacle to Goldstein's collection efforts is illustrated by the fact that NuVeda
7 has agreed to sham confessed judgments in favor of its members in an apparent effort to obtain
8 priority over other creditors of NuVeda. Specifically, on March 27, 2019, NuVeda executed a
9 Confession of Judgment in the amount of \$1,462,300 in favor of 2113 Investors, LLC.
10 (**Exhibit 4**, "2113 Confession"). 2113 Investors, LLC is a Nevada limited liability company
11 that is owned by Joseph Kennedy, one of NuVeda's principals. (**Exhibit 5**, Nevada Secretary
12 of State information for 2113 Investors, LLC; **Exhibit 6**, Nevada Secretary of State
13 information for NuVeda). On April 2, 2019, NuVeda executed a Confession of Judgment in the
14 amount of \$1,114,257.12 in favor of all three of NuVeda's principals, Pejman Bady, Pouya
15 Mohajer and Joseph Kennedy. (**Exhibit 7**, "Bady, Mohajer and Kennedy Confession"; see also
16 Exhibit 6). These confessed judgments to NuVeda's insiders, which were not disclosed by
17 NuVeda in response to the document requests contained in the Order Granting MSP, are
18 suspect and certainly warrant investigation, which a receiver will be uniquely situated to
19 conduct as a neutral officer of the Court with fiduciary duties to creditors and NuVeda's
20 members.
21

22 In addition, the Court's statutory authority to appoint a receiver is broadened by the
23 catchall provision in NRS § 32.010(6). It provides that a receiver may be appointed in all other
24 cases where receivers have heretofore been appointed by the courts of equity. NRS 32.010(6).
25 In *In re Ledstrom*, a federal district court affirmed a bankruptcy court's decision to appoint a
26 receiver where there was evidence that a "largely cash business," a strip club, was engaged in
27
28

1 "[business] practices which could allow the diversion of cash." *In re Ledstrom*, No. 2:15-CV-
2 01145-APG, 2017 WL 1239144, at *11 (D. Nev. Jan. 27, 2017). Here, Nevada marijuana
3 businesses, by their nature, are cash businesses. Given the complete lack of information about
4 the businesses run by NuVeda that NuVeda has provided to Goldstein, a receivership is the
5 only mechanism available to Goldstein that will allow her to collect on the judgment.

6 Here, NuVeda, through wholly-owned subsidiaries, operates several marijuana
7 dispensaries and cultivation/production facilities. (Dkt. 113 at 4 and Exhibit 20, Interim Award
8 at 2; *see also* Dkt. 169 at 3-5). If a receiver is appointed over NuVeda and those subsidiaries,
9 then the receiver will be able to obtain the financial records that NuVeda has refused to
10 produce in this case and assess the company's operations. If available, the receiver could use
11 the cash flow from those businesses to satisfy Goldstein's judgment, or can sell one or more of
12 those assets to pay the judgment.

13 Based upon NuVeda's refusal to satisfy the Judgment, and attempts to frustrate
14 Goldstein's collection efforts, appointment of a receiver is appropriate under the
15 circumstances.
16

17 18 **2. The Proposed Receiver is Qualified and Appropriately Situated**

19 Goldstein has contacted Kevin Singer about potentially serving as receiver over
20 NuVeda and its subsidiaries and affiliates. Mr. Singer is the founder and President of
21 Receivership Specialists, which specializes in both State & Federal Court Receiverships (Real
22 Estate & Businesses), Referee Assignments, Partition Sales, Real Estate & Business
23 Brokeraging, and Real Estate Consulting for Receiverships. Receivership Specialists has eight
24 offices throughout the Southwest. (**Exhibit 8**, Declaration of Kevin A. Singer, ¶ 1). He has
25 significant experience as a receiver/referee, serving in those capacities in over 442 cases in the
26 last 21 years. (*Id.* at ¶ 2). In addition, Mr. Singer has served as a Court Receiver over thirteen
27
28

1 marijuana businesses including ten retail dispensaries, six marijuana grow operations, seven
2 distribution centers and two marijuana kitchen and an oil extraction facilities. (*Id.* at ¶ 3).
3 Details about Mr. Singer's receivership and referee work, including his cannabis-related
4 experience, is contained in Mr. Singer's declaration and attached resume. (*See* Exhibit 8).

5 A Proposed Order Appointing Mr. Singer as receiver over NuVeda and its subsidiaries
6 and affiliates is attached as **Exhibit 9**.

7 8 **IV. CONCLUSION**

9 Based on the foregoing, the instant Motion should be granted, and this Court should
10 enter an Order appointing a receiver over NuVeda and its subsidiaries and affiliates for the
11 benefit of NuVeda's creditors, including Goldstein.

12
13 DATED this 7th day of March 2022.

14 DICKINSON WRIGHT PLLC

15 /s/ Brian R. Irvine

16 BRIAN R. IRVINE

17 Nevada Bar No. 7758

18 BROOKS T. WESTERGARD

19 Nevada Bar No. 14300

20 100 West Liberty Street

21 Suite 940

22 Reno, Nevada 89501

23 Tel.: (775) 343-7500

24 Fax: (844) 670-6009

25 Email: birvine@dickinsonwright.com

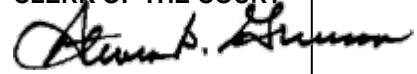
26 Email: bwestergard@dickinsonwright.com

27 *Attorneys for Plaintiff Jennifer M. Goldstein*

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

/s/ Ashley B. Moretto
An Employee of Dickinson Wright PLLC

EXHIBIT 15



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

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

NUVEDA, LLC, a Nevada limited liability
company; 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

**NOTICE OF SUGGESTION OF
BANKRUPTCY**

NuVeda, LLC, a Nevada limited liability company (“Debtor”), by and through its attorneys-of-record, hereby provides notice of suggestion of bankruptcy. See **Exhibit 1** attached hereto. Debtor’s case has been filed under Chapter 11 of the U.S. Bankruptcy Code and an automatic stay has been imposed by the bankruptcy court.

///

///

///

///

1 DATED this 11th day of April, 2022.

2
3 **LAW OFFICE OF MITCHELL STIPP**

4
5 /s/ Mitchell Stipp, Esq.

6 MITCHELL STIPP, ESQ.

7 Nevada Bar No. 7531

8 LAW OFFICE OF MITCHELL STIPP

9 1180 N. Town Center Drive, Suite 100

10 Las Vegas, Nevada 89144

11 Telephone: 702.602.1242

12 mstipp@stipplaw.com

13 *Attorneys for NuVeda, LLC*

EXHIBIT 1

Information to identify the case:

Debtor NuVeda LLC EIN: 46-5406098
 Name
 United States Bankruptcy Court District of Nevada Date case filed for chapter: 11 4/11/22
 Case number: 22-11249-abl

Official Form 309F2 (For Corporations or Partnerships under Subchapter V)**Notice of Chapter 11 Bankruptcy Case**

10/20

For the debtor listed above, a case has been filed under chapter 11 of the Bankruptcy Code. An order for relief has been entered.

This notice has important information about the case for creditors, debtors, and trustees, including information about the meeting of creditors and deadlines. Read both pages carefully.

The filing of the case imposed an automatic stay against most collection activities. This means that creditors generally may not take action to collect debts from the debtor or the debtor's property. For example, while the stay is in effect, creditors cannot sue, assert a deficiency, repossess property, or otherwise try to collect from the debtor. Creditors cannot demand repayment from the debtor by mail, phone, or otherwise. Creditors who violate the stay can be required to pay actual and punitive damages and attorney's fees.

Confirmation of a chapter 11 plan may result in a discharge of debt. A creditor who wants to have a particular debt excepted from discharge may be required to file a complaint in the bankruptcy clerk's office within the deadline specified in this notice. (See line 12 below for more information.)

To protect your rights, consult an attorney. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below or through PACER (Public Access to Court Electronic Records at <https://pacer.uscourts.gov>).

The staff of the bankruptcy clerk's office cannot give legal advice.

Do not file this notice with any proof of claim or other filing in the case.

1. Debtor's full name	NuVeda LLC	
2. All other names used in the last 8 years		
3. Address	PO Box 6255 Pahrump, NV 89041	
4. Debtor's attorney Name and address	MITCHELL D. STIPP LAW OFFICE OF MITCHELL STIPP 10120 W. FLAMINGO RD., STE 4-124 LAS VEGAS, NV 89147	Contact phone: 702-602-1242 Email: mstipp@stipplaw.com
5. Bankruptcy trustee Name and address	CHAPTER 11 – LV 300 LAS VEGAS BLVD., SO. #4300 LAS VEGAS, NV 89101	Contact phone (702) 388-6600 Email: USTPRegion17.lv.ecf@usdoj.gov
6. Bankruptcy clerk's office Documents in this case may be filed at this address. You may inspect all records filed in this case at this office or online at https://pacer.uscourts.gov .	300 Las Vegas Blvd., South Las Vegas, NV 89101	Office Hours: 9:00 AM – 4:00 PM Contact phone: (702) 527-7000 Date: 4/11/22

For more information, see page 2 >

Debtor **NuVeda LLC**Case number **22-11249-abl**

7. Meeting of creditors	May 12, 2022 at 10:00 AM	Location:
The debtor's representative must attend the meeting to be questioned under oath. Creditors may attend, but are not required to do so.	The meeting may be continued or adjourned to a later date. If so, the date will be on the court docket.	Call-in Number: 877-920-8646, Passcode: 7968994
8. Proof of claim deadline	Deadline for filing proof of claim: 6/21/22 For a governmental unit: 10/11/22 A proof of claim is a signed statement describing a creditor's claim. A proof of claim form may be obtained at www.uscourts.gov or any bankruptcy clerk's office. Your claim will be allowed in the amount scheduled unless: <ul style="list-style-type: none"> • your claim is designated as <i>disputed</i>, <i>contingent</i>, or <i>unliquidated</i>; • you file a proof of claim in a different amount; or • you receive another notice. If your claim is not scheduled or if your claim is designated as <i>disputed</i> , <i>contingent</i> , or <i>unliquidated</i> , you must file a proof of claim or you might not be paid on your claim and you might be unable to vote on a plan. You may file a proof of claim even if your claim is scheduled. You may review the schedules at the bankruptcy clerk's office or online at https://pacer.uscourts.gov . Secured creditors retain rights in their collateral regardless of whether they file a proof of claim. Filing a proof of claim submits a creditor to the jurisdiction of the bankruptcy court, with consequences a lawyer can explain. For example, a secured creditor who files a proof of claim may surrender important nonmonetary rights, including the right to a jury trial.	
9. Exception to discharge deadline	If § 523(c) applies to your claim and you seek to have it excepted from discharge, you must start a judicial proceeding by filing a complaint by the deadline stated below. Deadline for filing the complaint: None	
10. Creditors with a foreign address	If you are a creditor receiving notice mailed to a foreign address, you may file a motion asking the court to extend the deadlines in this notice. Consult an attorney familiar with United States bankruptcy law if you have any questions about your rights in this case.	
11. Filing a Chapter 11 bankruptcy case	Chapter 11 allows debtors to reorganize or liquidate according to a plan. A plan is not effective unless the court confirms it. You may receive a copy of the plan and a disclosure statement telling you about the plan, and you may have the opportunity to vote on the plan. You will receive notice of the date of the confirmation hearing, and you may object to confirmation of the plan and attend the confirmation hearing. The debtor will generally remain in possession of the property and may continue to operate the debtor's business.	
12. Discharge of debts	Confirmation of a chapter 11 plan may result in a discharge of debts, which may include all or part of your debt. See 11 U.S.C. § 1141(d). A discharge means that creditors may never try to collect the debt from the debtor except as provided in the plan. If you want to have a particular debt owed to you excepted from the discharge and § 523(c) applies to your claim, you must start a judicial proceeding by filing a complaint and paying the filing fee in the bankruptcy clerk's office by the deadline.	

EXHIBIT 16

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into as of June 5th, 2018 between, C'WNevada, L.L.C, a Nevada limited liability corporation (hereinafter "C'W" or "Indemnitor"), and NuVeda, L.L.C, Dr. Pejman Bady and Dr. Pouya Mohajer (collectively "Indemnitees").

RECITALS

On December 3, 2015, Shane Terry and Jennifer Goldstein (collectively, "Plaintiffs") filed an action purportedly on behalf of NuVeda against Dr. Bady and Dr. Mohajer in Clark County District Court Case No. A-15-728510-B ("District Court Case"). The judge in the District Court Case ruled that the matter be sent to arbitration. As a result, Plaintiffs filed an arbitration action with AAA against the Indemnitees in Case No. 01-15-005-8574 (hereinafter "Arbitration Case"). On or about May 2, 2018, BCP 7, LLC purchased Shane Terry's interest in District Court Case and Arbitration Case, therefore, became a Co-Plaintiff with Ms. Goldstein.

It is reasonable, prudent and necessary for C'W contractually to obligate itself to indemnify the Indemnitees to the fullest extent permitted by applicable law so that they will be able to defend themselves in the District Court, Arbitration Cases and appeals thereof (hereinafter collectively, "Proceedings"). This Agreement is a supplement to and in furtherance of the Operating Agreement of C'W and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitees thereunder.

The parties hereto agree that each of the Recitals set forth above are true and correct and hereby incorporated into this Agreement by this reference and made as part hereof and further agree as follows:

INDEMNIFICATION OF INDEMNITEES

C'W hereby agrees to hold harmless and indemnify Indemnitees to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

- A. **Proceedings in the Arbitration and District Court Cases.** Indemnitees shall be entitled to the rights of indemnification provided in this Section if, as a result of the Proceedings, Indemnitees are ordered to pay "Expenses". "Expenses" are defined as judgments, penalties, fines, and amounts paid or ordered to be paid in settlement, actually and reasonably incurred by them or on their behalf, in connection with the Proceedings, or any claim, issue or matter therein.
- B. As C'W has agreed to indemnify the Indemnitees for Expenses in the Proceedings pursuant to the Terms listed in this Agreement, in consideration for such indemnity, C'W has the right to direct the litigation strategy of the Proceedings subject to any objections by Indemnitees or their respective counsel. C'W also shall be entitled to veto any settlement with Plaintiffs or payment of any judgment.
- C. **Terms of the Indemnification.** If Indemnitees are entitled under any provision of this Agreement to indemnification by C'W, C'W shall indemnify Indemnitees for the portion thereof to which Indemnitees are entitled. The parameters of the indemnity are as follows:
 1. For any Expenses (as defined in Section A. above) below \$5M, C'W agrees to completely indemnify Indemnitees;
 2. For any Expenses in excess of \$5M, C'W agrees to indemnify Indemnitees fifty percent (50%) of the Expenses. The terms and conditions of indemnification contained in this Provision (C)(2) are meant to be used in conjunction with Provision (C)(1) and are not to be construed as an exclusive.

PROCEDURES AND PRESUMPTIONS FOR DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION

- A. To obtain indemnification under this Agreement, Indemnitees shall submit to C'W a written request, including such documentation and information as is available to Indemnitees and is reasonably necessary to determine whether and to what extent Indemnitees are entitled to indemnification. C'W shall upon settlement or award, and within thirty (30) business days upon receipt of such a request for indemnification, pay the Indemnitees the requested indemnification.
- B. In making a determination with respect to entitlement to indemnification hereunder, C'W shall presume that Indemnitees are entitled to indemnification under this Agreement.
- C. If C'W does not remit the indemnification amount to the Indemnitees within thirty (30) days after receipt by C'W of the request therefor, Indemnitees shall be entitled to file an action in Clark County District Court of the State of Nevada for Indemnitees entitlement to such indemnification. C'W shall not oppose Indemnitees' right to seek any such adjudication.
- D. The parties shall be precluded from asserting in any judicial proceeding to enforce this Agreement that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the parties are bound by all the provisions of this Agreement.

DURATION OF AGREEMENT

All agreements and obligations of CW contained herein shall continue during the period of the Proceedings, subsequent appeals and potential future Proceedings based upon the ruling on the appeals.

ENFORCEMENT

- A. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof
- B. In the event of any inconsistency or conflict between (i) this Agreement; (ii) CW's Operating Agreement; (iii) NuVeda's Operating Agreement; and (iv) the MIPA (collectively, the "Organizational Documents") with respect to indemnification, then the parties shall be bound by the provisions of this Agreement.

SEVERABILITY

The invalidity of unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. This Agreement is intended to confer upon Indemnitees indemnification rights to the fullest extent permitted by applicable laws.

MODIFICATION AND WAIVER

No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

NOTICE BY INDEMNITEES

Indemnitees agrees promptly to notify CW in writing upon being served with or otherwise receiving any relating to the Proceedings which may be subject to indemnification covered hereunder. The failure to so notify the CW shall not relieve CW of any obligation which it may have to Indemnitees under this Agreement.

NOTICES

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery, (b) electronic mail or facsimile, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the addresses below.

COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

GOVERNING LAW AND CONSENT TO JURISDICTION

This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, without regard to its conflict of laws rules. CW and Indemnitees hereby irrevocably and unconditionally agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Clark County District Court (the "Nevada Court"). The prevailing party will be entitled to their attorney's fees.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

Indemnitor

Indemnitees


CW Nevada, LLC.

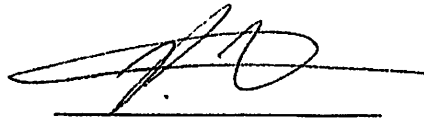

NuVeda, LLC

4145 W. Alibaba LN.

2771 River Plate Dr.

Las Vegas NV. 89118

Pahrump NV. 89048

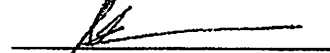


6/5/18

Dr. Pouya Mohajer

2700 Las Vegas Blvd S. #3311

Las Vegas, NV. 89109



Dr. Pejman Bady

2700 Las Vegas Blvd S. #2709

Las Vegas, NV. 89019

EXHIBIT 17

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

April 12, 2022 08:30 AM All Pending Motions

HEARD BY: Kishner, Joanna S. **COURTROOM:** RJC Courtroom 16B

COURT CLERK: Rapel, Stephanie

RECORDER: Corcoran, Lara

REPORTER:

PARTIES PRESENT:

Brian R. Irvine Attorney for Plaintiff

JOURNAL ENTRIES

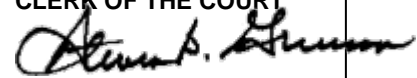
Court noted Mr. Irvin was the only Counsel present.

Upon Court's inquiry, Mr. Irvine stated Nuveda filed a Notice of Suggestion of Bankruptcy last night and was given a case number. Mr. Irvine further stated the bankruptcy would likely not be dismissed before the Motion hearing on May 10, 2022 and therefore an Opposition might not be permitted and a briefing stay required. Mr. Irvine requested to vacate today's hearings. Court reviewed the Notice of Bankruptcy filing. Court ORDERED Jennifer Goldstein s Motion for the Appointment of a Receiver (DOC179) and Opposition to Jennifer Goldstein s Motion for the Appointment of a Receiver and Countermotion for Related Relief (DOC190) VACATED; taking no position as to merits/scope. Court FURTHER ORDERED, Status Check regarding compliance RESET and Motion hearing STANDS; Court to reevaluate at a closer date.

5/10/22 10:00 A.M. STATUS CHECK: COMPLIANCE WITH ORDER AND NEO

5/10/22 10:00 A.M. MOTION FOR RECONSIDERATION

EXHIBIT 18



JOIN
AARON D. FORD
Attorney General
Ashley Balducci (Bar No. 12687)
Senior Deputy Attorney General
Emily N. Bordelove (Bar No. 13202)
Senior Deputy Attorney General
Office of Attorney General
555 E., Washington Ave., Ste. 3900
Las Vegas, NV 89101
(702) 486-3420 (phone)
(702) 486-3768 (fax)
abalducci@ag.nv.gov
ebordelove@ag.nv.gov

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

DISTRICT COURT
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

**LIMITED JOINDER TO THE REQUEST TO SET HEARING ON MOTION TO
APPOINT RECEIVER, OR IN THE ALTERNATIVE, A REQUEST FOR AN
ORDER PERMITTING DISCLOSURE OF CERTAIN CONFIDENTIAL
INFORMATION UNDER NRS 678A.470.**

Non-party the State of Nevada, ex rel. Cannabis Compliance Board (the “CCB”), by
and through counsel Aaron D. Ford, Attorney General of the State of Nevada, Ashley A.
Balducci, Senior Deputy Attorney General, and Emily N. Bordelove, Senior Deputy
Attorney General, hereby files this Limited Joinder to the Notice Of Dismissal Of
Bankruptcy Case and Request To Set Hearing On Motion To Appoint Receiver, or in the
Alternative a Request for an Order Permitting Disclosure of Certain Confidential
information under NRS 678A.470.

1 This Limited Joinder and Request is made and based on the following Memorandum
2 of Points and Authorities and attached exhibits, together with the papers and pleadings on
3 file.

4 DATED this 12th of December, 2022. AARON D. FORD
5 Attorney General

6 By: 

Ashley Balducci (Bar No. 12687)
Senior Deputy Attorney General
Emily N. Bordelove (Bar No. 13202)
Senior Deputy Attorney General
555 E. Washington Ave. Suite 3900
Las Vegas, NV 89101

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

12 MEMORANDUM OF POINTS AND AUTHORITIES

13 I. INTRODUCTION

14 The CCB has an interest in this proceeding at this time because it involves cannabis
15 licensees, a request for a cannabis receivership¹, and now a misrepresentation regarding
16 the CCB's position.

17 More specifically, it has come to the CCB's attention in the last week that Plaintiff
18 NuVeda LLC ("NuVeda NV") and Clark NMSD LLC ("Clark NMSD") misrepresented in
19 recent court proceedings, either hinting² or outright claiming³ that the CCB agrees with
20 NuVeda NV's position that another NuVeda company incorporated in Delaware ("NuVeda
21 DE") owns cannabis establishments Clark NMSD and Nye Natural Medicinal Solutions,
22 LLC ("Nye Natural") (collectively "Cannabis Subsidiaries"). See NuVeda NV's Motion to

23
24 ¹ Cannabis receiverships are governed by NRS Chapters 678A and 678B

25 ² The exact quote from NuVeda NV's two pleadings reads: "[h]owever, the CCB stipulated with NuVeda to
26 withdraw its joinder and did not oppose NuVeda's position that NuVeda divested its interests in all cannabis
licenses and cannabis business including Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC
("Former Subsidiaries") in June of 2019."

27 ³ The exact quote from Clark's Nevada Supreme Court pleading is more egregious as it reads: "[h]owever, the
28 CCB withdrew its opposition and **agreed** that NuVeda did not own Appellant (or any of the purported
subsidiaries that were licensed cannabis establishments) ("CCB Stipulation")." (emphasis added).

1 Continue at 003:7-10 and Proposed Supplement at 014:7-10, both attached as **Exhibit 1**,
2 and Clark NMSD's Emergency Motion at 025, attached as **Exhibit 2**.

3 While the CCB did agree to withdraw its Limited Joinder to the Motion to Dismiss
4 in Bankruptcy Case No. 22-11249-abl, in the Stipulation By and Among Debtor, The
5 Cannabis Compliance Board, and The Department Of Taxation ("Bankruptcy Stipulation")
6 the CCB did not agree that NuVeda NV did not own the Cannabis Subsidiaries, but only
7 agreed not to file an opposition to NuVeda NV's position on ownership in the Bankruptcy
8 case. See Notice of Order Approving Bankruptcy Stipulation at 035:2-4 attached as **Exhibit**
9 **3** and Bankruptcy Stipulation at 038:¶7⁴ attached as **Exhibit 4**.

10 As outlined herein, based on NuVeda NV and Clark NMSD's recent court filings, the
11 CCB files this instant pleading to give this Court an opportunity, should it deem it helpful
12 in making its determinations here, to review otherwise confidential information
13 maintained by the CCB and give clarity regarding the documented ownership of the
14 Cannabis Subsidiaries.

15 **II. ARGUMENT**

16 In its Bankruptcy Limited Joinder, the CCB disclosed that "the CCB's records reflect
17 [NuVeda NV], not NuVeda DE, as the parent company that owns both Clark NMSD and
18 Nye Naturals." See Limited Joinder at 043:27-28, attached as **Exhibit 5**. Both Cannabis
19 Subsidiaries hold cannabis licenses that fall into medical and adult-use categories. Thus,
20 the CCB can disclose such ownership information under NRS 678A.470(2)&(3) since the
21 names of medical and adult-use cannabis establishment licensees and each owner, officer,
22 and board member are not confidential. See NRS 678A.470(2)-(3).

23 However, under NRS 678A.470 and the Nevada Cannabis Compliance Regulations
24 ("NCCR"), the CCB cannot disclose any additional ownership information as it would be
25

26 ⁴ The exact quote from the Bankruptcy Stipulation reads, "[f]urther, the CCB and the DOT stipulate and
27 agree that, upon entry by the United States Bankruptcy Judge of the associated Order approving this
28 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')."

1 deemed confidential absent Court action.

2 First, other than the exceptions noted above, NRS 678A.470(2) designates as
3 confidential for medical cannabis establishments “[a]ny and all information and data
4 prepared or obtained by the Board or by an agent or employee of the Board relating to a
5 holder of or an applicant for a medical cannabis establishment license under NRS
6 678B.210” while NRS 678A.470(3) designates as confidential for adult-use cannabis
7 establishments “any information and data included in an application for an adult-use
8 cannabis establishment license....” *See* NRS 678A.470(2)&(3). NRS 678A.470(2)&(3) permit
9 that such confidential information “may be revealed in whole or in part only in the course
10 of the necessary administration of this title or upon the lawful order of a court of competent
11 jurisdiction.” *See* NRS 678A.470(2)&(3). Second, for the purposes of adult-use licenses,
12 NCCR 1.058 defines an “application” to include a request “for approval of any act or
13 transaction for which Board approval is required or permitted under the provisions of
14 chapters 678A-D of NRS.” *See* NCCR 1.058. Third, any change in ownership interest in a
15 cannabis license requires notification and approval from the CCB. *See* NRS 678B.380(1)(d)-
16 (e)⁵ & NAC § 453D.315(5) (repealed 2020); NCCR 5.110(1). Thus, the CCB cannot currently
17 disclose any additional information it has regarding the Cannabis Subsidiaries’ ownership
18 unless it was within the course of the necessary administration of Title 56 or pursuant to
19 a court order.

20 If this Court appoints a Receiver, subject to CCB approval⁶, the CCB could disclose
21 additional ownership information to the Receiver under NRS 678A.470(2) through the
22 course of the necessary administration of Title 56. In this pleading, the CCB does not take
23 a position nor necessarily endorse any particular Receiver this Court appoints. However,
24 court appointment and subsequent CCB approval of a Receiver over NuVeda NV would
25

26 ⁵ “[e]xcept as otherwise provided by regulations adopted by the Board pursuant to subsection 2, the following
27 are nontransferable... [a] medical cannabis establishment license [and] [a]n adult-use cannabis
establishment license.”

28 ⁶ *See* NRS 678B.355 & NRS 678B.383.

1 allow the CCB to disclose to that Receiver currently confidential information regarding
2 ownership interests NuVeda NV may or may not have over medical and/or adult-use
3 cannabis licensees.

4 Alternatively, if this Court is not inclined to appoint a Receiver in this matter but
5 would deem ownership information for the Cannabis Subsidiaries helpful in its
6 determinations in this matter, the CCB requests that the Court issue an Order permitting
7 the CCB to disclose information/documents pertaining to transfer of ownership
8 applications submitted to the CCB and/or its predecessor marijuana/cannabis regulatory
9 agency, the Department of Taxation, regarding the ownership of the Cannabis Subsidiaries
10 as provided for in NRS 678A.470. The CCB would further request that such an Order
11 provide that disclosure of any such information/documents be deemed confidential and not
12 subject to disclosure to anyone other than the parties to this case and their attorneys, such
13 that if such information would be filed with a pleading, the pleading should be filed under
14 seal.

15 **III. CONCLUSION**

16 In light of the foregoing, the CCB respectively submits this pleading to give this
17 Court the opportunity, should it deem it helpful in its determinations in this matter, to
18 review otherwise confidential information maintained by the CCB through either the
19 appointment of a Receiver or an Order Permitting Disclosure of Certain Confidential
20 information under NRS 678A.470.

21 DATED this 12th of December, 2022. AARON D. FORD
22 Attorney General

23 By: 

Ashley Balducci (Bar No. 12687)
Senior Deputy Attorney General
Emily N. Bordelove (Bar No. 13202)
Senior Deputy Attorney General
555 E. Washington Ave. Suite 3900
Las Vegas, NV 89101

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

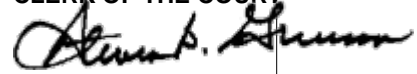
1
2 **CERTIFICATE OF SERVICE**

3 I certify that I am an employee of the Office of the Attorney General, State of Nevada,
4 and that on December 12, 2022, I filed the foregoing document via this Court's electronic
5 filing system. Parties that are registered with this Court's EFS will be served electronically.

6 /s/ *Emily N. Bordelove*

7 An employee of the Office of the Nevada Attorney
8 General
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT 1



MOT

Brenoch R. Wirthlin, Esq. SBN 10282
Traci L. Cassity, Esq. SBN 9648
HUTCHISON & STEFFEN, PLLC
Peccole Professional Plaza
10080 Alta Drive No. 200
Las Vegas, Nevada 89145
Telephone: (702) 385-2500
Facsimile: (702) 385-2086
email: tmooddy@hutchlegal.com
email: bwirthlin@hutchlegal.com
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.

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

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

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

17 Dated this 6th day of December, 2022.

18 HUTCHISON & STEFFEN, PLLC

19
20 By: /s/Brenoch Wirthlin

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

24
25
26

² Undersigned counsel has been involved for a short period in a related matter, case no.:
27 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

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,

22 ///

23 ///

24 ///

25 ///

26 ///

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*

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7

2
3
4
5

7

9

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

EXHIBIT 1

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

1 **MOT**

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: tmood@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
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27

A. Goldstein files her Receivership Motion

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

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

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

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

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

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

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.*

⁵ See Transcript of Oral Ruling on October 14, 2022 (“Bankruptcy Transcript”), attached 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

23 ///

24 ///

25 ///

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

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

EXHIBIT 2

**IN THE SUPREME COURT OF THE
STATE OF NEVADA**

CLARK NMSD, LLC,
Appellant,

vs

JENNIFER GOLDSTEIN,
Respondent.

Supreme Court Case No. 84623

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

**APPELLANT’S EMERGENCY MOTION FOR STAY OR INJUNCTION
[ACTION REQUESTED BEFORE 5PM ON DECEMBER 9, 2022]**

LAW OFFICE OF MITCHELL STIPP
MITCHELL STIPP, ESQ. (Nevada Bar No. 7531)
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144 Telephone: 702.602.1242 mstipp@stipplaw.com
Counsel for Appellant

DATED this 5th day of December, 2022.

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive
Suite 100
Las Vegas, Nevada 89144
Telephone: (702) 602-1242
mstipp@stipplaw.com
Counsel for Appellant

I. INTRODUCTION

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. Appellant is not subject to Respondent’s judgment. See Case No. 79806 (Dkt. No. 19-42584).

The Appellant filed an application/petition in accordance with NRS 31.070 in the district court, which application/petition was opposed by Respondent and denied by the district court. The sole and exclusive remedy for third parties whose property is wrongfully seized is set forth in NRS 31.070. See Cooper v. Liebert, 81 Nev. 341, 344, 402 P.2d 989, 991 (1965) (confirming NRS 31.070 as exclusive remedy). Appellant timely filed its notice of appeal on April 21, 2022. See NRAP 4(a); see also Dkt. No. 22-13277. Respondent filed her **second motion** to dismiss this appeal, which was denied by the Nevada Supreme Court. 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).

II. STATEMENT OF FACTS.

Judge Elizabeth Gonzalez of Department 11 of the Eighth Judicial District Court, State of Nevada, presided over district court case A-15-728510-B. After the retirement of Judge Gonzalez, the case was reassigned to Department 31, Judge Joanna Kishner. Respondent caused the Constable's Office to serve writs of execution for cash at the marijuana dispensaries operated by Appellant (which owns

the dispensary licenses under Nevada law). Dkt. No. 22-36637 (APP 000005-000027, 0000007 (Vol. 1)). The Constable's Office seized cash from one of the dispensaries, which cash belongs to Appellant. Id. at 000007-000008 (referencing Exhibit A to Exhibit 2, APP 000016-000023). Appellant made a written claim for the cash in accordance with NRS 31.070. Id. 000016-000023 (Vol. 1). Appellant filed an application/petition for the return of the cash after the Constable's Office refused to release the same to Appellant. APP 000005-000027 (Vol. 1). Respondent opposed the application/petition. APP 000028-000038 (Vol. 1). Appellant filed a reply. APP 000039-000059 (Vol. 1).

The district court denied Appellant's application/petition because the court determined that Appellant failed to comply with the requirements under NRS 31.070 and failed to establish that it had any relationship with or interest in the judgment debtor (NuVeda) or the cash seized. Id. APP 000060-000061 (Vol. 1) (Minutes); APP 000084-000093 (Vol. 1) (Order). The district court's decision was a clear abuse of discretion. See Dkt. No. 22-36636. Appellant requested as part of its relief before the district court was for an order prohibiting Respondent from pursuing her illegal collection activity. Dkt. No. 22-36637 (APP 000005-000027 (Vol. 1)). If the district court denied the relief requested by Appellant, Appellant requested a stay to pursue the matter before the Nevada Supreme Court. Id. APP 000039-000059, 000045 (Vol. 1).

NuVeda filed a chapter 11 bankruptcy petition (Nevada Bankruptcy Court, Case No. BK-22-11249-abl) after Respondent moved Department 31 to appoint a

receiver over NuVeda and its subsidiaries/affiliates (including Appellant).¹ The dispute over NuVeda's assets was resolved by the bankruptcy court. Respondent moved the bankruptcy court to dismiss NuVeda's bankruptcy. The Cannabis Compliance Board ("CCB") initially filed a joinder to Respondent's motion. However, the CCB withdrew its opposition and agreed that NuVeda did not own Appellant (or any of the purported subsidiaries that were licensed cannabis establishments) ("CCB Stipulation"). See Exhibit 1 to Appellant's Appendix in Support of Motion ("Motion Appendix"). The bankruptcy court dismissed NuVeda's chapter 11 petition on October 14, 2022. See Exhibits 2 and 3 to Appellant's Exhibits filed in support of this Motion (Exhibit 2, Transcript; Exhibit 3, Order). As part of the basis for dismissing the bankruptcy, the bankruptcy court determined NuVeda had no income or assets to fund a feasible plan. See Exhibit 2 to Motion Appendix, Transcript at 46:9-18.

Despite NuVeda's lack of assets and income to fund a feasible bankruptcy plan (i.e., to pay Respondent's judgment), Respondent has asked the district court again to appoint a receiver. See Exhibit 4 to Motion Appendix; see also Exhibit 5 to Motion Appendix, Receivership Motion at 15:7-12. The Clerk of the Court did not schedule a hearing. Instead, the district court issued a memorandum, which

¹ The receiver for CW Nevada, LLC ("Receiver" and "CW Nevada," respectively) attempted to expand the scope of the initial receivership order applicable to CW Nevada by including CWNV, LLC as part of the estate in District Court Case No. A-18-773230-B. See Case No. 79110. The difference between this entity and Appellant is Appellant owns cannabis licenses and operates dispensaries. Accordingly, the harm to Appellant is real. Respondent's attorney, Brian Irvine, also represents TRC-Evolution which entered into a settlement with the Receiver to get preferred payments on receivership certificates in exchange for withdrawing any objection to payment of the Receiver's fees and costs. The bad acts are the subject of a writ petition and stay. See Case No. 85254.

continued what was assumed to be a status check and converted that hearing to a hearing on the appointment of a receiver. See Exhibit 6 to Motion Appendix.

Respondent is a third-party beneficiary of an indemnification agreement which requires CWNevada to consent to any settlement or payment and for CWNevada to pay the same (“Indemnification Agreement”). See Dkt. No. 22-36637 (APP 000012-000015 (Vol. 1)) (Exhibit 1 to Motion). NuVeda and Appellant sought relief before Department 13 concerning enforcement of the Indemnification Agreement and enjoining Respondent’s illegal collection activities. See Exhibits 7 through 9 to Motion Appendix. Unfortunately, despite having jurisdiction, Department 13 denied the motion (deferring to Department 31 on the request for an injunction). See Exhibit 10 to Motion Appendix.

III. ARGUMENT.

Appellant requested as part of its relief before Department 31 for an order prohibiting Respondent from pursuing her illegal collection activity. Dkt. No. 22-36637 (APP 000005-000027 (Vol. 1)). Appellant also requested a stay to pursue the matter before the Nevada Supreme Court. Id. APP 000039-000059, 000045 (Vol. 1).

The determination of the bankruptcy court on the assets and income of NuVeda is binding on Respondent in this case. For “issue preclusion to attach, the issue decided in the prior [proceeding] must be identical to the issue presented in the current [proceeding],” *id.* (alterations in original) (quotation omitted), and have been ““actually litigated and determined by a valid and final judgment [in which] the determination [was] essential to the judgment.”” In re Sandoval, 126 Nev. —, —

—, 232 P.3d 422, 424 (2010) (quoting Restatement (Second) of Judgments § 27 (1982)). All factors are present here.

The appointment of a receiver over NuVeda's former subsidiaries/affilites (including Appellant) will cause irreparable harm. Appellant is aware that such a decision is subject to the right of appeal under NRAP 3A(b)(4). However, Appellant operates two (2) cannabis dispensaries, which will in the interim be impacted by any such order by Department 31. The appointment of a receiver is a harsh and extreme remedy which should be used sparingly and only when the securing of ultimate justice requires it. Hines v. Plante, 99 Nev. 259, 261, 661 P.2d 880, 881-82 (1983). It would be a clear abuse of discretion to appoint a receiver over former subsidiaries/affiliates of NuVeda (including Appellant) when Respondent does not have a judgment against any person or entity other than against NuVeda. Further, NuVeda does not own cannabis licenses or interests in cannabis businesses. In Hines, the Nevada Supreme Court noted the following:

[A]ppointing a receiver to supervise the affairs of a business is potentially costly, as the receiver typically must be paid for his or her services. A receivership also significantly impinges on the right of individuals or corporations to conduct their business affairs as they see fit, and may endanger the viability of a business. The existence of a receivership can also impose a substantial administrative burden on the court.

99 Nev. at 261.

NRAP 8 permits a stay or injunction pending appeal. Here, Appellant requests a stay of the district court proceedings below or an injunction under NRAP

8(a)(1)(C) prohibiting Respondent from pursuing collection activities against Appellant (including requesting the appointment of a receiver over Appellant and other former subsidiaries/affiliates of NuVeda). A preliminary injunction is available when the moving party can demonstrate that the nonmoving party's conduct, if allowed to continue, will cause irreparable harm for which compensatory relief is inadequate and that the moving party has a reasonable likelihood of success on the merits. See NRS 33.010; University Sys. v. Nevadans for Sound Gov't, 120 Nev. 712, 721, 100 P.3d 179, 187 (2004); Dangberg Holdings v. Douglas Co., 115 Nev. 129, 142, 978 P.2d 311, 319 (1999). Appellant is likely to be successful on the merits of its appeal. See Dkt. No. 22-36636. Without a stay or injunction, Appellant and former subsidiaries and affiliates of NuVeda will be harmed (as briefed above). Respondent will suffer no injury or harm as a result of a stay or injunction. As confirmed by the bankruptcy court, NuVeda does not have assets or income to pay Respondent's judgment. While those circumstances are unfortunate, Respondent still has rights and remedies in the Receivership Action pursuant to the Indemnification Agreement.

The Nevada Supreme Court has recognized the right of an Appellant to request that the district court case be reassigned upon remand. Valley Health Sys., LLC v. Eighth Judicial Dist. Court of Nev., 510 P.3d 777 (Nev. 2022). Appellant has not yet sought recusal or disqualification of Judge Kushner (Department 31) in the district court below. However, Appellant has requested reassignment as part of the relief requested on appeal. See Dkt. No. 22-36636 (Article VII, Section D, p. 15-17). Appellant believes Judge Kushner's decisions in the district court case below cannot be explained other than by deep-seated antagonism toward Joseph

Kennedy (which is a managing member of NuVeda and a manager of Appellant) that would make fair judgment by her impossible (including at the hearing on December 13, 2022). See e.g. Case No. 84336 (disqualification of Judge Kushner). Appellant complied with NRS 31.070. However, Judge Kushner determined despite clear evidence to the contrary that Appellant failed to do so and did not establish that it had any relationship with or interest in NuVeda or the property at issue. Id. (Article VII, Section C., p. 13-15). Obviously, Appellant did not need to establish any relationship with NuVeda as part of NRS 31.070.

Judge Kushner created procedural rules to block Appellant's attempt at substantive relief. For example, she denied Appellant's motion for reconsideration as "premature" because there was no notice of entry on file. See Dkt. No. 22-36636, APP 000062-000077 (Vol. 1) (motion), APP 000078-000083 (Vol. 1) (order to show cause), and APP 000084-000093 (Vol. 1) (order); Dkt. No. 22-36638, APP 000115-000116 (Vol. 2) (minutes); Dkt. No. 22-36639, APP 000220-000225 (Vol. 3) (order). Appellant provided notice of entry (when Respondent failed to do so) and refiled its motion. Dkt. No. 22-36638, APP 000117-000128 (Vol. 2); APP 000129-000148 (Vol. 2). This time, Judge Kushner refused to consider the motion. According to the district court, there was no mechanism under the Nevada Rules of Civil Procedure or the Eighth Judicial District Court of the State of Nevada for filing a "renewed" motion for reconsideration. See Dkt. No. 22-36640 (APP 000259-000271 (Vol. 4)). Alternatively, the district court denied the motion because, "as a matter of due process," Respondent was impermissibly precluded from addressing the impact of the appeal. Id. No regard was provided to procedural and substantive due process rights of NuVeda or Appellant.

IV. CONCLUSION.

For the reasons set forth above, Appellant respectfully requests that the Nevada Supreme Court stay the proceedings in Case No. A-15-728510-B or enjoin Respondent from pursuing any collection activities against any person or entity other than NuVeda (including requesting a receivership over NuVeda's former subsidiaries/affiliates).

DECLARATION OF MITCHELL STIPP

The undersigned, Mitchell Stipp, Attorney for Appellant, declares under penalty of perjury as follows:

1. The facts set forth in the motion are true and accurate to the best of my knowledge and belief.
2. The Exhibits included as part of Appellant's Motion Appendix are true and accurate.
3. I have personal knowledge of the facts contained in the motion unless otherwise qualified by information and belief or such knowledge is based on the record in this case, I am competent to testify thereto, and such facts are true and accurate to the best of my knowledge and belief.

DATED this 5th day of December, 2022.

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Telephone: (702) 602-1242
mstipp@stipplaw.com

NRAP 27(E) CERTIFICATE

1. The telephone number and office address of the attorneys for Respondent are as follows:

DICKINSON WRIGHT PLLC
BRIAN R. IRVINE
BROOKS T. WESTERGARD
100 West Liberty Street, Suite 940
Reno, Nevada 89501
Tel.: (775) 343-7500
Fax: (844) 670-6009
Email: birvine@dickinsonwright.com
Email: bwestergard@dickinsonwright.com

2. Department 31 e-served a memorandum that it intends to consider Respondent's request for a receiver over NuVeda and its subsidiaries/affiliates on December 13, 2022 at 9:00 a.m.

4. A copy of this motion and appendix of exhibits were provided to Respondent's attorneys on December 5, 2022 via email before filing it.

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

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

CERTIFICATE OF SERVICE

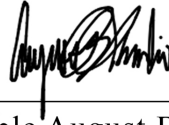
I HEREBY CERTIFY that on the 5th day of December, 2022, I filed the foregoing **Emergency Motion and Appendix (Volumes 1-4)**, using the court's electronic filing system.

DICKINSON WRIGHT PLLC
BRIAN R. IRVINE
Nevada Bar No. 7758
BROOKS T. WESTERGARD
Nevada Bar No. 14300
100 West Liberty Street
Suite 940
Reno, Nevada 89501
Tel.: (775) 343-7500
Fax: (844) 670-6009
Email: birvine@dickinsonwright.com
Email: bwestergard@dickinsonwright.com

By: /s/ Mitchell Stipp

An employee of Law Office of Mitchell Stipp

EXHIBIT 3



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
555 E., Washington Ave., Ste. 3900
Las Vegas, NV 89101
(702) 486-3420 (phone)
(702) 486-3768 (fax)
abalducci@ag.nv.gov
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.

9 ///

10 ///

11 ///

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

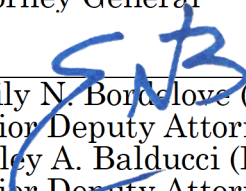
Further, upon entry by the United States Bankruptcy Judge of this Order approving said Stipulation, the CCB and the DOT will not file an opposition in this case to the Debtor's position that Debtor does not own any interest in any cannabis establishments including, without, limitation, Clark NMSD and Nye Natural. However, the CCB reserves all rights and remedies to take any action regarding any transfers concerning the Debtor's interest 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.

IT IS SO ORDERED.

Respectfully submitted:

DATED this 23rd day of August, 2022

AARON D. FORD
Attorney General



Emily N. Bortolove (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.*

EXHIBIT 4

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
555 E., Washington Ave., Ste. 3900
Las Vegas, NV 89101
(702) 486-3420 (phone)
(702) 486-3768 (fax)
abalducci@ag.nv.gov
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)

**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.

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

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.*

EXHIBIT 5

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
 555 E., Washington Ave., Ste. 3900
 Las Vegas, NV 89101
 (702) 486-3240 (phone)
 (702) 486-3768 (fax)
abalducci@ag.nv.gov
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).	Hearing Date: August 23, 2022 Hearing Time: 2:00 PM

**LIMITED JOINDER TO CREDITOR JENNIFER M. GOLDSTEIN'S
 MOTION TO DISMISS BANKRUPTCY PETITION**

The State of Nevada *ex rel.* Cannabis Compliance Board (“CCB”), by and through its counsel, Attorney General Aaron D. Ford, Senior Deputy Attorney General, Emily N. Bordelove, and Senior Deputy Attorney General, Ashley A. Balducci hereby submits this Limited Joinder To Creditor Jennifer M. Goldstein’s Motion To Dismiss Bankruptcy Petition (“underlying Motion”) and Request upon dismissal for an Order pursuant to 11 U.S.C. § 362(j) confirming that the automatic stay has been terminated. This Limited Joinder is filed pursuant to 11 U.S.C. § 105(a).

///

///

///

MEMORANDUM OF POINTS AND AUTHORITIES

INTRODUCTION

The CCB agrees that dismissal is warranted under 11 U.S.C. § 1112(b) and hereby adopts and incorporates those legal arguments relating to Debtor NuVeda LLC's ("Debtor" or "NuVeda") ownership interest in cannabis establishment subsidiaries, Clark NMSD LLC ("Clark NMSD") and Nye Natural Medicinal Solutions LLC ("Nye Natural"), as set forth in the underlying Motion, adding that Debtor's ownership interest was not formally transferred under the CCB.

Alternatively, the CCB files, contemporaneous with this Limited Joinder, a separate Motion for declaratory relief in the form of an Order from this Court that this bankruptcy does not stay the CCB's ability to execute its regulatory and enforcement powers over Clark NMSD and Nye Naturals, given 11 USC § 362(b) provides for an exception to such stay for the exercise of regulatory powers. *See* Motion for Declaratory Relief filed contemporaneously with this Limited Joinder.

ADDITIONAL RELEVANT FACTS

A. OWNERSHIP AND INJUNCTIONS

As noted in the underlying Motion, the state court in Case No. A-17-755479-B enjoined Debtor "from ***selling, transferring, or otherwise disposing of any assets*** in their possession, custody, and/or control, ***including any Nevada cannabis license*** and cash received (except as needed for normal business operations) from the lawful sale of cannabis through their Nevada retail dispensaries until this Court orders otherwise." (emphasis added). *See* underlying Motion at ¶ 24 at 13, *see also* Exhibit 16 to underlying Motion, Dkt. 45 in Case No. A-17-755479-B,¹ March 14, 2019, Injunction at 2. This injunction prohibits Debtor from transferring its ownership interests in Clark NMSD and Nye Naturals.

The state court initially put this prohibition in place in a Temporary

¹ While the pleadings list the case number as A-17-755479-C, the Eighth Judicial District Court provides the case number as A-17-755479-B. *See* **Exhibit C**, attached to Decl. of Emily N. Bordelove.

1 Restraining Order (“TRO”) filed on February 5, 2019. *See* **Exhibit A.**, Dkt. 21 in Case
2 No. A-17-755479-B, February 5, 2019, Notice of Entry of Temporary Restraining
3 Order at 4, attached to Decl. of Emily N. Bordelove.

4 Furthermore, the state court in Case No. A-17-755479-B has not lifted nor
5 modified the above TRO or injunction to allow Debtor to transfer or otherwise dispose
6 of its assets or its Nevada cannabis licenses, including ownership in Clark NMSD and
7 Nye Naturals and their associated Nevada cannabis licenses. *See* **Exhibit B.**, Dkt.
8 91 in Case No. A-17-755479-B, April 16, 2019, Notice of Entry of Amended Injunction
9 at 6, attached to Decl. of Emily N. Bordelove.

10 As noted in the underlying Motion, on or about June 12, 2019, about four
11 months after the above TRO was entered, Debtor claims it reorganized and
12 transferred its ownership interest in Clark NMSD and Nye Naturals to a *different*
13 NuVeda LLC, a Delaware limited liability company (“NuVeda DE”). *See* underlying
14 Motion ¶ 5 at 8, *see also* Exhibit 8 to underlying Motion, Dkt. 190 in Case No. A-15-
15 728510-C, Opposition to Motion to Appoint Receiver at 7.

16 As outlined in the MIPA attached to Exhibit 8 to the underlying Motion, the
17 natural persons with ownership interests in Debtor, Joseph Kennedy, Pejman Bady,
18 and Pouyha Mohajer also own NuVeda DE. *See id.* at 18-19.

19 There has been no allegation nor assertion that Debtor obtained regulatory
20 approval from any Nevada state agency, including the CCB, for the transfer of
21 Debtor’s interests in Clark NMSD and Nye Naturals to NuVeda DE. Under Nevada
22 law, a transfer of ownership interest in a cannabis establishment is not effective until
23 the state agency is notified of the transfer and the state agency finds that each person
24 acquiring an ownership interest is individually qualified to be an owner of a cannabis
25 establishment. *See* Nev. Admin. Code § 453D.315(5) (repealed 2020); Nevada
26 Cannabis Compliance Regulation (“NCCR”) 5.110(1).

27 As of the date of this Limited Joinder, the CCB’s records reflect Debtor, not
28 NuVeda DE, as the parent company that owns both Clark NMSD and Nye Naturals.

NuVeda DE, as the parent company owning both Clark NMSD and Nye Naturals. Furthermore, given the state district court's order in Case No. A-17-755479-B enjoining Debtor from transferring assets, including the Nevada cannabis licenses, it is an open question as to whether the CCB could approve a request to transfer Debtor's ownership interest in Clark NMSD and Nye Naturals to NuVeda DE.

Debtor may argue that even if it owns Clark NMSD and Nye Naturals "on paper," practically, NuVeda DE and not Debtor, received cannabis related money from these entities that would implicate 11 USC § 1112(b). However, as noted above, Debtor will be financed from a \$500,000 loan from one or more of its equity security holders. These equity security holders, Joseph Kennedy, Pejman Bady, and Pouyha Mohajer, also own NuVeda DE and receive cannabis related money from Clark NMSD and Nye Naturals. As a result, the loan from Debtor's equity security holders to fund Debtor could originate from cannabis related money that would implicate 11 USC § 1112(b).

Thus, the CCB supplements the arguments in the underlying Motion that dismissal is warranted under 11 USC § 1112(b) with the fact that Debtor *currently* owns Clark NMSD and Nye Naturals.

II. ORDER CONFIRMING TERMINATION OF STAY DUE TO DISMISSAL

If this Court grants the underlying Motion, the CCB, as a real party in interest², requests an Order from this Court confirming that the automatic stay has been terminated.

11 USC § 362 (j) provides "[o]n request of a party in interest, the court shall issue an order under subsection (c) confirming that the automatic stay has been terminated." 11 USC § 362(c)(2)(B) provides that "[e]xcept as provided in subsections (d), (e), (f), and (h) of this section-- the stay of any other act under subsection (a) of this section continues until the earliest of--the time the case is dismissed."

² Please see the CCB's Motion for Declaratory Relief, filed contemporaneously with this Limited Joinder.

1 Thus, if this Court grants the underlying Motion and dismisses Debtor's
2 bankruptcy case, the CCB requests an Order from this Court, pursuant to 11 USC §
3 362 (j), confirming that the automatic stay has been terminated.

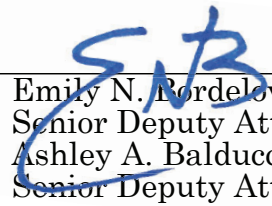
4 **CONCLUSION**

5 For the reasons stated, the CCB files this Limited Joinder To Creditor Jennifer
6 M. Goldstein's Motion To Dismiss Bankruptcy Petition and requests, if this Court
7 grants said motion an Order Confirming Termination Of Stay Due To Dismissal of
8 the Bankruptcy case.

9 DATED this 18th of July, 2022.

AARON D. FORD
Attorney General

10
11 By:


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

12
13
14 *Attorneys for State of Nevada, ex rel.*
15 *Cannabis Compliance Board*
16
17
18
19
20
21
22
23
24
25
26
27
28