

IN THE SUPREME COURT OF THE STATE OF NEVADA

IN THE MATTER OF THE ADMINISTRATION OF THE SSJ'S ISSUE TRUST,	Case No. 85927 District Court Case No. PR17-00445	Electronically Filed Jun 22 2023 12:27 PM Elizabeth A. Brown
IN THE MATTER OF THE ADMINISTRATION OF THE SAMUEL S. JAKSICK, JR. FAMILY TRUST	PR17-00446	Clerk of Supreme Court
STANLEY JAKSICK, INDIVIDUALLY AND AS CO- TRUSTEE OF THE SAMUEL S. JAKSICK, JR. FAMILY TRUST, AND AS TRUSTEE OF THE SSJ'S ISSUE TRUST, Appellant, vs. JAMES S. PROCTOR, CPA, CFE, CVA, CFF, IN HIS CAPACITY AS THE APPOINTED TRUSTEE OF THE JAKSICK FAMILY TRUST; KEVIN RILEY, INDIVIDUALLY AND AS FORMER TRUSTEE OF THE SAMUEL S. JAKSICK, JR. FAMILY TRUST, AND AS TRUSTEE OF THE WENDY A. JAKSICK 2012 BHC FAMILY TRUST; MICHAEL S. KIMMEL, INDIVIDUALLY AND AS CO- TRUSTEE OF THE SAMUEL S. JAKSICK, JR. FAMILY TRUST; TODD B. JAKSICK, INDIVIDUALLY AND AS CO- TRUSTEE OF THE SAMUEL S. JAKSICK, JR. FAMILY TRUST,		

AND AS TRUSTEE OF THE SSJ'S ISSUE TRUST; AND WENDY JAKSICK, INDIVIDUALLY, Respondents.	
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RESPONDENT'S APPENDIX

VOLUME IV

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AFFIRMATION

Pursuant to NRS 239B.030, the undersigned does hereby affirm that the preceding document does not contain the personal information of any person.

Dated this 22nd day of June, 2023.

FLETCHER & LEE

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PROOF OF SERVICE

Pursuant to NRAP 25(d), I certify that I am an employee of Fletcher & Lee, 448 Ridge Street, Reno, Nevada 89501, and that on June 22, 2023, I served the Respondent's Appendix, Volume IV via notice by electronic means to registered users of the court's electronic filing system consistent with NEFCR 9 as follows:

Carolyn Renner

Kent Robison

Zachary Johnson

R. Spencer

Cecilia Lee

Donald Lattin

Adam Hosmer-Henner

Elizabeth Fletcher

Mark Connot

I further state that I am familiar with the practice of Fletcher & Lee for service of documents via electronic email and that, in accordance with that standard practice, on June 22, 2023, I caused to be electronically mailed the Respondent's Appendix, Volume IV to the following:

J. Douglas Clark, Esq. For Probate Estate For Wendy A. Jaksick –

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Alexi Jaksick Fields – Alexifields@Yahoo.Com

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IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

In the Matter of the Administration of the
SSJ'S ISSUE TRUST.

Case No. PR17-00445

Dept. No. 15

In the Matter of the Administration of the
SAMUEL S. JAKSICK, JR. FAMILY TRUST.

CONSOLIDATED

Case No. PR17-00446

Dept No. 15

**PARTIAL OPPOSITION TO JOINT MOTION FOR FEES TO ROBISON, SHARP,
SULLIVAN & BRUST; MAUPIN COX LEGOY; AND McDONALD CARANO; AND
REPORT ON OUTSTANDING ISSUES REGARDING TRUST LIABILITY**

James S. Proctor, CPA, CFE, CVA, CFF, in his capacity as the duly appointed Temporary Trustee of the Jaksick Family Trust, by and through his attorneys of record, Cecilia Lee, Esq. and Elizabeth Fletcher, Esq., Fletcher & Lee, hereby submits the Trustee's partial opposition and a statement of his position on certain outstanding liability issues of the Family Trust in response to the Joint Motion for Fees to Robison, Sharp, Sullivan & Brust; Maupin Cox Legoy; and McDonald Carano (the "Motion"). In support of the Trustee's position, the Trustee submits the following memorandum of points and authorities, the Declaration of James S. Proctor ("Proctor Declaration"), the Declaration of Cecilia Lee ("Lee Declaration"), the Declaration of Elizabeth

1 Dendary (“Dendary Declaration”), the attached exhibits, and the papers and pleadings on file in
2 these consolidated cases, of which the Trustee asks the Court to take judicial notice.

3 **I. INTRODUCTION**

4 To the extent the Family Trust has liquidated assets, the Trustee will abide by Court order
5 directing him to satisfy the legitimate, Court-approved liabilities of the Family Trust in the order
6 of priority approved by the Court. That said, the Motion is not the appropriate vehicle to obtain
7 the necessary Court approvals for the full extent of the relief sought because some of the relief
8 sought is premature and inconsistent with the Amended Judgment and other orders incorporated
9 therein, all of which are affirmed by the Supreme Court. The purpose of this brief is to inform the
10 Court of the limited bases on which the Trustee submits that the Motion should be granted and to
11 outline a number of issues that the Trustee has identified thus far that will have to be resolved in
12 order to dispose of the balance of the Motion. In short, the Trustee submits that the Court should
13 grant the Motion, in part, and hold in abeyance the balance of the relief sought as premature.

14 On May 5, 2022, the Trustee filed an Application to Authorize Payment to Robison, Sharp,
15 Sullivan & Brust; Maupin Cox Legoy; McDonald Carano; and Spencer & Johnson (the “Trustee’s
16 Application”), in which the Trustee asked the Court to enter an order authorizing the Trustee to
17 pay each of the four law firms \$50,000 pending resolution of the entire liability of the Trust for
18 attorneys’ fees. Although the Trustee received no response from Spencer & Johnson, the other
19 three firms immediately informed undersigned counsel that they objected to the Trustee’s
20 Application, primarily on the ground that the Supreme Court oral argument was pending and no
21 payment should be made to Spencer & Johnson until the decision was rendered. Lee Declaration.
22 On May 10, 2022, the Trustee withdrew the Trustee’s Application.

23 On June 22, 2022, the Supreme Court entered its Order of Affirmance, in which it affirmed
24 the Amended Judgment in its entirety. As a result, this Court’s determinations that Todd Jaksick
25 (“Todd”) owes approximately \$200,000 to the Trusts and that the Family Trust and Issue Trust
26 owe \$300,000 as an expense of administration to Wendy Jaksick (“Wendy”) in care of Spencer &
27 Johnson are no longer subject to dispute. The Amended Judgment did not allocate between the
28 Trusts Todd’s liability to the respective Trusts or the Trusts’ respective liability to pay Wendy’s

1 attorneys' fees. In addition, pursuant to the Stock Purchase Agreement approved by this Court on
2 April 1, 2022 in connection with the purchase and sale of the Family Trust's interest in Toiyabe
3 Investment Co., Stan Jaksick ("Stan") also owes approximately \$228,000 to the Family Trust,
4 which is due on the anniversary of the sale date in 2023. To the extent the Motion requests
5 immediate payment of attorneys' fees to represent Stan and Todd in their individual capacities, it
6 appears to be inconsistent with the Amended Judgment and, in the very least, should consider their
7 respective liabilities to the Trust. The Motion does not address any of these issues and is premature
8 for these reasons.

9 Taxes and the priority of the Trust's liabilities also figure into the Motion. Throughout this
10 phase of the case, the Trustee continues to analyze and research the tax implications that may arise
11 from satisfying the attorneys' fees owed by the Family Trust in tax year 2022, so as to minimize
12 the tax consequences the Trust may have from the sale of its interest in Toiyabe Investment Co.
13 This analysis will not only inform the Trustee of the amount of tax owed and that must be paid but
14 it may also affect the Trustee's eventual determination to recommend that the Trust's attorney's
15 fees be paid in tax year 2022. Proctor Declaration. The tax considerations are set forth more fully
16 below.

17 In short, the Motion is anemic in its presentation of standards on which attorneys' fees
18 should be awarded and is silent regarding the legal effect of this Court's prior orders. The Motion
19 is premature because multiple issues must be resolved in order to minimize taxes and properly
20 implement the Order of Affirmance, this Court's Amended Judgment, and numerous other orders
21 incorporated into the Amended Judgment. However, despite these outstanding issues and thin
22 attention to applicable standards for awarding fees, some of what is requested in the Motion should
23 be approved and paid at this time subject to disgorgement. For these reasons, the Trustee requests
24 that the Court set a hearing on the Motion. In addition, the Trustee will attempt to resolve a
25 proposed order with the moving parties and submits that the order should authorize him to:

26 1. Pay Maupin Cox & Legoy the sum of \$241,463.99, consisting of:

- 27 a. \$184,632.74 in final payment of fees and costs incurred to date in Family Trust
28 Matter 17454.008, in full satisfaction of all fees and costs the Family Trust owes

1 to that firm for its representation of the former trustees;

2 b. \$51,425.00 for fees incurred in the Appeal Matter 17454.012, in full satisfaction
3 of all fees and costs the Family Trust owes to that firm for its representation of
4 the former trustees, and subject to a claim against and payment from the Issue
5 Trust for its appropriate share of those fees;

6 c. \$5,406.25 for fees incurred in Trust Administration Matter 17454.000 in full
7 satisfaction of all fees and costs the Family Trust owes to that firm for its
8 representation of the former trustees;

9 2. Pay McDonald Carano the sum of \$269,478.03 in final payment for fees and costs
10 incurred through February 18, 2021 in Matter 19453-004 for representation of Stan
11 Jaksick in the litigation and the Supreme Court Appeal through May 2022, in full
12 satisfaction of all fees and costs the Family Trust owes to that firm for its representation
13 of Stan as a former trustee through those dates;

14 3. Condition payment to Maupin Cox & Legoy as subject to disgorgement;

15 4. Discharge Maupin Cox & Legoy as counsel for former trustees Todd Jaksick, Stan
16 Jaksick, Michael Kimmel and Kevin Riley;

17 5. Condition payment to McDonald Carano as subject to disgorgement;

18 6. Discharge McDonald Carano as counsel for former trustee Stan Jaksick;

19 7. Pay \$50,000 to Spencer & Johnson, subject to this Court's allocation of liability
20 between the Issue Trust and the Family Trust;

21 8. Hold in abeyance the remainder of the relief requested in the Motion as premature.

22 **II. TRUSTEE'S POSITION STATEMENT AND PROPOSALS**

23 **1. Court's Trial Orders and Judgments and Supreme Court Order of Affirmance.**

24 In its March 12, 2020 Order After Equitable Trial, the Court ordered that Stan and Michael
25 Kimmel's attorneys' fees be chargeable to the Family Trust and paid from trust corpus. Id., p. 17.
26 The Court furthered ordered that the Trusts shall pay 100% of the fees incurred by their attorneys
27 in representation of the trustees, except that "Todd shall reimburse the trusts from his personal
28 resources for 25% of the amount paid because the jury determined he breached his fiduciary

1 duties.” Id., p. 21 ¶(a). The Court ordered Todd to “disgorge or disclaim all trustee’s fees from
2 the inception of his trusteeship through the date when final judgment is entered.” Id., p. 17, ll.2-
3 3. Todd was entitled to reduce the reimbursement of attorneys’ fees by the amount of trustee’s
4 fees he was ordered to disgorge. Id., p. 21, l. 28 – p. 22, l.1.¹ The Court further ordered Wendy
5 to pay 100% of fees Todd incurred individually from the date his offer of judgment was served on
6 her. Id., p. 22 ¶(c). The Court further ordered that the Trusts shall pay combined attorneys’ fees
7 of \$300,000 to Wendy’s attorneys. Id., ¶(d). The Court did not apportion the \$300,000 owed to
8 Wendy between the Issue Trust and the Family Trust or Todd’s liability to each Trust. The Court
9 finally ordered that all fees ordered shall be treated as general trust administration expenses and
10 not allocated to any beneficiary’s distributive share. Id. ¶(e).

11 On June 10, 2020, the Court entered its Order Resolving Submitted Matters wherein the
12 Court granted Todd’s individual claim for attorneys’ fees and costs for equitable trial against
13 Wendy.² In denying Kevin Riley and Michael Kimmel’s motions for attorney’s fees and costs
14 against Wendy, the Court acknowledged its previous ruling in its Order After Equitable Trial that
15 the attorneys’ fees for representing the trustees would be paid as a general trust administration
16 expense, id., pp. 17, 22, and acknowledged the difficulty in discerning the distinction between
17 costs and fees incurred by Todd as trustee and the costs and fees incurred by Todd individually.
18 Id., p. 4. The Court reiterated that the fees Stan incurred as co-trustee of the Family Trust are
19 payable from the Family Trust and any fees incurred by Stan individually are not before the Court
20 and are not included within any order. Id., p. 5. The Court further explained that it did not intend
21 that fees Stanley incurred individually would be charged against the Trust. Id., p. 5, fn.2. Again,
22 the Court noted that Stan’s attempt to allocate fees he incurred early and individually from fees he
23 incurred as co-trustee may be problematic. Id., p. 6. The Court further clarified that Todd is

24 _____
25 ¹ The amount of trustee’s fees the Family Trust paid to Todd is another issue to resolve.

26 ² Todd has never filed a motion with the Court for an award of the fees incurred for his personal
27 representation from the Family Trust. Relief of that nature would be inconsistent with the Order
28 Resolving Submitted Matters discussed herein, wherein the Court made distinctions between fees
incurred by Todd in his representative and individual capacities would be difficult to separate. The
Court also stated that it did not intend that fees incurred by Stan individually would not be charged
against the Family Trust.

1 personally responsible for 25% of the fees incurred by Maupin Cox & LeGoy and not by co-trustee
2 Stan. Id., p. 8.

3 On July 6, 2020, the Court entered the Amended Judgment, consistent with its Order
4 Resolving Submitted Matters. At page 2, the Amended Judgment incorporated the Judgment,
5 Order on Equitable Claims and Order Resolving Submitted Matters. In response to Stan's
6 Memorandum of Attorney's Fees, the Court held that the fees incurred by Stan as a co-trustee are
7 payable from the Trust and "Court intervention was neither requested nor is given." Id., p. 3, ll.1-
8 3. The Amended Judgment provided that Todd has no personal responsibility for 25 percent of
9 the fees the Trusts paid for the benefit of Stan. Id., p. 3, ll.4-6. The Court affirmed that Todd
10 remains responsible to pay 25 percent of the fees paid to MCL for representing Todd, Michael
11 Kimmel and Kevin Riley as co-trustees. Id., p. 3, ll.7-11. "Todd is ordered to reimburse the trusts
12 25% if the balance (\$797,021.75) in the amount of \$199,255.44." Id., p. 3, ll.27-28. The Judgment
13 on Jury Verdict and Court Order on Equitable Claims entered on April 14, 2020 required Todd "to
14 disgorge all Trustee's fees paid to him, and payment thereof will constitute a setoff against any
15 amounts he must pay as and for 25% of the attorneys' fees paid to Trustees' counsel of record."
16 Id., p. 5, ll. 15-17. The Amended Judgment did not alter the disgorgement of trustee's fees or
17 offset.

18 On June 22, 2022, the Supreme Court entered an Order of Affirmance, in which it affirmed
19 the Amended Judgment in its entirety.

20 The Motion does not address the contents and binding legal effect of these decrees.

21 **2. Settlement Agreement, Co-Trustees' Agreement and Indemnity Agreements.**

22 On January 31, 2019, Stan, individually, as beneficiary and as Co-Trustee of the Family
23 Trust, and as Trustee of the 2013 Stanley Jaksick Revocable Family Trust, and Todd, individually,
24 as beneficiary and Co-Trustee of the Family Trust, as beneficiary and Trustee of the SSJ's Issue
25 Trust, manager of Incline TSS, LLC, and Trustee of the Todd B. Jaksick Family Trust, TBJ Issue
26 Trust, TBJ SC Trust, and TBJ Investment Trust, entered into the Settlement Agreement and
27 Release (the "Settlement Agreement"). Exhibit 1. The Settlement Agreement provides:

28 ///

1 II. The Parties agree on the following terms as a full and final
2 settlement of all claims between the Parties:

3 A. The Parties agree to withdraw the Counterpetitions
4 by Stanley and the Petition for Reconveyance of Trust
5 Assets by Todd... The law firm of Maupin Cox & LeGoy
6 and the law firm of McDonald Carano will substitute in as
7 co-counsel for Stan in his capacity as co-Trustee of the
Family Trust, with Philip Kreitlein remaining as co-counsel
for Stan in his capacity as co-Trustee of the Family Trust ...
with the Family Trust to cover the legal fees incurred.

8 Id., p. 2. The Todd Indemnification Agreement “will not be terminated but will be limited to the
9 Ag Credit loan #101, including all reimbursements, all note-forgiveness, and all loan payments
10 until paid in full.” Id., p. 3 ¶F.

11 Todd and Stan agreed to the payment of their *individual* attorney’s fees as follows:

12 “With respect to attorney’s fees paid or incurred by Todd or Stan in
13 their **individual or beneficiary capacities** in Cases Nos. PR17-
14 00445 and PR17-00446 or with respect to any attorney’s fees
15 associated with their indemnification agreements, Todd and Stan
16 agree as follows: i. Todd and Stan agree that the Family Trust shall
reimburse Todd in the amount of \$400,000 and Stan in the amount
of \$250,000 for attorney’s fees. Should there be an appeal of any
action by Wendy Jaksick, then Todd can secure additional attorney’s
fees not to exceed \$150,000.”

17 Id., p. 4 ¶G (emphasis added). The Parties “specifically agree that the attorney’s fees provision of
18 this Agreement, Section II(G), is not a material term of this Agreement and variance in these
19 attorney’s fees will not affect the validity of this Agreement.” Id., pp. 4-5 ¶(III).

20 On August 29, 2019, Stan, Todd and Michael Kimmel, co-Trustees of the Family Trust,
21 executed the Samuel S. Jaksick, Jr. Family Trust – Agreement of the Co-Trustees on August 29,
22 2019 (the “Co-Trustee Agreement”). Exhibit 2. The Co-Trustee Agreement outlined the
23 attorney’s fees the former co-trustees agreed to be paid by the Family Trust:

24 By September 17, 2019, the Family Trust will (**subject to any**
25 **adverse ruling of the Court**):

26 a. Pay the law firm of Maupin Cox & LeGoy the amount of
27 \$105,620.39 for attorney’s fees and costs owed by the Family
28 Trust.

1 b. Pay the law firm of Kreitlein Leeder & Moss the amount of
2 \$50,752.23 for attorney's fees and costs owed by the Family
Trust.

3 c. Pay the law firm of McDonald Carano LLP the amount of
4 \$143,195.64 for attorney's fees and costs owed by the Family
Trust.

5 d. [P]ay the law firm of Robison Sharp Sullivan & Brust the
6 amount of \$220,000 for attorney's fees and costs incurred in the
7 representation of Todd Jaksick individually.

8 e. When sufficient cash is available to the Family Trust, and
9 prior to any additional payments or distributions from the Family
Trust to the law firm of Robison Sharp Sullivan & Brust, the
10 Family Trust will pay the law firm of McDonald Carano LLP the
amount of \$137,500 for attorney's fees and costs incurred in the
11 representation of Stanley Jaksick individually.

12 f. Stanley Jaksick and Michael Kimmel agree not to object to
attorney's fees that have been paid as of the date of this agreement
13 to Robison Sharp Sullivan & Brust or Maupin Cox & LeGoy LLP
from the SSJ's Issue Trust. Should the Court require the refund
14 of attorney's fees from Robison Sharp Sullivan & Brust to the
Issue Trust, McDonald Carano LLP will refund the \$137,500
15 payment to the Family Trust. However, this agreement does not
prevent McDonald Carano LLP or Robison Sharp Sullivan &
16 Brust from obtaining this amount or other amounts from the
Family Trust on any other basis and does not deny McDonald
17 Carano LLP or Robison Sharp Sullivan & Brust entitlement to
these fees from any source.

18
19 Id., pp. 1-3 (emphasis added). The former Trustees did not seek Court approval of the Co-Trustee
20 Agreement.

21 The Co-Trustee Agreement further provides that Todd and Stan, through their sub-trusts,
22 were to pay certain amounts to the Family Trust by September 4, 2019, for which they were to
23 receive releases for any related causes of action. Id., ¶1 and 2. The Motion is silent with respect
24 to these obligations.³

25
26 ³ In a Hearing Statement Stan filed on November 17, 2020, Stan represented at page 7 that he had
27 already transferred funds from his subtrust to the Family Trust and that the Family Trust had
28 already spent the money.

1 The former Trustees did not seek Court approval of the Settlement Agreement until the fall
2 of 2020 and then only after Stan and Todd engaged in motion practice regarding its enforcement.
3 In its Order to Set entered on September 22, 2020, the Court stated that it “is inclined to view its
4 approval of the agreement in its entirety a ministerial act to be granted with limited discretion.
5 Provided, however, that some provisions of the agreement may require judicial intervention and
6 resolution.” Order to Set, p. 7, ll.6-9. The Court identified unresolved questions about the contents
7 of the Settlement Agreement, including “the existence of three separate attorneys for Stanley as
8 co-trustee and Maupin Cox & Legoy’s dual representation of Todd and Stanley” as issues to be
9 addressed. Id., p. 8, ll. 15-17. At a November 19, 2020 hearing, the Court stated that the
10 “settlement agreement shall be deemed an ENFORCEABLE document. COURT noted provisions
11 of said settlement agreement document need to be unpacked.” Corrected Minutes of Court,
12 December 1, 2020, page 3. On January 8, 2021, the Court entered its Order Granting Petition for
13 Instructions and Motion to Partially Enforce Settlement Agreement, in which it approved the
14 Settlement Agreement “is a valid and enforceable as between Todd Jaksick and Stanley Jaksick.”
15 Id., p. 2, ll.21-22.

16 On January 1, 2008, Samuel S. Jaksick, Jr., individually and as trustee of the Samuel S.
17 Jaksick, Jr. Family Trust Agreement revised 6/29/06, executed an Indemnification and
18 Contribution Agreement in favor of Todd B. Jaksick and Dawn Jaksick, individually, TBJ SC
19 Trust and TBJ Investment Trust (the “Todd Indemnification Agreement”). Exhibit 3. The Todd
20 Indemnification Agreement provides that “Indemnitor wishes to indemnify Indemnitees with
21 respect to any claims, liability, obligations for any demand, threatened, pending or completed
22 action, suit or proceeding arising (directly or indirectly) pursuant to and including, without
23 limitation, obligations described on **Exhibit A** and incorporated herein by reference.” Id., p. 1 ¶D
24 (emphasis in original). The “Obligations” are further described as ones that “Samuel S. Jaksick,
25 Jr., and Todd B. Jaksick, are each, in some fashion, obligated proportionately and/or jointly and
26 severally to repay[.]” Id., p. 1 ¶F.

27 The purpose of the Todd Indemnification Agreement is defined as:

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1 Indemnitee shall not be required to repay a promissory note or incur
2 any liability for any deficiency claim, liability or judgment in the
3 event the Obligations become due and payable, including attorneys
4 fees and costs nor shall Indemnities be personally liable on any
5 covenant, claim, debt or obligation under the Obligations or any of
6 the related or ancillary documents. In the event of any such claim,
7 debt, or liability is made and/or asserted against Indemnites, the
Indemnitor shall defend and indemnify Indemnites from any and
all such debts, liability or claims, including without limitation,
attorneys fees and costs, including, without limitation, those arising
under the Obligations.

8 Id., p. 2 ¶1. The Indemnification provision of the Todd Indemnification Agreement states that
9 “Indemnitor agrees to defend and indemnify and hold harmless, Indemnites and shall reimburse
10 Indemnites for any loss, liability, claim, damage, expense, including costs of investigation,
11 defense costs, reasonable attorneys fees and expenses...arising from or in connection with the
12 Obligations.” Id., ¶2.2.1. The “rights conferred on the Parties by this Agreement shall continue
13 until termination and expiration of the Obligations.” Id., p. 5 ¶9. Attached as Exhibit A to the
14 Todd Indemnification Agreement is a non-exhaustive list of the Obligations. Id., p. 1 ¶E. The
15 handwritten notations to Exhibit A suggest that many of the Obligations have been satisfied. There
16 is no provision to indemnify Todd individually in the litigation that resulted in the Amended
17 Judgment or the appeal therefrom.

18 Also on January 1, 2008, Samuel S. Jaksick, Jr., individually and as trustee of Samuel S.
19 Jaksick, Jr. Family Trust Agreement dated June 29, 2006, entered into an Indemnity Agreement
20 with Stanley S. Jaksick (“Stan Indemnity Agreement”) that is similar in some respects to the Todd
21 Indemnity Agreement. Exhibit 4. It defines “Obligations” as “any claims, liability, obligations
22 for any demand, threatened, pending or completed action, suit or proceeding arising (directly or
23 indirectly) pursuant to and including, without limitation, the family obligations described on
24 **Exhibit A** and incorporated herein by reference[.]” Exhibit 4. p. 1 (emphasis in original). The
25 referenced Exhibit A is not attached. The “Obligations” are further described as ones that “Samuel
26 S. Jaksick, Jr., and Indemnitee may each, in some fashion, become obligated proportionately
27 and/or jointly and severally to repay[.]” Id., p. 1 ¶F. The purpose and scope of the indemnity is
28 the same as the Todd Indemnification Agreement.

1 There is no language in the Todd Indemnification Agreement that entitles him to be
2 indemnified by the Family Trust for his individual representation in the litigation or appeal. Even
3 if it were, the Todd Indemnification Agreement is further drastically limited in scope by the
4 Settlement Agreement – and those limitations make no mention of any right to attorneys’ fees from
5 the Indemnification Agreement. Similarly, no language in the Trust Agreement entitles Todd to
6 be indemnified by the Family Trust for his individual representation in the litigation that resulted
7 in the Amended Judgment or in the appeal. These same observations apply with greater force to
8 Stan, whose Indemnity Agreement covered at most Obligations for which the Decedent and Stan
9 “may” be jointly liable.

10 The Motion is silent with respect to the effect of the indemnity agreements and this Court’s
11 orders the requests of Stan and Todd for payment of their individual legal representation.

12 **3. Information Obtained from Maupin Cox & Legoy and Trustee’s Proposal**

13 The Declaration of Donald Lattin attached to the Motion attests that “[a]ll billing
14 statements” for which MCL is seeking approval “have been provided to the Trustee and counsel.
15 Motion, p. 64, ll 5-6. That is incorrect. The Trustee has received three invoices on the Family
16 Trust matter 17454.008 dated January 1, 2021 to June 1, 2022 from MCL. The Trustee received
17 invoices from Kevin Riley dated October 2019 through January 2021. It was precisely because
18 MCL had not provided all invoices on this matter that counsel proposed a conversation with MCL
19 employee who could assist in resolving the matter. Counsel spoke to Correen B. Drake; that
20 conversation was helpful in addressing the Trustee’s attempts to obtain the necessary information,
21 namely, fees and costs incurred, amounts paid and resulting balance for each billing period and for
22 each billing matter for which the firm would seek payment from the Family Trust, including Trust
23 Administration Matter 17454.000 that the Trustee became aware of based on information provided
24 by Kevin Riley. Ms. Drake explained that to provide the underlying invoices would require a
25 significant amount of work to redact for privilege, as a result of which she and counsel explored
26 alternative reports that could be provided that would convey the necessary information. Ms. Drake
27 then transmitted an Account Receivable Journal along with the three invoices from January 1,
28 2021 to June 1, 2022. Lee Declaration. It is based on this information that the Trustee is able to

confirm the fees and costs incurred through and after February 18, 2021, which is summarized in the chart below. Dendary Declaration. The chart also reports a recent order directing return of a \$500.00 appellate cost bond to Attorney Lattin.

Matter	Year	Fees	Costs	Total	Payments	Balance
Family Trust 17454.008	2018	\$ 263,320.00	\$ 10,327.36	\$ 273,647.36	\$ (219,909.65)	
	2019	\$ 256,985.00	\$ 38,362.39	\$ 295,347.39	\$ (314,389.35)	
	2020	\$ 131,962.50	\$ 3,512.82	\$ 135,475.32	\$ (12,413.33)	
	2021	\$ 18,787.50	\$ 934.00	\$ 19,721.50	\$ (3,386.90)	
	2022	\$ 10,818.75	\$ 221.65	\$ 11,040.40	\$ (500.00) ⁴	
	TOTAL	\$ 681,873.75	\$ 53,358.22	\$ 735,231.97	\$ (550,599.23)	\$184,632.74
Prior to 2/18/2021		\$ 668,292.50	\$ 52,702.57	\$ 720,995.07		
On/after 2/18/21		\$ 13,581.25	\$ 655.65	\$ 14,236.90		
Proposed Payment		\$ 183,821.92	\$ 810.82	\$184,632.74		
Appeal 17454.012	2021	\$ 28,125.00	\$ -	\$ 28,125.00	\$ -	
	2022	\$ 23,300.00	\$ -	\$ 23,300.00	\$ -	
	TOTAL	\$ 51,425.00	\$ -	\$ 51,425.00	\$ -	\$ 51,425.00
Trust Admin. 17454.000	2019	\$ 3,025.00	\$ -	\$ 3,025.00	\$ -	
	2020	\$ 1,256.25	\$ -	\$ 1,256.25	\$ -	
	2021	\$ 112.50	\$ -	\$ 112.50	\$ -	
	2022	\$ 1,012.50	\$ -	\$ 1,012.50	\$ -	
	TOTAL	\$ 5,406.25	\$ -	\$ 5,406.25	\$ -	\$ 5,406.25
GRAND TOTAL FOR REPRESENTING TRUSTEES OF THE FAMILY TRUST IN THE LITIGATION, APPEAL AND TRUST ADMINISTRATION				\$792,063.22	\$ (550,599.23)	\$241,463.99

This chart represents verification of amounts; it does not represent affirmation of the reasonableness, necessity or benefit of the services provided. Although the Court is no doubt aware of the litigation services provided through the entry of the Amended Judgment, the Motion does not argue these standards for any of the fees sought. The chart also does not include amounts billed by MCL to the Issue Trust for the litigation. The Trustee has been informed that MCL split

⁴ Order for Return of Appeal Bond, dated August 8, 2022, directing return of Supreme Court Appeal Bond in the amount of \$500.00 to Donald A. Lattin, Esq.

1 the fees for these services 67 percent to the Family Trust and 33 percent to the Issue Trust. Lee
2 Declaration.

3 The Motion does not affirmatively seek an order authorizing the Trustee to pay fees to
4 MCL for the Appeal or for the Trust Administration and does not argue the reasonableness,
5 necessity or benefit to the Trust for the services. Based on the Court's Order Appointing
6 Temporary Trustee, discussed below, and assuming the Court finds that the appropriate standards
7 have been satisfied, the Trustee submits that the only issue regarding the Appeal is the amount he
8 should be directed to pay MCL for the appellate work. The summary set forth above substantiates
9 fees of \$51,425.00 and the Trustee submits that this amount should be paid so as to eliminate
10 further delay and cost.⁵ However, the Issue Trust, through Todd as its trustee, is listed as an
11 appellant and the issues relating to its assets and liabilities – namely, its right to a portion of the
12 approximately \$200,000 Todd was ordered to pay the Trusts and its liability for a portion of the
13 \$300,000 in attorneys' fees awarded to Wendy – were at issue. Accordingly, the Trustee submits
14 that payment of the fees to MCL for representing the Trusts in the Appeal should be subject to the
15 Trustee's right to seek reimbursement for the Issue Trust's fair share.

16 **4. Information Obtained from McDonald Carano and Trustee's Proposal**

17 The following chart represents the Trustee's summary of the amounts he has been able to
18 verify charged by MC for two billing matters, 19435-1 entitled Trust Litigation (for representation
19 of Stan Jaksick individually) and 19435-4 for representing Stan in his capacity as trustee. Dendary
20 Declaration. The chart also reports the August 8, 2022 order from this Court directing return of a
21 \$500.00 appellate cost bond to Attorney Hosmer-Henner.

22 ///

23 ///

24 ///

25
26 ⁵ The time entries for the appeal are not all uniformly entered in Matter 17454.012. Some of the
27 time entries related to the briefing were included in Matter 17454.008 for the Trust Litigation,
28 including some time entries after February 18, 2021. In addition to entries attributable to the
appeal, the time entries after February 18, 2021 appear to come within the Court's holding in the
Order Appointing Temporary Trustee. Lee Declaration.

Matter: 19453-1 Trust Litigation (representation of Stan Jaksick individually)			
Timeframe	Fees	Costs	Total
12/27/2017-1/31/2019 ⁶	\$ 243,904.50	\$ 26,534.07	\$ 270,438.57
3/5/2021-5/24/2022 ⁷	\$ 66,999.00	\$ 362.70	\$ 67,361.70
TOTAL	\$ 310,903.50	\$ 26,896.77	\$ 337,800.27 ⁸
Paid by Stan	\$(140,053.92)	\$(12,158.35)	\$(152,212.27)
Balance	\$ 170,849.58	\$ 14,738.42	\$ 185,588.00

Matter: 19453-4 Co-Trustee of Jaksick Family Trust			
Timeframe	Fees	Costs	Total
1/31/2019-2/17/2021	\$ 335,340.00	\$ 6,003.67	\$ 341,343.67
Billing entry on 2/18/2021 ⁹	\$ 2,250.00	\$ -	\$ 2,250.00
Appeal Fees 3/11/2021-5/17/2022	\$ 73,450.00	\$ -	\$ 73,450.00
TOTAL	\$ 411,040.00	\$ 6,003.67	\$ 417,043.67 ¹⁰
Paid by Family Trust	\$(143,280.00)	\$ (3,785.64)	\$(147,065.64)
Return of Appeal Bond ¹¹		\$ (500.00)	\$ (500.00)
Balance	\$ 267,760.00	\$ 1,718.03	\$ 269,478.03

The Trustee recommends that the Court enter an order authorizing him to pay the sum of \$269,478.03 to McDonald Carano in full satisfaction of the Matter 19453-4 through February 18,

⁶ From the records provided, there is a gap in the time period billed in this matter of February 1, 2019 to March 4, 2021. Mr. Hosmer-Henner has represented to the Trustee that no time was billed in this matter from February 1, 2019 to February 18, 2021. However, the June 29, 2022 invoice refers to two invoices (dated September 29, 2020 and March 31, 2021, respectively) that remain outstanding and unpaid and for which the Trustee has no information. The total of these two invoices is \$2,025.00. Dendary Declaration.

⁷ Although not requested in the Motion, on January 18, 2022, Mr. Hosmer-Henner informed the Trustee of his intent to seek payment from the Family Trust of \$45,324.00 for fees billed under Matter 19453-1 between February 19, 2021 and December 31, 2021. A Time Report for March 5, 2021 to May 24, 2022 was provided to the Trustee was not included as part of Mr. Hosmer-Henner's declaration in support of the Motion. Dendary Declaration.

⁸ This total excludes interest and late fees in the amount of \$145,177.27. See Motion, Ex. 1, ¶12.

⁹ "From February 18, 2021, until further order of this Court, Todd and Stanley Jaksick are not entitled to ... reimbursement or payment from the Family Trust for professional fees, including attorney's fees related to this litigation or the Family Trust, with the exception of attorney's fees related to the appeal in this matter..." Order Appointing Temporary Trustee, entered on February 25, 2021. McDonald Carano did not bill any fees in Matter 19453-4 after February 18, 2021 other than relating to the Appeal with the exception one time entry billed on February 18, 2021 for attending the Court's hearing on that date. Dendary Declaration.

¹⁰ This total excludes interest and late fees in the amount of \$89,757.44. See Motion, Ex. 1, ¶17.

¹¹ Order for Return of Appeal Bond, dated August 8, 2022, directing return of Supreme Court Appeal Bond in the amount of \$500.00 to Adam Hosmer-Henner, Esq.

2021 for representing Stan as a co-trustee in the litigation and through May 2022 in the appeal. The Court will note that this amount includes the fees incurred in the litigation on February 18, 2021, the cutoff date set forth in the order appointing Mr. Proctor. The Trustee submits that the fees incurred on February 18, 2021 were for attending the hearing on Mr. Proctor's appointment and that it is both contrary to this Court's stated intent in the Order and unfair to counsel to deny fees on that basis. In addition, the Motion reports that this firm charges interest and late fees which it is willing to waive if payment is received within 45 days of filing the Motion. The Trustee reserves the right to object to interest and late fees against the Family Trust in the event McDonald Carano revokes its waiver.

As set forth above, this Court has not authorized the payment of fees to represent Stan individually. The Settlement Agreement has not been interpreted to authorize the payment as an administrative expense of individual fees the brothers agreed to, as that is inconsistent with the Amended Judgment. In addition, Stan owes the Family Trust approximately \$228,000, due in 2023. The Trustee recommends that any amounts paid pursuant to the Settlement Agreement be held in abeyance pending the determination and payment of the 2022 tax returns and the collection – through offset or otherwise – as may be available to satisfy Stan's debt to the Trust.

5. Information Obtained from Robison, Sharp, Sullivan & Brust and Trustee's Proposal

The following chart represents the Trustee's summary of the amounts he has been able to verify charged by RSSB and for which it seeks payment. Dendary Declaration.

Family Trust, Account No. 1368-002M						
	2018	2019	2020	2021	2022	TOTALS
Fees	\$ 181,352.25	\$ 196,322.00	\$ 55,024.50	\$ 25,940.00	\$ 16,760.00	\$ 475,398.75
Costs	\$ 5,648.32	\$ 3,671.94	\$ -	\$ -	\$ -	\$ 9,320.26
					Fees & Costs	\$ 484,719.01
Payments	\$ (8,826.50)	\$(215,827.60)	\$(120,326.73)	\$ (2,866.76)	\$ -	\$ (347,847.59)
Discounts			\$ (25,000.00)			\$ (25,000.00)
					Balance	\$ 111,871.42

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Issue Trust, Account No. 1368-001M								
	2016	2017	2018	2019	2020	2021	2022	TOTALS
Fees	\$2,480.00	\$15,069.00	\$187,837.50	\$249,426.00	\$62,776.50	\$15,270.00	\$4,816.00	\$537,675.00
Costs	\$ -	\$104.00	\$37,168.04	\$27,432.01	\$2,628.96	\$1,615.33	\$524.42	\$69,472.76
Fees & Costs								\$607,147.76
Paid	\$(1,640.00)	\$(10,215.50)	\$(11,725.25)	\$(440,222.53)	\$(79,673.27)	\$(3,986.00)	\$ -	\$(547,462.55)
Balance								\$59,685.21

Appeal, Account No. 1368-003M			
	2021	2022	TOTALS
Fees	\$ 49,335.00	\$ 80.00	\$ 49,415.00
Costs	\$ 1,797.20	\$ -	\$ 1,797.20
Fees & Costs			\$ 51,212.20
Payments	\$(51,092.20)	\$ -	\$(51,092.20)
Balance			\$ 120.00

This Court has not authorized the payment of fees to represent Todd individually. The Settlement Agreement has not been interpreted to authorize the payment of individual fees that the brothers agreed to as an administrative expense. In addition, Todd owes the Family Trust some portion of approximately \$200,000. The amount of trustee's fees paid to Todd is also at issue. The Trustee recommends that any amounts paid pursuant to the Settlement Agreement be held in abeyance pending the resolution of these issues and the determination and payment of the 2022 tax returns and collection – through offset or otherwise – as may be available to satisfy Stan's debt to the Trust.

6. Trustee's Appointment and Tax Analysis

The Trustee was appointed by the Order Appointing Temporary Trustee ("Appointment Order") entered by the Court on February 25, 2021. In that order, the Court held

From February 18, 2021, until further order of this Court, Todd and Stanley Jaksick are not entitled to trustee fees or reimbursement or payment from the Family Trust for professional fees, including attorney's fees related to this litigation or the Family Trust, with the exception of attorney's fees related to the appeal in this matter (case No. 81470) currently pending in the Nevada Supreme Court. This Order is not intended [sic] disrupt the appellate proceedings, the relationships between the trustee and their attorneys, the payment of attorney's fees from the Family Trust for the appellate proceedings, or the payment of legal fees or other professional expenses for Todd and Stanley that were incurred prior to February 18,

2021. The Temporary Trustee may recommend the payment of attorney's fees to the trustees' trust attorneys if the fees were incurred to effect the orderly and efficient transition of trust administration from the Co-Trustees to the Temporary Trustee.

Appointment Order, p. 2, ll. 11-22.

As set forth above, the Trustee believes the fees incurred by McDonald Carano on February 18, 2021 should be paid as part of its litigation representation of Stan as Trustee. McDonald Carano has reserved the right to seek additional fees incurred after February 18, 2021 pursuant to the Appointment Order. The Trustee does not take any position with respect thereto at this time.

Maupin Cox & Legoy requested fees incurred after February 18, 2021 in the Motion. The Trustee has reviewed the tasks performed and believes these were reasonable and necessary to effectuate the transition of trust administration and has included these amounts in his proposals to resolve the Motion. Lee Declaration.

The Family Trust has a number of other outstanding liabilities. These include the balance of fees owed to Phil Kreitlein, Esq. for representing Stan as a co-trustee, for which the Trustee will seek Court approval to pay this balance, so as to achieve parity with the other law firms who represented the trustees. The Trust may owe trustee's fees to Michael Kimmel. The Family Trust has other claimants, including secured debt to Ag Credit and capital calls for which the underlying assets were transferred out of the Trust. In short, there are many constituencies and claimants to the assets of the Trust, for the Trustee to consider as he goes through the process of attempting to liquidate assets and pay claims. It was the Trustee's intent to file the necessary pleadings to pay the administrative claims arising out of the Amended Judgment in September. The Motion has distracted from that effort and required the Trustee to inform the Court of the many pending and unresolved issues – issues on which the Motion is silent. There may be additional issues that will need to come to the Court's attention that are not included in this brief, the filing of which is not on the accelerated time frame the Trustee would have chosen.

In conjunction with the Toiyabe Investment Co. ("TIC") transaction, the Court is aware that TIC was a member of Montreux Development Group ("MDXG"), which in turn owed certain real property in the Montreux community. The TIC transaction included the sale of an undivided

1 interest in the MXDG lots to the Purchaser, with the proceeds of sale used to redeem the Trust's
2 shares in TIC. The Trustee had discussions with the Trust's CPA, Kevin Riley, regarding the
3 Trust's projected tax liability from the two-tiers of this transaction. Kevin Riley prepared
4 preliminary and draft estimates of taxes that the Trust will owe on the sale of the MXDG lots as
5 well as the redemption of the Trust's stock ownership in TIC. It is important to note that it is
6 anticipated that ordinary income from the sale of the Montreux lots will pass-through to TIC for
7 its ownership of MXDG. That ordinary income recognized by TIC will then be passed through to
8 the shareholders of TIC, including the Trust and its 50% ownership. The ordinary income will be
9 taxed at ordinary income tax rates. The Trust will also recognize long term capital gains on its
10 redemption of stock it owns in TIC. The long-term capital gains will be paid at tax rates for capital
11 gains. Thus, some of the tax liability of the Trust will be at ordinary income rates and some at
12 capital gains rates. Proctor Declaration.

13 The TIC stock ownership was valued at the date of death in 2013 and is less than the stock
14 basis (as reported in the Accumulated Adjustments Account) reported on the TIC tax return. The
15 lower valuation at the date of death, and as reported on the Estate's tax return, reduced the estate
16 tax due at that time. The result of such is that the Trust's stock ownership in TIC has a reduced
17 basis, resulting in a larger capital gain upon its redemption of stock in 2022. Id.

18 The tax discussions with Mr. Riley included whether some of the legal fees owed, and to
19 be paid, could be classified as capital transactions as opposed to ordinary expenses to deduct
20 against the ordinary income of the Trust. As Mr. Riley did not have full documentation of the
21 legal fees¹², he was unsure what, if any legal fees could be reclassified. Id.

22 The estimated tax liability of the Trust is significant and must be paid. The tax liability has
23 to be paid before legal fees, other administrative expenses, creditors and beneficiaries can be paid.
24 Any unpaid taxes will be subject to interest and penalties. Id.

25
26 ¹² Indeed, it was not until within the last month that the Trustee and counsel obtained sufficient
27 documentation of the legal fees for analysis, despite requests dating back to October 2021 to
28 provide the necessary information and documents. As it is, some of the billing statements from
the law firms are redacted, and a proper classification and categorization of legal fees incurred
may not be determinable in their present forms.

1 The Trustee and the CPA are scheduled to have more discussions regarding this within the
2 next several weeks. Id.

3 **III. CONCLUSION**

4 For these reasons, the Trustee submits that certain aspects of the Motion are premature and
5 requests that the Court set a hearing on the Motion. In addition, as to the portions of the Motion
6 that the Trustee believes should be granted, the Trustee will attempt to resolve a proposed order
7 with the moving parties and submits that the order should authorize him to:

- 8 1. Pay Maupin Cox & Legoy the sum of \$241,463.99, consisting of:
 - 9 a. \$184,632.74 in final payment of fees and costs incurred to date in Family Trust
10 Matter 17454.008, in full satisfaction of all fees and costs the Family Trust owes
11 to that firm for its representation of the former trustees;
 - 12 b. \$51,425.00 for fees incurred in the Appeal Matter 17454.012, in full satisfaction
13 of all fees and costs the Family Trust owes to that firm for its representation of
14 the former trustees, and subject to a claim against and payment from the Issue
15 Trust for its appropriate share of those fees;
 - 16 c. \$5,406.25 for fees incurred in Trust Administration Matter 17454.000 in full
17 satisfaction of all fees and costs the Family Trust owes to that firm for its
18 representation of the former trustees;
- 19 2. Pay McDonald Carano the sum of \$269,478.03 in final payment for fees and costs
20 incurred through February 18, 2021 in Matter 19453-004 for representation of Stan
21 Jaksick in the litigation and the Supreme Court Appeal through May 2022, in full
22 satisfaction of all fees and costs the Family Trust owes to that firm for its
23 representation of Stan as a former trustee through those dates;
- 24 3. Condition payment to Maupin Cox & Legoy as subject to disgorgement;
- 25 4. Discharge Maupin Cox & Legoy as counsel for former trustees Todd Jaksick, Stan
26 Jaksick, Michael Kimmel and Kevin Riley;
- 27 5. Condition payment to McDonald Carano as subject to disgorgement;
- 28 6. Discharge McDonald Carano as counsel for former trustee Stan Jaksick;

- 1 7. Pay \$50,000 to Spencer & Johnson, subject to this Court's allocation of liability
2 between the Issue Trust and the Family Trust; and
3 8. Hold in abeyance the remainder of the relief requested in the Motion as premature.

4 **AFFIRMATION**

5 **Pursuant to NRS 239B.030**

6 The undersigned does hereby affirm that the preceding document does not contact the
7 social security number of any persons.

8 DATED this 12th day of August, 2022.

9 FLETCHER & LEE

10 /s/ Cecilia Lee, Esq.
11 CECILIA LEE, ESQ.
12 ELIZABETH HIGH, ESQ.
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CERTIFICATE OF SERVICE

Pursuant to NRCp 5(b), I certify under penalty of perjury that I am an employee of Fletcher & Lee, 448 Ridge Street, Reno, Nevada 89501, and that on this 12th day of August, 2022, I served the Partial Opposition To Joint Motion For Fees To Robison, Sharp, Sullivan & Brust; Maupin Cox Legoy; And McDonald Carano; And Report On Outstanding Issues Regarding Trust Liability on the parties set forth below by:

 X Service by eFlex:

DONALD ALBERT LATTIN, ESQ. for MICHAEL S. KIMMEL, KEVIN RILEY,
TODD B. JAKSICK
KENT RICHARD ROBISON, ESQ. for SAMMY SUPERCUB, LLC, SERIES A,
DUCK LAKE RANCH LLC, TODD B. JAKSICK, INCLINE TSS, LTD.
HANNAH E. WINSTON, ESQ. for SAMMY SUPERCUB, LLC, SERIES A,
DUCK LAKE RANCH LLC, TODD B. JAKSICK, INCLINE TSS, LTD.
MARK J. CONNOT, ESQ. for WENDY A. JAKSICK
JAMES PROCTOR
ADAM HOSMER-HENNER, ESQ. for STANLEY JAKSICK
PHILIP L. KREITLEIN, ESQ. for STANLEY JAKSICK, SAMUEL S. JAKSICK,
JR. FAMILY TRUST
JOHN A. COLLIER, ESQ. for LUKE JAKSICK
CAROLYN K. RENNER, ESQ. for MICHAEL S. KIMMEL, KEVIN RILEY,
TODD B. JAKSICK
STEPHEN C. MOSS, ESQ. for STANLEY JAKSICK, SAMUEL S. JAKSICK,
JR. FAMILY TRUST
SARAH FERGUSON, ESQ. for STANLEY JAKSICK, SSJ'S ISSUE TRUST,
SAMUEL S. JAKSICK, JR. FAMILY TRUST

 X Service by electronic mail:

ZACHARY JOHNSON, ESQ. for WENDY A. JAKSICK –
zach@dallasprobate.com
R. KEVIN SPENCER, ESQ. for WENDY A. JAKSICK –
kevin@dallasprobate.com
ALEXI JAKSICK FIELDS – alexijaksickfields@yahoo.com

A copy of this Certificate of Service has been electronically served to all parties or their lawyer. This document does not contain the personal information of any person as defined by NRS 603A.040.

/s/ Elizabeth Dendary, CP
ELIZABETH DENDARY, CP
Certified Paralegal

INDEX OF EXHIBITS

Exhibit	Description	Number of Pages
1	Settlement Agreement and Release	8 pages
2	Samuel S. Jaksick, Jr. Family Trust – Agreement of the Co-Trustees on August 29, 2019	3 pages
3	Indemnification and Contribution Agreement	14 pages
4	Indemnity Agreement with Stanley S. Jaksick	6 pages
5	Letter from Cecilia Lee, Esq. to Adam Hosmer-Henner, Esq. dated July 8, 2022	3 pages
6	Declaration of James S. Proctor	3 pages
7	Declaration of Elizabeth Dendary, CP	8 pages
8	Declaration of Cecilia Lee	4 pages

EXHIBIT 1

EXHIBIT 1

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is entered into as of the 31st day of January 2019 ("Effective Date"), by and between STANLEY JAKSICK ("Stan"), individually, as beneficiary and Co-Trustee of the Samuel S. Jaksick, Jr. Family Trust, and as Trustee of the 2013 Stanley Jaksick Revocable Family Trust ("Stan's Trusts") on the one hand; and TODD JAKSICK ("Todd"), individually, as beneficiary and Co-Trustee of the Samuel S. Jaksick, Jr. Family Trust, as beneficiary and Trustee of the SSJ's Issue Trust, manager of Incline TSS, LLC, and Trustee of the Todd B. Jaksick Family Trust, TBJ Issue Trust, TBJ SC Trust, and TBJ Investment Trust ("Todd's Trusts") on the other. Stan and Todd are collectively referred to herein as the "Parties."

Recitals

- A. On August 2, 2017, Todd, in his capacity as Trustee of the SSJ's Issue Trust (the "Issue Trust"), filed a Petition for Confirmation of Trustee and Admission of Trust to the Jurisdiction of the Court, and for Approval of Accountings and Other Trust Administration Matters (Case No. PR17-00445), referred to hereafter as the "Issue Trust Litigation";
- B. Also on August 2, 2017, Todd, in his capacity as Co-Trustee of the Samuel S. Jaksick, Jr. Family Trust (the "Family Trust"), and Michael Kimmel as Co-Trustee of the Family Trust, filed a Petition for Confirmation of Trustee and Admission of Trust to the Jurisdiction of the Court, and for Approval of Accountings and Other Trust administration Matters (Case No. PR17-00446), referred to hereafter as the "Family Trust Litigation";
- C. On March 23, 2018, Stan filed separate Amended Objections and Counterpetitions against Todd in both the Issue Trust Litigation and the Family Trust Litigation ("Counterpetitions");
- D. On September 20, 2018, Todd filed a Supplement to Petition for Confirmation of Trustee and Admission of Trust to the Jurisdiction of the Court, and for Approval of Accountings and Other Trust Administration Matters in relation to the Issue Trust and on September 24, 2018, Todd filed a Supplement to Petition for Confirmation of Trustee and Admission of Trust to the Jurisdiction of the Court, and for Approval of Accountings and Other Trust Administration Matters in relation to the Family Trust;
- E. On October 12, 2018, Todd filed a Petition for Reconveyance of Trust Assets; and
- F. The Parties' respective claims and counterclaims against each other in the Issue Trust Litigation (Case No. PR17-00445) and the Family Trust Litigation (PR17-00446) pending in the Second Judicial District Court of the State of Nevada in and for Washoe County are collectively referred to herein as the "Lawsuit."

Now therefore, in consideration of the mutual promises and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

- I. The foregoing recitals are true and correct and are incorporated herein by reference.
- II. The Parties agree on the following terms as a full and final settlement of all claims between the Parties:
 - A. The Parties agree to withdraw the Counterpetitions by Stanley and the Petition for Reconveyance of Trust Assets by Todd within two (2) calendar days of the Effective Date. The law firm of Maupin Cox & LeGoy and the law firm of McDonald Carano will substitute in as co-counsel for Stan in his capacity as co-Trustee of the Family Trust, with Philip Kreitlein remaining as co-counsel for Stan in his capacity as co-Trustee of the Family Trust. The Parties will provide their written informed consent and conflict waiver to this representation with the Family Trust to cover the legal fees incurred.
 - B. Stan will exchange and transfer his entire ownership and/or interest in Bright-Holland Corporation and simultaneously Todd will exchange and transfer his entire ownership and/or interest in Jaksick Family, LLC. Stan and Todd represent that these interests are being transferred free and clear of any liens and encumbrances.
 - C. Todd and Stan agree that all decisions in the Family Trust will be unanimous among all of the co-Trustees and that Todd and Stan will not take any action on the Family Trust without mutual approval. Any and all payments or distributions from the Family Trust will require two signatures from Todd and Stan.
 - D. In exchange for a capital contribution to Incline TSS, LLC of \$1,630,000 by Stan, of which \$235,000 has already been paid leaving a balance of \$1,395,000, Stan will be issued 27.595% membership interest in Incline TSS, LLC such that after issuance to Stan of 27.595% membership interest, Incline TSS, LLC will be owned as followed: Issue Trust (44.81%), Stan or Stan's Trusts (27.595%), and Todd or Todd's Trusts (27.595%). Stan and Stan's Trusts and Todd and Todd's Trusts shall have the right to designate their successors for Incline TSS, LLC. The capital contribution by Stan shall be made via a long-term note at 3% interest, with no prepayment penalties, with interest-only payments and a maturity date of 1/1/2026.
 - i. Stan's interest in Incline TSS shall immediately vest but may be proportionally reduced if the capital contribution is not made in full according to the terms of the note based on the then-fair market value of 1011 Lakeshore Boulevard ("Lake Tahoe House"). Upon the sale of the Lake Tahoe House owned by Incline TSS, LLC the sale proceeds

attributable to Stan's membership interest in Incline TSS, LLC shall be used to pay off the remaining balance of the note in full and treated as if Stan had fully satisfied his capital contribution. Upon sale, the proceeds of the Lake Tahoe House will be immediately distributed to the members based upon their membership interest.

- ii. A new operating agreement of Incline TSS and other documents will be drafted and amended so that Todd and Stan (or their respective trusts) each have a voting interest of 27.6% and the Issue Trust has a voting interest of 44.8%, but that Todd and Stan are co-managers, with co-equal authority over Incline TSS, LLC and the Lake Tahoe House, such that any decision relating to Incline TSS and the Lake Tahoe House shall only be made with the unanimous approval of Todd and Stan (or their respective trusts or designees). In the event of a disagreement between Stan and Todd, an unrelated third party will be mutually selected by Stan and Todd and if they cannot agree on a third party, then Alliance Trust Company, or a similar corporate trustee, will be appointed. Notwithstanding the foregoing, the voting shares of the Issue Trust (44.81%) shall have the right to sell the Lake Tahoe House without approval by the other members of Incline TSS, LLC.
 - iii. Stan will personally guarantee the Bank of America mortgage on the Lake Tahoe House on similar terms to Todd's personal guarantee.
- E. In exchange for annual option payments of \$5,000 during the Option Period, Stan will provide Todd with an option to purchase Stan's 20% interest in Buckhorn for a purchase price of \$1,050,000. The option will be provided as of the Effective Date will expire on December 1, 2025 ("Option Period"). If the option is exercised, Todd may satisfy the purchase price through a promissory note for \$1,050,000 at a 3% interest rate, secured through a pledge of the 20% interest, with no prepayment penalties, with interest-only payments and a maturity date of December 1, 2025.
- i. During the Option Period, Todd and Stan agree their mutual agreement will be required for any capital calls for Buckhorn without unanimous agreement.
- F. The indemnification agreement benefitting Todd will not be terminated but will be limited to the Ag Credit loan # 101, including all reimbursements, all note-forgiveness, and all loan payments until paid in full.
- i. The IRS refund, of approximately \$396,000, to the Family Trust was related to the indemnification agreement and will be used to pay down the Ag Credit loan # 101 to the maximum extent permitted by law and the Family Trust.
 - ii. Todd will take the Rouge Drive home off of Exhibit A to his Indemnification agreement and not make any past, present, or future

claims against the Family Trust pursuant to or arising from the Rouge Drive home.

- iii. The Family Trust will pay or reimburse Todd, Stan, and Wendy Jaksick from the Family Trust for prior and future capital calls for Jackrabbit Properties, LLC through the 1/1/2021 RaboBank payment. After 1/1/2021, the Family Trust will not be responsible for any obligations related Jackrabbit Properties, LLC.
 - iv. The Ag Credit and RaboBank obligations will not delay distribution of the Family Trust, but the Family Trust shall distribute or set aside sufficient funds to satisfy the agreed upon amounts as discussed herein.
- G. With respect to attorney's fees paid or incurred by Todd or Stan in their individual or beneficiary capacities in Cases Nos. PR17-00445 and PR17-00446 or with respect to any attorney's fees associated with their indemnification agreements, Todd and Stan agree as follows:
- i. Todd and Stan agree that the Family Trust shall reimburse Todd in the amount of \$400,000 and Stan in the amount of \$250,000 for attorney's fees. Should there be an appeal of any action by Wendy Jaksick, then Todd can secure additional attorney's fees not to exceed \$150,000.
- H. Stan will transfer \$325,000 from the Stanley Jaksick Subtrust under the Family Trust to the Family Trust. The \$325,000 will be immediately used to fund the Grandchildrens' Trusts, the balance to remain in the Family Trust. \$75,000 from the Stanley Jaksick Subtrust has been distributed to Wendy Jaksick. Should Wendy Jaksick be adjudicated by a court of competent jurisdiction to have the \$75,000 already distributed to Wendy Jaksick not treated as a distribution or advance to Wendy Jaksick such that Wendy Jaksick is entitled to receive an additional \$75,000 from the Family Trust, then Stan agrees to reimburse the Family Trust for \$75,000.
- I. The Parties will work in good faith to distribute the Family Trust as soon as practicable and by December 31, 2019 if reasonably possible.
- J. Upon distribution of the Family Trust, Todd and Stan agree to provide for a distribution from the Family Trust to Luke Jaksick in an amount that is no less than the amounts distributed to a child of Todd or Stan under the Grandchildrens' Trusts.

III. This Agreement is effective upon execution, but contingent and conditioned upon resolution of Case Nos. PR17-00445 and PR17-00446 through a settlement with Wendy Jaksick that does not materially alter the terms of this Agreement, which settlement is not to be separately made with Wendy Jaksick by either Todd or Stan, or a litigated resolution at trial in the Lawsuit, not including appeals, that does not alter the material terms of this Agreement. The Parties agree not to take any action to thwart the terms of this Agreement during the contingency period. To the extent necessary, the Parties will seek and mutually cooperate to obtain court approval of this Agreement. The Parties specifically agree that the attorney's fees provision of this Agreement,

Section II(G), is not a material term of this Agreement and variance in these attorney's fees will not affect the validity of this Agreement.

IV. If the Agreement is not rendered final in accordance with Section III, the Parties agree that any and all applicable statutes of limitations, doctrine of laches, doctrine of estoppel, doctrine of waiver, statutes of repose, or any other applicable time limitations or deadline related in any way to the Lawsuit are suspended and tolled from the date of accrual or discovery of the claim.

V. By execution of this Agreement, the Parties acknowledge that it is a full and complete compromise, settlement and satisfaction of the Lawsuit between the Parties, and each Party hereby releases, satisfies and forever discharges the other Party, including predecessors and successors in interest, agents, officers, employees, attorneys, and assigns of the other Party from any and all causes of action, suits, debts, dues, sums of money, accounts, contracts, agreements, promises, liabilities, damages, judgments, executions, claims and demands whatsoever, whether in law or in equity, whether matured or unmatured, and whether known or unknown, developed or undeveloped or otherwise, which either Party ever had, now has, or hereafter can, shall or may have for, upon or by reason of any claim that was asserted or that could have been asserted from the beginning of the world to the date of full execution of this Agreement, from claims related to the Lawsuit referenced herein.

VI. The Parties represent and warrant that, in executing and entering into this Agreement, they are not relying and have not relied upon any representation, promise or statement made by anyone which is not recited, contained, or embodied in this Agreement. The Parties understand and expressly assume the risk that any fact not recited, contained, or embodied herein may turn out hereafter to be other than, different from, or contrary to the facts now known to them or believed by them to be true. Nevertheless, the Parties intend by this Agreement, and with the advice of their own, independently-selected counsel, to release finally, fully and forever the claims as provided herein and agree that this Agreement shall be effective in all respects notwithstanding any such difference in facts, and shall not be subject to termination, modification or rescission by reason of any such difference in facts.

VII. Each of the Parties represents and warrants that he or she has not assigned, conveyed or otherwise transferred to any person or entity any interest in any of the entities or rights affected by this Agreement. Each of the Parties to this Agreement further represents and warrants that it is authorized to enter into this Agreement and that any required consents, authorizations, or approvals have been obtained.

VIII. This Agreement contains the entire agreement between the Parties and may not be changed or terminated orally but only by a written instrument executed by the authorized representatives of the Parties after the date of this Agreement.

IX. The waiver of a breach of this Agreement shall not be construed as a waiver of any subsequent breach.

X. The terms and conditions of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party. The Parties acknowledge that each of them has reviewed this Agreement and has had the opportunity to have it reviewed by their attorneys and that any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, including exhibits or amendments, if any.

XI. If any term of this Agreement or the application of any term of this Agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Agreement, and all of its applications, not held invalid, void or unenforceable, shall continue in full force and effect and shall not be affected, impaired or invalidated in any way.

XII. The laws of the State of Nevada applicable to contracts made or to be wholly performed there (without giving effect to choice of law or conflict of law principles) shall govern the validity, construction, performance and effect of this Agreement. Any lawsuit to interpret or enforce the terms of this Agreement shall be exclusively brought in a court of competent jurisdiction in Washoe County, State of Nevada. Prior to initiating any lawsuit, the Parties agree to submit their dispute to nonbinding mediation in Washoe County, State of Nevada for a period of at least sixty (60) days.

XIII. This Agreement may be executed in any number of counterparts, each of which when duly executed and delivered shall be an original, but all such counterparts shall constitute one and the same agreement. Any signature page of this Agreement may be detached from any counterpart without impairing the legal effect of any signatures, and may be attached to another counterpart, identical in form, but having attached to it one or more additional signature pages. This Agreement may be executed by signatures provided by electronic facsimile transmission (also known as "Fax" copies), which facsimile signatures shall be as binding and effective as original signatures.

XIV. This Agreement is made in compromise of disputed claims, differences and disputes and such settlement includes, but is not limited to, all claims and/or actions alleged, or which could have been alleged in connection with the Lawsuit. Neither this Agreement, nor the negotiation, execution, or performance hereof, shall be deemed to constitute an admission, directly or indirectly, by any Party of the truth of or of its liability or responsibility on account of or with respect to any of the matters or things asserted by any Party, and no Party shall suggest to the contrary in any other criminal or civil suit, action, or proceeding, whether or not pending, in which it may be a litigant, witness, or other participant. The negotiation, execution, and performance of this Agreement by the Parties is for the sole purpose of compromising and settling disputed claims and for buying peace and each released Party expressly denies any and all liability on account of any of the claims. This Agreement shall be effective as a full and final accord and satisfaction and release of each matter in connection with those matters as set forth herein.

XV. This Settlement Agreement shall be binding upon, extend to, and inure to the benefit of the successor trustees of the Family Trust and Issue Trust, heirs, successors, and

assigns of the Parties, to the officers, directors, employees, agents, and representatives of the parties hereto, and to all persons or entities claiming by, through or under any of the Parties.

XVI. The Parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement. The Parties will mutually cooperate to draft and execute the corporate documents necessary to effectuate this Agreement.

XVII. Any determination regarding tax consequences, obligation, or treatment shall be the sole responsibility of the Parties. The Parties have had the opportunity to obtain their own tax advice and are not relying upon any representations made by another Party or by any attorney. Except as otherwise expressly provided herein, the Parties agree that they will bear their individual respective tax liabilities that may arise from this Agreement or carrying out its provision. If, however, any Party makes any filing or report with any governmental entity or agency inconsistent with his or her tax obligation, the Party or Parties taking such inconsistent action hereby covenant and agree, jointly and severally, to indemnify and hold harmless all affected Parties from all local, state and/or federal taxes, penalties and interest that such affected Parties may incur.

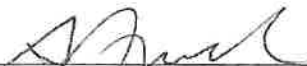
SIGNATURE PAGE FOLLOWS

DATED 1/31/2019



TODD JAKSICK, Individually, as beneficiary and Co-Trustee of the Samuel S. Jaksick, Jr. Family Trust and beneficiary and Trustee of the SSJ's Issue Trust, manager of Incline TSS, LLC, and Trustee of the Todd B. Jaksick Family Trust, TBJ Issue Trust, TBJ SC Trust, and TBJ Investment Trust

DATED 1-31-19



STANLEY JAKSICK, Individually, as beneficiary and Co-Trustee of the Samuel S. Jaksick, Jr. Family Trust, and as Trustee of the 2013 Stanley Jaksick Revocable Family Trust

EXHIBIT 2

EXHIBIT 2

Samuel S. Jaksick, Jr. Family Trust – Agreement of the Co-Trustees on August 29, 2019

On August 29, 2019, the co-Trustees of the Samuel S. Jaksick, Jr. Family Trust (“Family Trust”) – Stanley Jaksick, Todd Jaksick, and Michael Kimmel (collectively “co-Trustees”) – attended a trustee meeting at the offices of Bob Enzenberger, Esq. Based on the discussion of the co-Trustees at this meeting where they were represented and advised by counsel, the co-Trustees have agreed the following Family Trust administration actions:

- 1.) Todd Jaksick will transfer \$85,000 from the Todd Jaksick Subtrust under the Family Trust (“Todd’s Subtrust”) to the Family Trust by September 4, 2019.
 - a. The co-Trustees release and discharge Todd Jaksick for any and all causes of action related to these amounts without contingencies.
- 2.) Stanley Jaksick will transfer \$415,000 from the Stanley Jaksick Subtrust under the Family Trust (“Stan’s Subtrust”) to the Family Trust by September 4, 2019.
 - a. The co-Trustees release and discharge Stanley Jaksick for any and all causes of action related to these amounts without contingencies.
- 3.) Kevin Riley will verify any additional amounts that may need to be deposited into the Family Trust from Todd’s Subtrust and/or Stan’s Subtrust.
- 4.) By September 17, 2019, the Family Trust will (subject to any adverse ruling of the Court):
 - a. Pay the law firm of Maupin Cox & LeGoy the amount of \$105,620.39 for attorney’s fees and costs owed by the Family Trust.
 - b. Pay the law firm of Kreitlein Leeder & Moss the amount of \$50,752.23 for attorney’s fees and costs owed by the Family Trust.

MSK
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- c. Pay the law firm of McDonald Carano LLP the amount of \$143,195.64 for attorney's fees and costs owed by the Family Trust.
- d. ~~By September 17, 2019, the Family Trust will~~ pay the law firm of Robison Sharp Sullivan & Brust the amount of \$220,000 for attorney's fees and costs incurred in the representation of Todd Jaksick individually.
- e. When sufficient cash is available to the Family Trust, and prior to any additional payments or distributions from the Family Trust to the law firm of Robison Sharp Sullivan & Brust, the Family Trust will pay the law firm of McDonald Carano LLP the amount of \$137,500 for attorney's fees and costs incurred in the representation of Stanley Jaksick individually.

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f. Stanley Jaksick and Michael Kimmel agree not to object to attorney's fees that have been paid as of the date of this agreement to Robison Sharp Sullivan & Brust or Maupin Cox & LeGoy LLP from the SSJ's Issue Trust. Should the Court require the refund of attorney's fees from Robison Sharp Sullivan & Brust to the Issue Trust, McDonald Carano LLP will refund the \$137,500 payment to the Family Trust. However, this agreement does not prevent McDonald Carano LLP or Robison Sharp Sullivan & Brust from obtaining this amount or other amounts from the Family Trust on any other basis and does not deny McDonald Carano LLP or Robison Sharp Sullivan & Brust entitlement to these fees from any source.

Dated 8/29, 2019

Co-Trustees of the Samuel S. Jaksick, Jr.
Family Trust

By: 
Stanley Jaksick

By: 
Todd Jaksick


By: 
Michael Kimmel

EXHIBIT 3

EXHIBIT 3

* (v)

INDEMNIFICATION AND CONTRIBUTION AGREEMENT

This Indemnification and Contribution Agreement (this "Agreement") is made and entered into as of the 1st day of January, 2008, by and between Samuel S. Jaksick Jr., individually and as trustee of Samuel S. Jaksick, Jr. Family Trust Agreement revised 6/29/06, his representatives, executors, trustees, successors and assigns ("Indemnitor"), and Todd B. Jaksick and Dawn Jaksick, individually, TBJ SC Trust and TBJ Investment Trust, its representatives, executors, trustees, successors and assigns (collectively "Indemnitees") and collectively "Parties" and individually the "Party" as follows:

RECITALS

A. WHEREAS, the Indemnitor and Indemnitees have entered several transactions with respect to the family business, which required both the Indemnitor and Indemnitees to guarantee or otherwise, execute documents which require both the Indemnitor and Indemnitees to make payments or otherwise become liable thereunder.

B. WHEREAS, the Indemnitor acknowledges, that as a matter of course, the bank, lender or others may require both the Indemnitor and Indemnitees to accept responsibility or liability under the various documents and/or for the various family transactions.

C. WHEREAS, the Indemnitor acknowledges that Indemnitees may not have sufficient cash flow and/or financial means to make those payments or incur said liability, particularly if the Indemnitor passes away and as a result, the Indemnitor desires to provide financial protection to the Indemnitees.

D. WHEREAS, Indemnitor wishes to indemnify Indemnitees with respect to any claims, liability, obligations for any demand, threatened, pending or completed action, suit or proceeding arising (directly or indirectly) pursuant to and including, without limitation, obligations described on Exhibit A and incorporated herein by reference ("Obligations");

E. WHEREAS, the Obligations being indemnified include a non-exclusive list of the Obligations described on Exhibit A attached hereto and incorporated herein by reference:

F. WHEREAS, Todd B. Jaksick, individually, and in his capacity as trustee for the TBJ SC Trust and TBJ Investment Trust, has executed guarantees, notes or otherwise become obligated jointly and/or severally for the Obligations with respect to the Jaksick Family business and other transactions.

G. WHEREAS, Samuel S. Jaksick, Jr., and Todd B. Jaksick, are each, in some fashion, obligated proportionately and/or jointly and severally to repay said Obligations.

H. WHEREAS, Samuel S. Jaksick, Jr., believes its in the best interest of the Jaksick Family that he indemnify Todd B. Jaksick, individually and as trustee of the TBJ SC Trust and TBJ

Investment Trust in the event Samuel S. Jaksick, Jr., passes away and/or Todd B. Jaksick is unable to make such payments on his own behalf or as trustee for the TBJ SC Trust and TBJ Investment Trust.

I. WHEREAS, said parties agree to execute this Contribution and Indemnity Agreement so that in the event the Obligations become due and payable, Samuel S. Jaksick, Jr. or his estate or trusts are liable thereunder his executor and trustee are instructed accordingly to make said payments on behalf of Todd B. Jaksick in the event Todd B. and Dawn Jaksick or their trusts are unable to make those payments on his own behalf and in his capacity as trustee.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto mutually covenant and agree, with the intent to be legally bound, as follows:

1. Purpose. Indemnitee shall not be required to repay a promissory note or incur any liability for any deficiency claim, liability or judgment in the event the Obligations become due and payable, including attorneys fees and costs nor shall Indemnities be personally liable on any covenant, claim, debt or obligation under the Obligations or any of the related or ancillary documents. In the event of any such claim, debt, or liability is made and/or asserted against Indemnities, the Indemnitor shall defend and indemnify Indemnities from any and all such debts, liability or claims, including without limitation, attorneys fees and costs, including, without limitation, those arising under the Obligations.

2. Contribution.

2.1 Contribution. If any claim, debt, or liability, threatened, pending or action, suit or proceeding in which the Parties are jointly or severally liable (or would be if joined in such action, suit or proceeding), or any third parties pursuant to the terms and conditions of the Obligations, the Indemnitor shall contribute to the amount of expenses (including attorneys' fees and costs), judgments, fines and amounts paid in settlement actually or reasonably incurred and paid or payable by the Indemnities irrespective of the (i) benefits received by the Indemnities on the one hand and Indemnitor on the other hand from the Obligations from which such claim, liability, action, suit or proceeding arose in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, or (ii) any other equitable considerations. Each Party agrees that it would not be equitable if contribution pursuant to this Section 2 were determined by pro rata allocation or any other method of allocation other than full reimbursement to the Indemnities.

2.2 Indemnification.

2.2.1 Indemnitor agrees to defend and indemnify and hold harmless, Indemnities and shall reimburse Indemnities for any loss, liability, claim, damage, expense, including costs of investigation, defense costs, reasonable attorneys fees and expenses, including without limitation, remediation costs, or diminution of value whether or not involving a Third Party Claim (collectively "Liability") arising from or in connection with the Obligations.

2.2.2 The representations, warranties, covenants and obligations in this Agreement shall survive the term of the underlying Obligations and other documents executed therein, and the right to indemnification, reimbursement or other remedy provided herein, shall not be affected by any investigation conducted with respect to or knowledge capable of being acquired at anytime, whether before or after the execution and delivery of this Agreement or with respect to the accuracy or inaccuracy of or compliance with any such representations, warranties, covenants, or obligations. The waiver of any condition or right shall not affect the performance of or compliance with any covenant or obligation herein, and shall not affect the right to Indemnitees indemnification, reimbursement or other remedy provided under this Agreement.

2.2.3 The indemnification provisions in this Agreement shall be enforceable regardless of whether liability is based upon past, present or future acts, claims or legal requirements (including any past, present and future environmental law, Fraudulent Transfer Act, or any other legal requirement) and regardless of whether any person (including the person from whom indemnification is sought), alleges or proves the sole, concurrent, contributory or comparative negligence of Indemnitees or the sole or concurrent strict liability imposed upon Indemnitees.

2.2.4 A claim for indemnification for any matter not involving a Third Party claim may be asserted by Indemnitees directly and shall be paid by Indemnitor within fifteen (15) days after such notice.

2.2.5 Indemnitees shall assert any right to indemnification hereunder by furnishing to the Indemnitor a written notice (and list of charges, detailed by item) showing the nature of any covered claim, the date of the claim giving rise to such indemnification, a summary of any settlement or litigation proceedings and the amount of any loss, cost or expense to be incurred. In case a claim against or demand is made upon Indemnitee from a third party (hereinafter referred to as a "Third Party Claim") which may reasonably give rise to an indemnity obligation hereunder, Indemnitees shall, within thirty (30) days thereafter, notify the Indemnitor of the existence, the specific facts and circumstances and (to the extent alleged or otherwise determinable) the amount of such Third Party Claim. If any lawsuit based on a covered claim is filed against Indemnitees, he shall deliver copies of the summons and complaint to the Indemnitor within ten (10) days of the date upon which it is so served.

2.2.6 Indemnitees shall be entitled to participate in (and if he requests in writing) to direct the defense of such claim or demand at the expense of Indemnitor and such defense shall be conducted by legal counsel reasonably satisfactory to Indemnitees provided that the Indemnitor shall, at Indemnitors' expense, also be entitled to participate in the defense of any such Third Party Claim.

2.2.7 If Indemnitees directs the defense of such Third Party Claim, then he shall have the sole right to settle, compromise or satisfy any such Third Party Claim (whether or not the same has proceeded to litigation) provided written notice is given to Indemnitor of the settlement terms and such settlement terms do not operate to materially restrict or adversely affect the Indemnitor

3. **Continuation of Obligations.**

All agreements and obligations of the Indemnitor contained herein shall continue during the periods set forth in the Obligations and shall continue thereafter so long as the Obligations shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative

4. **Notification and Defense of Claim.**

In the event of the commencement of any action, suit or proceeding, such Indemnitees will, if a claim in respect thereof is to be made against the Indemnitees under this Agreement, notify the Indemnitor of the commencement thereof as provided herein, but the omission to notify the Indemnitor will not relieve Indemnitor from any liability which it may have to the Indemnitees otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Indemnitees notifies the Indemnitor of the commencement thereof:

5. **Advancement and Repayment of Expenses.**

5.1 In the event Indemnitees employ their own counsel pursuant to Section 2 above, the Indemnitor shall advance to the Indemnitees, prior to any final disposition of any threatened or pending action, suit or proceeding, whether civil, criminal, administrative or investigative, any and all reasonable expenses (including legal fees and expenses) incurred in investigating or defending any such action, suit or proceeding within ten (10) business days after receiving copies of invoices presented to the Indemnitor for such expenses.

5.2 Indemnitor agrees to reimburse Indemnitees, assuming the defense of a Third-Party Claim, all reasonable expenses paid by the Indemnitees in defending any threatened, pending or completed action, suit or proceeding except in the event and only to the extent it shall be ultimately determined by a final judicial decision (from which there is no right of appeal) that the Indemnitor was not required, under applicable law or this Agreement to indemnify the Indemnitee for such expenses.

6. **Enforcement.** In the event Indemnitees bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, the Indemnitor shall reimburse Indemnitees for all of its' reasonable fees and expenses in bringing and pursuing such action.

7. **Subrogation.** In the event of payment under this Agreement, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitees who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Indemnitor effectively to bring suit to enforce such rights.

8. **~~Non-Exclusivity of Rights.~~** The rights conferred on the Indemnitees by this Agreement shall not be exclusive of any other right which the Indemnitees may have or hereafter acquire under any statute, this Agreement or otherwise.

9. **Survival of Rights.** The rights conferred on the Parties by this Agreement shall continue until termination and expiration of the Obligations.

10. **Notice.** All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) calendar days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid, or (d) one day after the business day of delivery by facsimile transmission, if deliverable by facsimile transmission, with copy by first class mail, postage prepaid, and shall be addressed if to the Indemnitor and Indemnitees at such address as set forth below or at such other address as such party may designate by ten (10) calendar days' advance written notice to the other party hereto:

To: Samuel S. Jaksick
4005 Quail Rock Lane
Reno, Nevada 89511

To: Todd B. Jaksick
4005 Quail Rock Lane
Reno, Nevada 89511

11. **Severability.** The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitations, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

12. **Binding Effect.** This Agreement shall be binding upon each of the Parties and shall inure to the benefit of each of the Parties, their heirs, personal representatives, trustees, executors and beneficiaries.

13. **Amendment and Termination.** No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by all 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.

15. **Miscellaneous**

15.1 **Assignment.** The parties hereunder may not assign the duties or obligations under this Agreement without the written consent of the other party.


15.2 **Authority to Execute.** Each of the Parties hereby affirms and acknowledges that they have read and fully appreciate and understand the foregoing provisions of this Agreement and have conferred with their counsel prior to the execution of this document and have executed this document voluntarily and of their own free will and act and each represents that they have full and complete authority to execute this document.


15.3 Entire Agreement. This Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter of this Agreement or any matters related thereto and this Agreement contains the whole and entire agreement between the parties.

15.4 Further Assurance. Indemnitor agrees to execute and deliver to Indemnitee from time to time, such further assignments, certificates, instruments or other documents or things as may be reasonably necessary to give the full effect to this Agreement.

15.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada and any dispute (whether by arbitration, court action, mediation or otherwise) shall be commenced in Washoe County, State of Nevada.

IN WITNESS WHEREOF, each Party has each executed this Agreement as of the day and year first above written.


Samuel S. Jaksick, Jr.


Samuel S. Jaksick, Jr., Trustee of the
Samuel S. Jaksick Jr. Family Trust
dated June 26, 1996


Todd B. Jaksick, individually

TBJ SC Trust


Todd B. Jaksick, Trustee

TBJ Investment Trust


Todd B. Jaksick, Trustee

**(Obligations)
Exhibit "A"**

	Notes Payable	Responsible Party
1.	<u>Duck Lake Ranch #3040577</u> Promissory note payable in favor of American Ag Credit for the Duck Lake Ranch in the original principal balance of \$918,370.00 with annual payments due February 1st each year with a maturity date of 2/1/2018.	Todd B. Jaksick required payments are 40% of 76,031.34 or \$30,412.53 annually.
2.	<u>Bright-Holland Ranch #3041719</u> Promissory note payable in favor of American AgCredit with respect to the distribution to Sam Jaksick and portion of MDG in the original principal balance of \$2,305,355.00 with annual payments of \$178,976.06 due July 1st of each year with a maturity date of 7/21/2021	TBJ SC Trust for 11% of the \$19,687.36 annual payments and Todd B. Jaksick individually with respect to 40% annual payment in the amount \$70,590.42
3.	<u>Bright-Holland #170125154</u> Promissory Note payable in favor of First Independent Bank with respect to new Supercub loan in the original principal amount of \$152,000.00 with monthly payments of \$3,665.01 with a maturity date of November 5, 2008	TBJ SC Trust for 11% or \$403.15 monthly payment and Todd B. Jaksick individually with respect to 40% monthly payment amount \$1,466.00
4.	<u>Home Camp #3714977</u> Promissory Note payable in favor of American AgCredit with respect to consolidation of Toiyabe notes and Home Camp Acquisition in the original principal amount of \$2,960,000.00 with annual payments of \$256,878.85 due September 1st of each year with a maturity date of September 1, 2024	TBJ SC Trust 2% for \$5,137.57 annual payment and Todd B. Jaksick individually with respect to 49% annual payment amount \$125,870.63
5.	<u>Jackrabbit Properties</u> Promissory Note in favor of Sam Jaksick made to acquire Upper Smoke Creek in the original principal amount of \$545,000 with a maturity date of 5/31/2011 and annual payment of \$28,612.50 on May 31 of each year	

*paid
when Dad got
Insurance Loan +
Excess 1.3% Distribution
in 07 early 08*

	Notes Payable	Responsible Party
6.	<u>Jackrabbit Properties</u> Promissory Note with respect to TBJ 1995 Life Ins, SSJ 1995 Life Ins, WAJS 1995 Life Ins in the original principal amount of \$694,296.21 (\$231,432.07 each trust) with annual payments of \$18,069.00 due December 31st of each year with a maturity date of December 31, 2017	[to be assigned by Jackrabbit to Sam Jaksick individually as new debtor]
7.	<u>Jackrabbit Properties</u> Promissory note in favor of Metlife with respect to Upper Smoke Creek & Lower Smoke Creek Bonham Ranch in the original principal amount of \$7,825,000.00 with monthly payments of \$268,007 (approx) with a maturity date of January 1, 2021	TBJ SC Trust for 11% for \$58,080.70 on Jan. 1st and \$29,480.77 on July 1st and Todd B. Jaksick individually for 40% for \$211,202.80 on Jan. 1st and \$107,202.80 on July 1st
8.	<u>Metlife Loan: Winnemucca Ranch (Sam 75%, Randy 25%)</u> Promissory Note in favor of Metlife with respect to the purchase of Winnemucca Ranch property in the original principal balance of \$4,020,000.00 with bi-annual payments of \$109,017 due July 1st and \$274,565 January 1st with a maturity date of January 1, 2020	TBJ Investment Trust for 7.5% and Jan 1st payment of \$20,592.37 and July 1st payment of \$8,176.27 and Todd B. Jaksick individually for 7.5% and \$20,592.37 Jan. 1st and \$8,176.27 July 1st
9.	<u>Bob Marshall - Option to Purchase Water Rights</u> in favor of Robert Marshall with respect to the water option for \$75,000.00 due every December 8th. Maturity date December 8, 2008 (75% share \$56,250.00)	TBJ Investment Trust for 7.5% and \$5,625.00 and Todd B. Jaksick individually for 7.5% and \$5,625.00 annual payment
10.	<u>Castle Peak #7737859103</u> Promissory note in favor of Sovereign Bank for houseboat in the original principal amount of \$300,000.00 with monthly payments of \$2,281.09 with a maturity date of July 31, 2008	Todd B. Jaksick individually for 50% or \$1,140.54 monthly payment
11.	<u>Bright Holland Note</u> Todd Jaksick note in favor of Bright Holland with respect to purchasing stock, expenses, etc., in the original principal amount of \$2,852,770.00 with varying annual interest payments with unknown maturity date; annual payment due 10/31 each year	Todd B. Jaksick individual note to BHC (100%)

	Notes Payable	Responsible Party
12.	<u>Home loan - WAMU</u> Mortgage loan for 4505 Alpes Way in favor of Wells Fargo in the original principal amount of \$1,435,000.00 with monthly payments of \$7,281.67	Todd B. Jaksick individually for 100%
13.	<u>Line of Credit Home Equity in favor of Wells Fargo</u> The original principal amount of \$485,000.00 with approx monthly payments of \$1,400.00 - no maturity date	Todd B. Jaksick individually for 100%
14.	<u>Mortgage Construction Loan in favor of First Independent Bank</u> The original principal amount of \$3,060,000.00 with monthly payment on the 1st of each month of \$5,774.00 with a maturity date of August 1, 2008	Todd B. Jaksick individually for 100%
15.	<u>Northern Washoe Ranching Management auto loan</u> Note in favor of GMAC in the original principal amount of \$26,818.48 with monthly payments of \$517.23 due on the 1st of each month with a maturity date of 9/1/2011	Todd B. Jaksick individually for 100%
16.	<u>No. Washoe Ranching Management suburban loan</u> Note in favor of GMAC in the original principal amount of \$53,655.08 with monthly payments of \$1,292.12 due on the 2nd of each month with a maturity date of October 2, 2012	Todd B. Jaksick individually for 100%
17.	<u>Cadillac automobile loan</u> Note in favor of GMAC in the original principal amount of \$33,600.00 with monthly payments of \$700.00 due on the 20th of each month with a maturity date of May 20, 2010	Todd B. Jaksick individually for 100%
18.	<u>TBJ SC Trust Note to Sam Jaksick</u> Purchase 11% in BHC in the original principal amount of \$349,129.00 with annual payments of (interest only) \$13,965.16 due on the August 15th with a maturity date of 8/15/2013	TBJ SC Trust for 100% and \$13,965.16 annual payments
19.	<u>Children's Trust Notes to Sam Jaksick</u> Purchase 11% in Jackrabbit in the original principal amount of \$30,000.00	TBJ Investment Trust for 100%

	Notes Payable	Responsible Party
20.	<u>SST Westridge/change from BHC 05000292RR</u> Promissory Note in favor of RALB Corp/Berryessa to buy Bench property in the original principal amount of \$192,000.00 with quarterly payments of \$4,305.79 due on the 23rd with a maturity date of 9/23/2006	TBJ Investment Trust for 51% or \$548.98 monthly and Todd B. Jaksick individually for 49% and \$527.45 monthly
21.	<u>Duck Flat Ranches LLC Promissory Note to Metlife</u> The original principal amount of \$450,000.00 with bi-annual payments \$38,475.00 on Jan. 1st and interest only \$15,975 on July 1st with a maturity date of 7/21/2020	TBJ Investment Trust for 51% payments Jan 1, \$10,007.34 and July 1st \$4,155.09 and Todd B. Jaksick individually for 49% payments Jan 1st, \$9,614.90 and July 1st \$3,992.15

(Obligations)
Exhibit "A"

paid
when Dad Got
Insurance Loc. &
Excess 1.34 Deduction
in 07 only 08

	Notes Payable	Responsible Party
6.	<u>Jackrabbit Properties</u> Promissory Note with respect to TBJ 1995 Life Ins, SSI 1995 Life Ins, WAJS 1995 Life Ins in the original principal amount of \$694,296.21 (\$231,432.07 each trust) with annual payments of \$18,069.00 due December 31st of each year with a maturity date of December 31, 2017	[to be assigned by Jackrabbit to Sam Jaksick individually as new debtor] BALANCE: STAN JAKSICK \$231,432 TODD JAKSICK \$231,432 WENDY JAKSICK \$231,432
7.	<u>Jackrabbit Properties</u> Promissory note in favor of Metlife with respect to Upper Smoke Creek & Lower Smoke Creek Borham Ranch in the original principal amount of \$7,825,000.00 with monthly payments of \$268,007 (approx) with a maturity date of January 1, 2021	TBJ SC Trust for 11% for \$58,080.70 on Jan. 1st and \$29,480.77 on July 1st and Todd B. Jaksick individually for 40% for \$211,202.80 on Jan. 1st and \$107,202.80 on July 1st BALANCE: \$4,865,000
8.	<u>Metlife Loan: Winnemucca Ranch (Sam 75%, Randy 25%)</u> Promissory Note in favor of Metlife with respect to the purchase of Winnemucca Ranch property in the original principal balance of \$4,020,000.00 with bi-annual payments of \$109,017 due July 1st and \$274,565 January 1st with a maturity date of January 1, 2020	TBJ Investment Trust for 7.5% and Jan 1st payment of \$20,592.37 and July 1st payment of \$8,176.27 and Todd B. Jaksick individually for 7.5% and \$20,592.37 Jan. 1st and \$8,176.27 July 1st BALANCE: \$2,518,000
9.	<u>Bob Marshall - Option to Purchase Water Rights</u> in favor of Robert Marshall with respect to the water option for \$75,000.00 due every December 8th. Maturity date December 8, 2008 (75% share \$56,250.00)	TBJ Investment Trust for 7.5% and \$5,625.00 and Todd B. Jaksick individually for 7.5% and \$5,625.00 annual payment OPTION TERMINATED
10.	<u>Castle Peak #7737859103</u> Promissory note in favor of Sovereign Bank for houseboat in the original principal amount of \$300,000.00 with monthly payments of \$2,281.09 with a maturity date of July 31, 2008	Todd B. Jaksick individually for 50% or \$1,140.54 monthly payment PAID OFF
11.	<u>Bright Holland Note</u> Todd Jaksick note in favor of Bright Holland with respect to purchasing stock, expenses, etc., in the original principal amount of \$2,852,770.00 with varying annual interest payments with unknown maturity date; annual payment due 10/31 each year	Todd B. Jaksick individual note to BHC (100%) PAID OFF

	Notes Payable	Responsible Party
12	<u>Home loan - WAMU</u> Mortgage loan for 4505 Alpes Way in favor of Wells Fargo in the original principal amount of \$1,435,000.00 with monthly payments of \$7,281.67	Todd B. Jaksick individually for 100% PAID OFF
13	<u>Line of Credit Home Equity in favor of Wells Fargo</u> The original principal amount of \$485,000.00 with approx monthly payments of \$1,400.00 - no maturity date	Todd B. Jaksick individually for 100% PAID OFF
14	<u>Mortgage Construction Loan in favor of First Independent Bank</u> The original principal amount of \$3,060,000.00 with monthly payment on the 1st of each month of \$5,774.00 with a maturity date of August 1, 2008	Todd B. Jaksick individually for 100% PAID OFF
15	<u>Northern Washoe Ranching Management auto loan</u> Note in favor of GMAC in the original principal amount of \$26,818.48 with monthly payments of \$517.23 due on the 1st of each month with a maturity date of 9/1/2011	Todd B. Jaksick individually for 100% PAID OFF
16	<u>No. Washoe Ranching Management suburban loan</u> Note in favor of GMAC in the original principal amount of \$53,655.08 with monthly payments of \$1,292.12 due on the 2nd of each month with a maturity date of October 2, 2012	Todd B. Jaksick individually for 100% PAID OFF
17	<u>Cadillac automobile loan</u> Note in favor of GMAC in the original principal amount of \$33,600.00 with monthly payments of \$700.00 due on the 20th of each month with a maturity date of May 20, 2010	Todd B. Jaksick individually for 100% PAID OFF
18	<u>TBJ SC Trust Note to Sam Jaksick</u> Purchase 11% in BHC in the original principal amount of \$349,129.00 with annual payments of (interest only) \$13,965.16 due on the August 15th with a maturity date of 8/15/2013	TBJ SC Trust for 100% and \$13,965.16 annual payments BALANCE \$103,072
19	<u>Children's Trust Notes to Sam Jaksick</u> Purchase 11% in Jackrabbit in the original principal amount of \$307,000.00	TBJ Investment Trust for 100% PAID OFF

48452-000

10/20/08
 Refinanced same property in favor of Bank of America, N.A.
 The original principal amount \$2,850,000.00 **PAID OFF**
 with monthly payments on 1st of each month approx \$4,000 -
 with maturity 10/24/16

10/1/13
 Refinanced same property in favor of Bank of America, N.A.
 The original principal amount \$2,350,000.00 **Balance \$2,350,000.00**
 with monthly payments on 1st of each month **RA06681,198-**

	Notes Payable	Responsible Party
20	<u>SST Westridge/change from BHC 05000292RR</u> Promissory Note in favor of RALB Corp/Berryessa to buy Bench property in the original principal amount of \$192,000.00 with quarterly payments of \$4,305.79 due on the 23rd with a maturity date of 9/23/2006	TBJ Investment Trust for 51% or \$548.98 monthly and Todd B. Jaksick individually for 49% and \$527.45 monthly PAID OFF
21	<u>Duck Flat Ranches LLC Promissory Note to Metlife</u> The original principal amount of \$450,000.00 with bi-annual payments \$38,475.00 on Jan. 1st and interest only \$15,975 on July 1st with a maturity date of 7/21/2020	TBJ Investment Trust for 51% payments Jan 1, \$10,007.34 and July 1st \$4,155.09 and Todd B. Jaksick individually for 49% payments Jan 1st, \$9,614.90 and July 1st \$3,992.15

BALANCE: \$270,000

EXHIBIT 4

EXHIBIT 4

Samuel S. Jaksick Jr. Family Trust Agreement dated June 29, 1996
INDEMNIFICATION AGREEMENT

This Indemnification and Contribution Agreement (this "Agreement") is made and entered into as of the 1st day of January, 2008, by and between Samuel S. Jaksick Jr., individually and as trustee of Samuel S. Jaksick, Jr. Family Trust Agreement dated June 29, 1996, his representatives, executors, trustees, successors and assigns ("Indemnitor"), and Stanley S. Jaksick, his representatives, executors, trustees, successors and assigns (collectively "Indemnitee") and collectively "Parties" and individually the "Party" as follows:

RECITALS

A. WHEREAS, the Indemnitor and Indemnitee have entered several transactions with respect to the family business, which required both the Indemnitor and Indemnitee to guarantee or otherwise, execute documents which require both the Indemnitor and Indemnitee to make payments or otherwise become liable thereunder.

B. WHEREAS, the Indemnitor acknowledges, that as a matter of course, the bank, lender or other creditors may require both the Indemnitor and Indemnitee to accept responsibility or liability under the various documents and/or for the various family transactions.

C. WHEREAS, Indemnitor wishes to indemnify Indemnitee with respect to any claims, liability, obligations for any demand, threatened, pending or completed action, suit or proceeding arising (directly or indirectly) pursuant to and including, without limitation, the family obligations described on **Exhibit A** and incorporated herein by reference ("**Obligations**");

D. WHEREAS, the Obligations being indemnified include a non-exclusive list of the Obligations described on **Exhibit A** attached hereto and incorporated herein by reference;

E. WHEREAS, Indemnitee individually and/or in his capacity as trustee for his family trust has executed guarantees, notes and may otherwise become personally obligated jointly and/or severally for the Obligations with respect to the Jaksick family business and other transactions.

F. WHEREAS, Samuel S. Jaksick, Jr., and Indemnitee may each, in some fashion, become obligated proportionately and/or jointly and severally to repay said Obligations.

G. WHEREAS, Samuel S. Jaksick, Jr., believes its in the best interest of the Jaksick family that he indemnify Indemnitee in the event Samuel S. Jaksick, Jr., passes away and/or Indemnitee is otherwise unable to make such payments on his own behalf should they become due and payable.

H. WHEREAS, said Parties agree to execute this Indemnity Agreement so that in the event the Obligations become due and payable, Samuel S. Jaksick, Jr., or his estate, trusts or successors and assigns (including his executor and trustee) will make said payments on behalf of Indemnitee in the event Indemnitee is unable to make those payments on their own behalf.



NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto mutually covenant and agree, with the intent to be legally bound, as follows:

1. **Purpose.** Indemnitee shall not be required to repay a promissory note or incur any liability for any deficiency claim, liability or judgment in the event the Obligations become due and payable, including attorneys fees and costs nor shall Indemnitee be personally liable on any covenant, claim, debt or obligation under the Obligations or any of the related or ancillary documents. In the event of any such claim, debt, or liability is made and/or asserted against Indemnitee, the Indemnitor shall defend and indemnify Indemnitee from any and all such debts, liability or claims, including without limitation, attorneys fees and costs, including, without limitation, those arising under the Obligations.

2. **Indemnity.**

2.2.1 If any claim, debt, or liability, threatened, pending or action, suit or proceeding in which the Parties are jointly or severally liable (or would be if joined in such action, suit or proceeding), arises pursuant to the terms and conditions of the Obligations, the Indemnitor shall contribute to the amount of expenses (including attorneys' fees and costs), judgments, fines and amounts paid in settlement actually or reasonably incurred and paid or payable by the Indemnitee irrespective of the (i) benefits received by the Indemnitee on the one hand and Indemnitor on the other hand from the Obligations from which such claim, liability, action, suit or proceeding arose in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, or (ii) any other equitable considerations. Each Party agrees that it would not be equitable if contribution pursuant to this Section 2 were determined by pro rata allocation or any other method of allocation other than full reimbursement to the Indemnitee.

2.2.2 Indemnitor agrees to defend and indemnify and hold harmless, Indemnitee and shall reimburse Indemnitee for any loss, liability, claim, damage, expense, including costs of investigation, defense costs, reasonable attorneys fees and expenses, including without limitation, remediation costs, or diminution of value whether or not involving a Third Party Claim (collectively "Liability") arising from or in connection with the Obligations.

2.2.3 The representations, warranties, covenants and obligations in this Agreement shall survive the term of the underlying Obligations and other documents executed therein, and the right to indemnification, reimbursement or other remedy provided herein, shall not be affected by any investigation conducted with respect to or knowledge capable of being acquired at anytime, whether before or after the execution and delivery of this Agreement or with respect to the accuracy or inaccuracy of or compliance with any such representations, warranties, covenants, or obligations. The waiver of any condition or right shall not affect the performance of or compliance with any covenant or obligation herein, and shall not affect the right to Indemnitee's indemnification, reimbursement or other remedy provided under this Agreement.

2.2.4 The indemnification provisions in this Agreement shall be enforceable regardless of whether liability is based upon past, present or future acts, claims or legal requirements (including any past, present and future environmental law, Fraudulent Transfer Act, or any other legal

requirement) and regardless of whether any person (including the person from whom indemnification is sought), alleges or proves the sole, concurrent, contributory or comparative negligence of Indemnitee or the sole or concurrent strict liability imposed upon Indemnitee.

2.2.5 A claim for indemnification for any matter not involving a Third Party claim may be asserted by Indemnitee directly and shall be paid by Indemnitor within fifteen (15) days after such notice.

2.2.6 Indemnitee shall assert any right to indemnification hereunder by furnishing to the Indemnitor a written notice (and list of charges, detailed by item) showing the nature of any covered claim, the date of the claim giving rise to such indemnification, a summary of any settlement or litigation proceedings and the amount of any loss, cost or expense to be incurred. In case a claim against or demand is made upon Indemnitee from a third party (hereinafter referred to as a "Third Party Claim") which may reasonably give rise to an indemnity obligation hereunder, Indemnitee shall, within thirty (30) days thereafter, notify the Indemnitor of the existence, the specific facts and circumstances and (to the extent alleged or otherwise determinable) the amount of such Third Party Claim. If any lawsuit based on a covered claim is filed against Indemnitee, he shall deliver copies of the summons and complaint to the Indemnitor within ten (10) days of the date upon which it is so served.

2.2.7 Indemnitee shall be entitled to participate in (and if he requests in writing) to direct the defense of such claim or demand at the expense of Indemnitor and such defense shall be conducted by legal counsel reasonably satisfactory to Indemnitee provided that the Indemnitor shall, at Indemnitors' expense, also be entitled to participate in the defense of any such Third Party Claim.

2.2.8 If Indemnitee directs the defense of such Third Party Claim, then he shall have the sole right to settle, compromise or satisfy any such Third Party Claim (whether or not the same has proceeded to litigation) provided written notice is given to Indemnitor of the settlement terms and such settlement terms do not operate to materially restrict or adversely affect the Indemnitor.

3. Continuation of Obligations. All agreements and obligations of the Indemnitor contained herein shall continue during the periods set forth in the Obligations and shall continue thereafter so long as the Obligations shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative

4. Notification and Defense of Claim. In the event of the commencement of any action, suit or proceeding, such Indemnitee will, if a claim in respect thereof is to be made against the Indemnitee under this Agreement, notify the Indemnitor of the commencement thereof as provided herein, but the omission to notify the Indemnitor will not relieve Indemnitor from any liability which it may have to the Indemnitee otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Indemnitee notifies the Indemnitor of the commencement thereof:

5. Advancement and Repayment of Expenses.

5.1 In the event Indemnitee employ their own counsel pursuant to Section 2 above, the Indemnitor shall advance to the Indemnitee, prior to any final disposition of any threatened or

pending action, suit or proceeding, whether civil, criminal, administrative or investigative, any and all reasonable expenses (including legal fees and expenses) incurred in investigating or defending any such action, suit or proceeding within ten (10) business days after receiving copies of invoices presented to the Indemnitor for such expenses.

5.2 Indemnitor agrees to reimburse Indemnatee, assuming the defense of a Third-Party Claim, all reasonable expenses paid by the Indemnatee in defending any threatened, pending or completed action, suit or proceeding **except** in the event and only to the extent it shall be ultimately determined by a final judicial decision (from which there is no right of appeal) that the Indemnitor was not required, under applicable law or this Agreement to indemnify the Indemnatee for such expenses.

6. **Enforcement.** In the event Indemnatee bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, the Indemnitor shall reimburse Indemnatee for all of its' reasonable fees and expenses in bringing and pursuing such action.

7. **Subrogation.** In the event of payment under this Agreement, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnatee who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Indemnitor effectively to bring suit to enforce such rights.

8. **Non-Exclusivity of Rights.** The rights conferred on the Indemnatee by this Agreement shall not be exclusive of any other right which the Indemnatee may have or hereafter acquire under any statute, this Agreement or otherwise.

9. **Survival of Rights.** The rights conferred on the Parties by this Agreement shall continue until termination and expiration of the Obligations.

10. **Notice.** All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) calendar days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid, or (d) one day after the business day of delivery by facsimile transmission, if deliverable by facsimile transmission, with copy by first class mail, postage prepaid, and shall be addressed if to the Indemnitor and Indemnatee at such address as set forth below or at such other address as such party may designate by ten (10) calendar days' advance written notice to the other party hereto:

To: Samuel S. Jaksick Jr. Family Trust Agreement dated June 29, 2006
4005 Quail Rock Lane
Reno, Nevada 89511

To: Stanley S. Jaksick
4005 Quail Rock Lane
Reno, Nevada 89511

11. **Severability.** The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitations, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

12. **Binding Effect.** This Agreement shall be binding upon each of the Parties and shall inure to the benefit of each of the Parties, their heirs, personal representatives, trustees, executors and beneficiaries.

13. **Amendment and Termination.** No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by all 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.

14. **[RESERVED]**

15. **Miscellaneous**

15.1 **Assignment.** The Parties hereunder may not assign the duties or obligations under this Agreement without the written consent of the other Party.

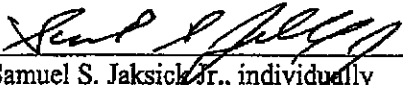
15.2 **Authority to Execute.** Each of the Parties hereby affirms and acknowledges that they have read and fully appreciate and understand the foregoing provisions of this Agreement and have conferred with their counsel prior to the execution of this document and have executed this documents voluntarily and of their own free will and act and each represents that they have full and complete authority to execute this document.

15.3 **Entire Agreement.** This Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter of this Agreement or any matters related thereto and this Agreement contains the whole and entire agreement between the parties.


15.4 **Further Assurance.** Indemnitor agrees to execute and deliver to Indemnitee from time to time, such further assignments, certificates, instruments or other documents, or things as may be reasonably necessary to give the full affect to this Agreement.

15.5 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws at the State of Nevada and any dispute (whether by arbitration, court action, mediation or otherwise) shall be commenced in Washoe County, State of Nevada.

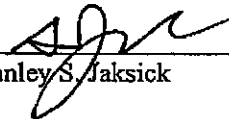
IN WITNESS WHEREOF, each Party has each executed this Agreement as of the day and year first above written.



Samuel S. Jaksick Jr., individually



Samuel S. Jaksick, Jr., Trustee of the
Samuel S. Jaksick Family Trust Agreement
dated June 29, 1996



Stanley S. Jaksick

EXHIBIT 5

EXHIBIT 5

Fletcher & Lee

Elizabeth Fletcher, Esq.
Cecilia Lee, Esq.

July 8, 2022

Via email [ahosmerhenner@mcdonaldcarano.com]

Adam Hosmer-Henner, Esq.
McDonald Carano
100 West Liberty Street, 10th Floor
Reno, Nevada 89501

Re: In the Matter of the Administration of the Samuel S. Jaksick, Jr. Family Trust, pending in the Second Judicial District Court in and for the County of Washoe, State of Nevada, Case No. Case No. PR17-00446, consolidated with In the Matter of the SSJ's Issue Trust, Case No. PR 17-00445, Department 15

Dear Adam,

In your June 30, 2022 email, you stated that with your transmission of the latest invoice in Client matter 19453-1, "I believe this covers all of the documents you have requested, but if there are any outstanding please let me know." There are documents outstanding. I write to outline for you the nature and extent of what we have received and the documents we still require. This outline is in conjunction with my letters to you dated May 5, 2022 and May 24, 2022.

Since May 24, 2022, we have received limited responses from you on June 8, 2022, June 9, 2022, June 25, 2022 and June 30, 2022. I have attached copies of the documents we have received from your office to date. They include:

- Exhibit 1: Received December 27, 2021, Client matter #19453-4 entitled Trust Litigation invoice 12436154 dated December 1, 2021; and Verified Memorandum of Attorney's Fees By Stanley Jaksick as Co-Trustee of the Family Trust, filed with the Court on April 22, 2020 (a document already in our possession);
- Exhibit 2: Received January 18, 2022, Client Matter 19453-1 LMS+ screen shot dated January 14, 2022; Matter 19453-4 Invoice No. 12439017 dated January 14, 2022; and Matter 19453-1 Invoice No. 12438487 dated January 14, 2022;
- Exhibit 3: Received June 8, 2022 and received June 9, 2022, consisting of January 4, 2018 engagement letter; and Matter 19453-4 Invoice No. 12446294 dated June 8, 2022;
- Exhibit 4: Received June 25, 2022, engagement letter dated February 22, 2018; and
- Exhibit 5: Received June 30, 2022, Client matter #19453-1 Invoice dated June 29, 2022, received on June 30, 2022.

In my May 24, 2022 correspondence, I outlined what the Trustee had as of that date and what he needs in order to analyze the Trust's liability to Stan for attorneys' fees. I now update that information and reiterate that the Trustee requires the following documents:



1. Client matter #19453-1 entitled Trust Litigation:
 - a. The Trustee requires copies of all billing statements McDonald Carano generated to Stan Jaksick in this matter. Ledgers, reports or other documents reflecting prior balances, payments, the application and source of payments received by McDonald Carano and applied to this matter resulting in balances carried forward would also be helpful. We do not have this scope of information. As I stated in my May 24, 2022 letter, your January 18, 2022 email to me and attachments thereto provided limited information on this billing matter. In addition to this limited information and as a result of your June 30, 2022 transmission, we now have only the following in our possession:
 - i. Invoice No. 12396658 dated November 13, 2019 and which was received from Kevin Riley, CPA, which includes a balance carried forward of approximately \$204,000, no time entries, and certain credits;
 - ii. Invoice No. 12438487 dated January 14, 2022, which includes a balance carried forward of approximately \$243,000, time entries between June 4, 2021 and December 29, 2021, and interest in the amount of approximately \$26,000;
 - iii. the LMS+ screenshot dated January 14, 2022 for this billing matter. This is insufficient for the Trustee to thoroughly analyze the effect of the Settlement Agreement and Release dated January 31, 2019 and the document entitled "Agreement of the Co-Trustees on August 29, 2019[;]" and
 - iv. Invoice 12446368 dated June 29, 2022, which includes time entries for \$24,675.00 that have been redacted and a balance carried forward of \$305,485.25.
2. In Client Matter # 19453-4, entitled Stanley Jaksick Co-Trustee of the Family Trust, the Trustee requires the following:
 - a. all billing statements McDonald Carano generated to Stan Jaksick to date in this matter. As of the date of my May 24, 2022 letter to you and as a result of your June 9, 2022 transmission, we have received Invoice 12439071 dated January 14, 2022 and Invoice 12446294 dated June 8, 2022;
 - b. Because the billing statements are incomplete, the Trustee requires any ledgers, reports or other documents reflecting prior balances, payments, the application and source of payments received by McDonald Carano and applied to this matter resulting in balances carried forward. These should confirm the payment and application of \$143,195.64 from the Trust paid on or about September 17, 2019 and the document entitled "Agreement of the Co-Trustees on August 29, 2019;"



- c. The invoices after April 2020 are also needed to confirm that the services are for representing Stan as co-trustee and not as an individual or beneficiary. In addition to confirming how McDonald Carano applied payments, these invoices are necessary to true-up and reconcile with the Trust financial statements and records, what is actually owed by and what has been paid by the Trust; many of these discrepancies are described in the original Application.

As I have previously explained, the information requested from all the law firms who represented the co-trustees is necessary for the Trustee to accurately determine the amount and nature of the legal fees owed by the Trust. These determinations affect the financial condition of the Trust, the determination of amounts available for payment to the law firms, creditors, entities that the Trust has ownership in, and ultimately what might be available for distribution to the beneficiaries so that the Trust can be administered and work toward finalization. Further, the amounts and nature of the legal fees are necessary to determine the best classification to minimize the Trust's estimated tax obligations.

I look forward to receipt of the requested documents and invoices at your earliest convenience. I would also like to suggest that I have a conversation with your accounts receivable clerk to explore reports or other documents that may be generated to convey the information we seek. We look forward to your cooperation and assistance and please let me know if you have any questions or need further clarification.

Very truly yours,

/s/ Cecilia Lee, Esq.

Cecilia Lee

Enc.

c: James S. Proctor (via email)

EXHIBIT 6

EXHIBIT 6

1 CODE: 1520
2 FLETCHER & LEE
3 Elizabeth Fletcher, Esq.
4 Nevada Bar No. 10082
5 Cecilia Lee, Esq.
6 Nevada Bar No. 3344
7 448 Ridge Street
8 Reno, Nevada 89501
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12 Attorneys for Trustee James S. Proctor, CPA, CFE, CVA, CFF

13
14 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
15
16 IN AND FOR THE COUNTY OF WASHOE
17

18 In the Matter of the Administration of the
19
20 SSJ'S ISSUE TRUST.

Case No. PR17-00445

Dept. No. 15

21 In the Matter of the Administration of the
22
23 SAMUEL S. JAKSICK, JR. FAMILY TRUST.

CONSOLIDATED

Case No. PR17-00446

Dept No. 15

24
25 **DECLARATION OF JAMES S. PROCTOR**
26

27 I, James S. Proctor, hereby depose and say under the applicable penalties of perjury:

28 1. I am over the age of 18 years, am mentally competent and have personal knowledge
of the matters set forth in this declaration. If called upon as a witness, I could and would
competently testify to these matters.

2. I am the duly appointed Temporary Trustee of the Jaksick Family Trust.

3. I make this declaration in support of the Partial Opposition to Joint Motion for Fees
to Robison, Sharp, Sullivan & Brust; Maupin Cox LeGoy; and McDonald Carano; and Report on
Outstanding Issues Regarding Trust Liability ("Opposition"). All capitalized terms in this
declaration shall have the same meaning as set forth in the Opposition.

1 4. Throughout this phase of the case, I continue to analyze and research the tax
2 implications that may arise from satisfying the attorneys' fees owed by the Family Trust in tax
3 year 2022, so as to minimize the tax consequences the Trust may have from the sale of its interest
4 in Toiyabe Investment Co. This analysis will not only inform me of the amount of tax owed and
5 that must be paid but it may also affect my eventual determination to recommend that the Trust's
6 attorney's fees be paid in tax year 2022.

7 5. In conjunction with the Toiyabe Investment Co. ("TIC") transaction, the Court is
8 aware that TIC was a member of Montreux Development Group ("MDXG"), which in turn owed
9 certain real property in the Montreux community. The TIC transaction included the sale of an
10 undivided interest in the MXDG lots to the Purchaser, with the proceeds of sale used to redeem
11 the Trust's shares in TIC. I had discussions with the Trust's CPA, Kevin Riley, regarding the
12 Trust's projected tax liability from the two-tiers of this transaction. Kevin Riley prepared
13 preliminary and draft estimates of taxes that the Trust will owe on the sale of the MXDG lots as
14 well as the redemption of the Trust's stock ownership in TIC. It is important to note that it is
15 anticipated that ordinary income from the sale of the Montreux lots will pass-through to TIC for
16 its ownership of MXDG. That ordinary income recognized by TIC will then be passed through to
17 the shareholders of TIC, including the Trust and its 50% ownership. The ordinary income will be
18 taxed at ordinary income tax rates. The Trust will also recognize long term capital gains on its
19 redemption of stock it owns in TIC. The long-term capital gains will be paid at tax rates for capital
20 gains. Thus, some of the tax liability of the Trust will be at ordinary income rates and some at
21 capital gains rates.

22 6. The TIC stock ownership was valued at the date of death in 2013 and is less than
23 the stock basis (as reported in the Accumulated Adjustments Account) reported on the TIC tax
24 return. The lower valuation at the date of death, and as reported on the Estate's tax return, reduced
25 the estate tax due at that time. The result of such is that the Trust's stock ownership in TIC has a
26 reduced basis, resulting in a larger capital gain upon its redemption of stock in 2022.

27 7. My discussions with Mr. Riley included whether some of the legal fees owed, and
28 to be paid, could be classified as capital transactions as opposed to ordinary expenses to deduct

1 against the ordinary income of the Trust. As Mr. Riley did not have full documentation of the
2 legal fees¹, he was unsure what, if any legal fees could be reclassified.

3 8. The estimated tax liability of the Trust is significant and must be paid. The tax
4 liability has to be paid before legal fees, other administrative expenses, creditors and beneficiaries
5 can be paid. Any unpaid taxes will be subject to interest and penalties.

6 9. I am scheduled to have more discussions with Kevin Riley regarding this within
7 the next several weeks.

8 EXECUTED on this 12th day of August, 2022.

9 /s/ James S. Proctor
10 JAMES S. PROCTOR
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26 ¹ Indeed, it was not until within the last month that my counsel and I obtained sufficient
27 documentation of the legal fees for analysis, despite requests dating back to October 2021 to
28 provide the necessary information and documents. As it is, some of the billing statements from
the law firms are redacted, and a proper classification and categorization of legal fees incurred
may not be determinable in their present forms.

EXHIBIT 7

EXHIBIT 7

1 CODE: 1520
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12 Attorneys for Trustee James S. Proctor, CPA, CFE, CVA, CFF

13
14 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
15
16 IN AND FOR THE COUNTY OF WASHOE
17

18 In the Matter of the Administration of the	Case No. PR17-00445
19 SSJ'S ISSUE TRUST.	Dept. No. 15
20 In the Matter of the Administration of the	CONSOLIDATED
21 SAMUEL S. JAKSICK, JR. FAMILY TRUST.	Case No. PR17-00446
	Dept No. 15

22
23 **DECLARATION OF ELIZABETH DENDARY, CP**
24

25 I, Elizabeth Dendary, CP, do hereby depose and say under the applicable penalties of
26 perjury:

27 1. I am over the age of 18 years, am mentally competent and have personal knowledge
28 of the matters set forth in this declaration. If called upon as a witness, I could and would
competently testify to these matters.

29 2. I am an employee of Fletcher & Lee. I am a Certified Paralegal, and I earned my
Certified Paralegal designation from the National Association of Legal Assistants in 2016.

30 3. I make this declaration in support of the Partial Opposition to Joint Motion for Fees
to Robison, Sharp, Sullivan & Brust; Maupin Cox LeGoy; and McDonald Carano; and Report on

Outstanding Issues Regarding Trust Liability (“Opposition”). All capitalized terms in this declaration shall have the same meaning as set forth in the Opposition.

4. This declaration supplements and incorporates by this reference my declaration submitted as Exhibit 1 to the Application to Authorize Payment to Robison, Sharp, Sullivan & Brust; Maupin Cox LeGoy; McDonald Carano; and Spencer & Johnson and filed with the Court on May 5, 2022 (“First Declaration”) to provide the Court with the events that transpired after May 5, 2022.

5. On August 8, 2022, the Robison firm provided to Fletcher & Lee the billing statements for the Jaksick Family Trust matter bearing Account No. 1368-002M dated October 31, 2021 through June 30, 2022.

6. I reviewed and analyzed these billing statements and incorporated my analysis into the analysis I outlined in my First Declaration. My analysis is summarized in the following chart:

Family Trust, Account No. 1368-002M						
	2018	2019	2020	2021	2022	TOTALS
Fees	\$ 181,352.25	\$ 196,322.00	\$ 55,024.50	\$ 25,940.00	\$ 16,760.00	\$ 475,398.75
Costs	\$ 5,648.32	\$ 3,671.94	\$ -	\$ -	\$ -	\$ 9,320.26
					Fees & Costs	\$ 484,719.01
Payments	\$ (8,826.50)	\$(215,827.60)	\$(120,326.73)	\$ (2,866.76)	\$ -	\$ (347,847.59)
Discounts			\$ (25,000.00)			\$ (25,000.00)
					Balance	\$ 111,871.42

7. On August 9, 2022, the Robison firm provided to Fletcher & Lee the billing statements for the Issue Trust matter bearing Account No. 1368-001M dated October 31, 2021 through May 31, 2022 and for the Appeal matter bearing Account No. 1368-003M dated October 31, 2021 through May 31, 2022.

8. I reviewed and analyzed these billing statements and incorporated my analysis into the analysis I outlined in my First Declaration. My analysis for these two matters is summarized in the following charts:

Issue Trust, Account No. 1368-001M								
	2016	2017	2018	2019	2020	2021	2022	TOTALS
Fees	\$2,480.00	\$15,069.00	\$187,837.50	\$249,426.00	\$62,776.50	\$15,270.00	\$4,816.00	\$537,675.00
Costs	\$ -	\$104.00	\$37,168.04	\$27,432.01	\$2,628.96	\$1,615.33	\$524.42	\$69,472.76
Fees & Costs								\$607,147.76
Paid	\$(1,640.00)	\$(10,215.50)	\$(11,725.25)	\$(440,222.53)	\$(79,673.27)	\$(3,986.00)	\$ -	\$(547,462.55)
Balance								\$59,685.21

Appeal, Account No. 1368-003M			
	2021	2022	TOTALS
Fees	\$ 49,335.00	\$ 80.00	\$ 49,415.00
Costs	\$ 1,797.20	\$ -	\$ 1,797.20
Fees & Costs			\$ 51,212.20
Payments	\$(51,092.20)	\$ -	\$(51,092.20)
Balance			\$ 120.00

9. My review of the Robison firm billing statements report that the time Mr. Robison billed for his work on the appeal to the Nevada Supreme Court was, generally, split equally between the Family Trust and Issue Trust billing matters. There is only one billing invoice for the Appeal matter bearing Account No. 1368-003M that contains time billed by Mr. Robison. The billing statements for the Appeal matter report time billed by other legal professionals of the Robison firm.

10. Finally, I compared the above amounts to the information contained in Mr. Robison's declaration filed in support of the Motion. The invoices support Mr. Robison's calculation of the balance owed to his firm for the Family Trust matter in the amount of \$111,871.42. However, my analysis reflects that the total amount billed for fees and costs in the Family Trust matter is \$484,719.01, whereas Mr. Robison represents this total as \$510,143.10. Motion, Ex. 3, ¶8.

11. On June 9, 2022, the Maupin Cox firm provided the following documents to Fletcher & Lee:

- a. AR Journal ledger for File No. 17454.008 pertaining to the Family Trust for the period of December 27, 2017 to June 1, 2022. This report states when fees and costs were billed and to which invoice, and how specific payments were applied;

- b. Three invoices for File No. 17454.008 pertaining to the Family Trust, which report fees and costs billed between January 4, 2021 and June 1, 2022;
- c. Nine invoices for File No. 17454.000 pertaining to Trust Administration, which report fees billed between May 16, 2019 and January 26, 2022 and are represented by Maupin Cox as unpaid. We learned of the Trust Administration billing matter from information provided by Kevin Riley; and
- d. Four invoices for File No. 17454.012 pertaining to the Appeal, which report fees billed between October 20, 2019 and May 18, 2022 and are represented by Maupin Cox as unpaid.

12. I reviewed and analyzed these documents in comparison to the documents previously received from Maupin Cox and analyzed, as outlined in my First Declaration. My analysis reflects the following:

Matter	Year	Fees	Costs	Total	Payments	Balance
Family Trust 17454.008	2018	\$ 263,320.00	\$ 10,327.36	\$ 273,647.36	\$ (219,909.65)	
	2019	\$ 256,985.00	\$ 38,362.39	\$ 295,347.39	\$ (314,389.35)	
	2020	\$ 131,962.50	\$ 3,512.82	\$ 135,475.32	\$ (12,413.33)	
	2021	\$ 18,787.50	\$ 934.00	\$ 19,721.50	\$ (3,386.90)	
	2022	\$ 10,818.75	\$ 221.65	\$ 11,040.40	\$ -	
	TOTAL	\$ 681,873.75	\$ 53,358.22	\$ 735,231.97	\$ (550,099.23)	\$185,132.74
Prior to 2/18/2021		\$ 668,292.50	\$ 52,702.57	\$ 720,995.07		
On/after 2/18/21		\$ 13,581.25	\$ 655.65	\$ 14,236.90		
Appeal 17454.012	2021	\$ 28,125.00	\$ -	\$ 28,125.00	\$ -	
	2022	\$ 23,300.00	\$ -	\$ 23,300.00	\$ -	
	TOTAL	\$ 51,425.00	\$ -	\$ 51,425.00	\$ -	\$ 51,425.00
Trust Admin. 17454.000	2019	\$ 3,025.00	\$ -	\$ 3,025.00	\$ -	
	2020	\$ 1,256.25	\$ -	\$ 1,256.25	\$ -	
	2021	\$ 112.50	\$ -	\$ 112.50	\$ -	
	2022	\$ 1,012.50	\$ -	\$ 1,012.50	\$ -	
	TOTAL	\$ 5,406.25	\$ -	\$ 5,406.25	\$ -	\$ 5,406.25
GRAND TOTAL TO REPRESENT TRUSTEES				\$ 792,063.22	\$ (550,099.23)	\$241,963.99

1 13. Finally, I compared these amounts to the information contained in Mr. Lattin's
2 declaration filed in support of the Motion. All of the numbers presented by Mr. Lattin are
3 supported by the documentation and information provided by Maupin Cox to the Trustee.¹

4 14. In the Motion, Mr. Lattin requests the Court to approve the Family Trust's payment
5 of the Family Trust billing matter bearing File #17454.008 in the total amount of \$185,132.74.
6 Although Mr. Lattin provides the amounts his firm has billed for the Appeal and Trust
7 Administration matters, respectively, there is no request in the Motion for the Family Trust to pay
8 these balances.

9 15. On June 9, 2022, Mr. Hosmer-Henner produced to Fletcher & Lee the billing
10 invoice dated June 8, 2022 for client matter 19453-4 issued to Stan Jaksick in his capacity as co-
11 trustee of the Jaksick Family Trust. This invoice billed for services rendered between May 9 and
12 May 17, 2022 for fees in the total amount of \$15,600.00 and reports a current due balance of
13 \$347,745.37.

14 16. On June 30, 2022, Mr. Hosmer-Henner produced to Fletcher & Lee the billing
15 invoice dated June 29, 2022 for client matter 19453-1 issued to Stan Jaksick in his individual
16 capacity. This invoice billed for services rendered between January 5 and May 24, 2022 for fees
17 in the total amount of \$24,675.00 and costs in the total amount of \$362.70. This invoice further
18 reports receipt of a payment in the amount of \$10,000.00 and a balance due of \$330,522.95.

19 17. On July 13, 2022, Mr. Hosmer-Henner produced to Fletcher & Lee the following
20 time and cost reports:

21 a. Matter #19453-1, Stanley Jaksick Trust Litigation (individual representation):

22 i. Time Report for Period of December 27, 2017 – January 31, 2019;

23 ii. Time Report for Period of March 5, 2021 – May 24, 2022; and

24 iii. Cost Report for Period of January 24, 2018 – January 30, 2019.

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¹ Mr. Lattin states in his declaration that the trustees "incurred fees payable to Maupin, Cox & LeGoy ... in the amount of \$183,821.92, and costs in the amount of \$1,310.82, for a total of \$185,132.74." Motion, Ex. 2, ¶6. It should be noted that this is the unpaid balance of the Family Trust billing matter bearing File #17454.008 and includes amounts billed after February 18, 2021. The total amount of fees and costs incurred by the trustees for this matter totals \$735,231.97.

b. Matter #19453-4, Stanley Jaksick Co-Trustee of the Family Trust:

i. Time Report for Period of January 31, 2019 – May 17, 2022; and

ii. Cost Report for Period of January 3, 2019 – January 16, 2021.

18. I reviewed and analyzed these documents to compile the amount of fees and costs billed by McDonald in the respective billing matters, which is summarized in the following charts:

Matter: 19453-1 Trust Litigation (representation of Stan Jaksick individually)			
Timeframe	Fees	Costs	Total
12/27/2017-1/31/2019 ²	\$ 243,904.50	\$ 26,534.07	\$ 270,438.57
3/5/2021-5/24/2022 ³	\$ 66,999.00	\$ 362.70	\$ 67,361.70
TOTAL	\$ 310,903.50	\$ 26,896.77	\$ 337,800.27 ⁴
Paid by Stan	\$(140,053.92)	\$(12,158.35)	\$(152,212.27)
Balance	\$ 170,849.58	\$ 14,738.42	\$ 185,588.00

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² From the records provided, there is a gap in the time period billed in this matter of February 1, 2019 to March 4, 2021. Mr. Hosmer-Henner has represented to the Trustee that no time was billed in this matter from February 1, 2019 to February 18, 2021. However, the June 29, 2022 invoice reflects two invoices (dated September 29, 2020 and March 31, 2021, respectively) that remain outstanding and unpaid and for which the Trustee has no information. The total of these two invoices is \$2,025.00.

³ Although not requested in the Motion, on January 18, 2022, Mr. Hosmer-Henner informed the Trustee of his intent to seek payment from the Family Trust of \$45,324.00 for fees billed under Matter 19453-1 between February 19, 2021 and December 31, 2021. I believe the Time Report for March 5, 2021 to May 24, 2022 was provided to the Trustee to substantiate this request. This Time Report was not included as part of Mr. Hosmer-Henner's declaration in support of the Motion.

⁴ This total excludes interest and late fees in the amount of \$145,177.27. See Motion, Ex. 1, ¶12.

Matter: 19453-4 Co-Trustee of Jaksick Family Trust			
Timeframe	Fees	Costs	Total
1/31/2019-2/17/2021	\$ 335,340.00	\$ 6,003.67	\$ 341,343.67
Billing entry on 2/18/2021 ⁵	\$ 2,250.00	\$ -	\$ 2,250.00
Appeal Fees 3/11/2021-5/17/2022	\$ 73,450.00	\$ -	\$ 73,450.00
TOTAL	\$ 411,040.00	\$ 6,003.67	\$ 417,043.67 ⁶
Paid by Family Trust	\$(143,280.00)	\$ (3,785.64)	\$(147,065.64)
Balance	\$ 267,760.00	\$ 2,218.03	\$ 269,978.03

19. The Time and Cost Reports do not report payment information or interest amounts. The payment information reported in the above charts was determined from the June 2022 billing invoices for each matter, which include a respective listing of Outstanding Invoices. To corroborate the amounts that Mr. Hosmer-Henner indicates have been paid, I assumed that any invoices which were not reflected on those lists have been paid. The total of these invoices was then compared to the amounts Mr. Hosmer-Henner included in his declaration supporting the Motion. See Motion, Ex. 1, ¶¶11, 16. The payments reflected on the billing records by McDonald for Matter 19453-4 match the payments made by the Family Trust as reflected on the Family Trust Financial Statements.

20. Next, I compared these amounts to the information that Mr. Hosmer-Henner filed with the Court in the Verified Memorandum of Costs filed on March 17, 2022 (the “Cost Memorandum”) ⁷. The Cost Memorandum includes costs billed under both Matters 19453-1 and 19453-4. Specifically, the Cost Memorandum includes (i) costs billed under Matter 19453-1 between January 2018 and January 2019 and (ii) costs billed under Matter 19453-4 between March 5, 2019 and April 24, 2019. The Cost Memorandum excludes costs such as mileage and business

⁵ “From February 18, 2021, until further order of this Court, Todd and Stanley Jaksick are not entitled to ... reimbursement or payment from the Family Trust for professional fees, including attorney’s fees related to this litigation or the Family Trust, with the exception of attorney’s fees related to the appeal in this matter...” Order Appointing Temporary Trustee, entered on February 25, 2021. McDonald did not bill any fees in Matter 19453-4 after February 18, 2021 other than relating to the Appeal with the exception one time entry billed on February 18, 2021 for attending the Court’s hearing on that date.

⁶ This total excludes interest and late fees in the amount of \$89,757.44. See Motion, Ex. 1, ¶17.

⁷ The Court may recall that it ordered Wendy Jaksick to pay the amounts requested in the Cost Memorandum in its Order Awarding Costs entered on May 19, 2020 and the Amended Judgment entered on July 6, 2020.

1 meals but are reported on the Cost Reports and included in the above charts.

2 21. Next, I compared these amounts to the analysis I outlined in my First Declaration.

3 22. Finally, I compared these amounts to the information contained in Mr. Hosmer-
4 Henner's declaration filed in support of the Motion. My analysis concludes the amounts
5 represented by Mr. Hosmer-Henner in his declaration are supported by the Fee and Cost Reports
6 for Matters 19453-1 and 19453-4, of which copies are attached to Mr. Hosmer-Henner's
7 declaration although portions are cut off.

8 23. Mr. Hosmer-Henner requests the Court approve the Family Trust's payment of
9 \$250,000.00 towards the outstanding fees and costs billed under Matter 19453-1 for representing
10 Stan Jaksick individually. Mr. Hosmer-Henner further requests the Court approve the Family
11 Trust's payment of the outstanding fees and costs billed under Matter 19453-4 for representing
12 Stan Jaksick as co-trustee of the Family Trust and including the appellate work in the amount of
13 \$269,978.03.

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

15 EXECUTED on this 12th day of August, 2022.

16 /s/ Elizabeth Dendary, CP
17 ELIZABETH DENDARY, CP
18 Certified Paralegal
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EXHIBIT 8

EXHIBIT 8

1 CODE: 1520
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12 Attorneys for Trustee James S. Proctor, CPA, CFE, CVA, CFF

13
14 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
15
16 IN AND FOR THE COUNTY OF WASHOE
17

18 In the Matter of the Administration of the	Case No. PR17-00445
19 SSJ'S ISSUE TRUST.	Dept. No. 15
20 In the Matter of the Administration of the	CONSOLIDATED
21 SAMUEL S. JAKSICK, JR. FAMILY TRUST.	Case No. PR17-00446
	Dept No. 15

22
23 **DECLARATION OF CECILIA LEE**
24

25 I, Cecilia Lee, Esq., do hereby depose and say under the applicable penalties of perjury:

26 1. I am over the age of 18 years, am mentally competent and have personal knowledge
27 of the matters set forth in this declaration. If called upon as a witness, I could and would
28 competently testify to these matters.

29 2. I am admitted to the practice of law in the states of Oregon and Nevada, and have
30 been so admitted since 1986 and 1987, respectively. I practice law with Fletcher & Lee.

31 3. I represent James S. Proctor as the Court-appointed Temporary Trustee of the
32 Samuel S. Jaksick, Jr. Family Trust.

33 4. I make this declaration in support of the Partial Opposition to Joint Motion for Fees

1 to Robison, Sharp, Sullivan & Brust; Maupin Cox LeGoy; and McDonald Carano; and Report on
2 Outstanding Issues Regarding Trust Liability (“Opposition”). All capitalized terms in this
3 declaration shall have the same meaning as set forth in the Opposition.

4 5. In a letter from me to Adam Hosmer-Henner, Esq. dated October 19, 2021, I
5 requested on behalf of the Trustee, among other things, “Any and all amounts Stan Jaksick
6 contends are owed by the Family Trust to be paid on his behalf to any person or entity, including
7 supporting invoices and/or demands and the document(s) that provide the basis for the liability of
8 the Family Trust for such amounts.” In a letter dated January 24, 2022, Mr. Hosmer-Henner
9 responded to this request as follows: “These obligations are detailed in the Family Trust financial
10 statements, the Family Trust instrument itself, and the other documents provided to the Temporary
11 Trustee. We are continuing to analyze the Temporary Trustee’s interim status reports to see if
12 these reflect all amounts owed to Stan Jaksick or his related parties or entities and will continue to
13 update the Temporary Trustee on his amounts.” In answer to a request for McDonald Carano’s
14 invoices for representing Stan in his capacity as trustee and individually, Mr. Hosmer-Henner
15 responded that, among other things, the request was “overly broad and unduly burdensome.”

16 6. Since October 19, 2021, we have received some documents from Mr. Hosmer-
17 Henner relating to his firm’s fees and some documents from Kevin Riley. These are outlined in
18 the Declaration of Elizabeth Dendary, which supplements her declaration submitted as Exhibit 1
19 to the Application to Authorize Payment to Robison, Sharp, Sullivan & Brust; Maupin Cox LeGoy;
20 McDonald Carano; and Spencer & Johnson and filed with the Court on May 5, 2022. In addition
21 to the information contained in these declarations, I transmitted a letter to Mr. Hosmer-Henner
22 dated July 8, 2022, in which I summarized all of the documents we had received from him and in
23 which I asked, again, for copies of McDonald Carano’s billing statements for representing Stan as
24 a co-trustee in the litigation and for representing Stan in his individual capacity. A copy of my
25 July 8, 2022 letter, without the referenced exhibits, is attached to the Opposition as Exhibit 5.

26 7. On May 5, 2022, I filed on behalf of the Trustee an Application to Authorize
27 Payment to Robison, Sharp, Sullivan & Brust; Maupin Cox Legoy; McDonald Carano; and
28 Spencer & Johnson (the “Trustee’s Application”), in which the Trustee asked the Court to enter

1 an order authorizing the Trustee to pay each of the four law firms \$50,000 pending resolution of
2 the entire liability of the Trust for attorneys' fees. Although I received no response from Spencer
3 & Johnson, the other three firms immediately informed me that they objected to the Trustee's
4 Application, primarily on the ground that the Supreme Court oral argument was pending and no
5 payment should be made to Spencer & Johnson until the decision was rendered.

6 8. The Declaration of Donald Lattin attached to the Motion attests that "[a]ll billing
7 statements" for which MCL is seeking approval "have been provided to the Trustee and counsel.
8 Motion, p. 64, ll 5-6. That is incorrect. We have received three invoices on the Family Trust
9 matter 17454.008 dated January 1, 2021 to June 1, 2022 from MCL. We received invoices from
10 Kevin Riley dated October 2019 through January 2021. It was precisely because MCL had not
11 provided all invoices on this matter that I proposed a conversation with an MCL employee who
12 could assist in resolving the matter. I spoke to Correen B. Drake; she was helpful in addressing
13 our attempts to obtain the necessary information, namely, fees and costs incurred, amounts paid
14 and resulting balance for each billing period and for each billing matter for which the firm would
15 seek payment from the Family Trust, including Trust Administration Matter 17454.000 that we
16 became aware of based on information provided by Kevin Riley. Ms. Drake explained that to
17 provide the underlying invoices would require a significant amount of work to redact for privilege,
18 as a result of which she and I explored alternative reports that could be provided that would convey
19 the necessary information. Ms. Drake then transmitted to me an Account Receivable Journal along
20 with the three invoices from January 1, 2021 to June 1, 2022.

21 9. Regarding the chart in the Opposition summarizing the fees and costs incurred by
22 MCL, this chart also does not include amounts billed by MCL to the Issue Trust for the litigation.
23 I have been informed that MCL split the fees for these services 67 percent to the Family Trust and
24 33 percent to the Issue Trust.

25 10. The MCL time entries for the appeal are not all uniformly entered in Matter
26 17454.012. Some of the time entries related to the briefing were included in Matter 17454.008 for
27 the Trust Litigation, including some time entries after February 18, 2021. In addition to entries
28 attributable to the appeal, the time entries after February 18, 2021 appear to come within the

1 Court's holding in the Order Appointing Temporary Trustee.

2 11. Maupin Cox & Legoy requested fees incurred after February 18, 2021 in the
3 Motion. I reviewed the tasks performed, which included some tasks relating to the appeal, and
4 have recommended to the Trustee that were reasonable and necessary to effectuate the transition
5 of trust administration. As a result, the Trustee has included these amounts in his proposals to
6 resolve the Motion.

7 EXECUTED on this 12th day of August, 2022.

8 /s/ Cecilia Lee
9 CECILIA LEE

CODE: 3835
FLETCHER & LEE
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Attorneys for Temporary Trustee James S. Proctor, CPA, CFE, CVA, CFF

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

In the Matter of the Administration of the
SSJ'S ISSUE TRUST.

Case No. PR17-00445

Dept. No. 15

In the Matter of the Administration of the
SAMUEL S. JAKSICK, JR. FAMILY TRUST.

CONSOLIDATED

Case No. PR17-00446

Dept No. 15

TRUSTEE'S FOURTH INTERIM STATUS REPORT

James S. Proctor, CPA, CFE, CVA, CFF, in his capacity as the duly appointed Temporary Trustee of the Jaksick Family Trust, by and through his attorneys of record, Cecilia Lee, Esq. and Elizabeth Fletcher, Esq., Fletcher & Lee, hereby submits his Fourth Interim Status Report dated August 31, 2022.

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Pursuant to this Court's Order for Appointment of Temporary Trustee filed February 25, 2021 (Order) In the Matter of the Administration of the Samuel S. Jaksick, Jr Family Trust (Trust), Case No. PR17-00445 Dept. No. 15, the Temporary Trustee, James S. Proctor, hereby submits his fourth (4th) Status Report (Report), dated August 31, 2022. The Temporary Trustee's prior Status Reports were dated as follows:

1 st Status Report	July 26, 2021
2 nd Status Report	November 5, 2021
3 rd Status Report	February 22, 2022

Status Hearings were conducted on August 5, 2021, November 23, 2021. A further hearing on the Trustee's Motion to Appoint a Custodian was held on February 9 and 23, 2021, and the 23rd hearing included a recap of the status of the Trust, similar to a Status Hearing. As outlined in prior Reports the Trustee will continue to file additional Status Reports, of which this is the latest.

OVERVIEW

As outlined in the previous Status Reports, I as Temporary Trustee, have operated the Trusteeship following appointment by the Court entered on February 25, 2021, upon the direction of the Court as documented in the Court's Order Finding Violation of NRS 163.115 and Ordering Additional Briefing to Determine Timing of the Removal of Trustees dated February 10, 2021. As the Court is well aware of the facts, circumstances and history of the case, this Report will not further enumerate on such. Further, any financial or tax information provided in this Report are not to be interpreted as financial statements in accordance with professional reporting standards and requirements, but are for internal and Court purposes only.¹ The Trustee continues to work with and rely on the Trust's CPA, Kevin Riley.

For brevity, references to Stan Jaksick, Todd Jaksick, and Wendy Jaksick are listed as Stan, Todd, and Wendy, and are not meant to imply any type of familiarity or relationship with such. I will also reference myself as Trustee in this report.

The Trustee's primary efforts since the February 2022 hearings were devoted to the sale of the Trust's ownership position in Toiyabe Investment Company (TIC), and the revised offer from Mana Investment (MANA) to purchase interests in real property lots in Montreux Development Group (MXDG). The Trustee has also been analyzing and researching what is referred to as the Northern Washoe County Investments and the associated water rights, paying operating costs of

¹ While the Temporary Trustee is a CPA and Certified Valuation Analyst (CVA) the amounts presented in this Report and its exhibits or attachments are estimates and representations from parties and from the Trust books and records. Thus, the amounts and numbers reported are not valuation reports in accordance with professional standards that result in detail, summary, or calculation of value reports. While financial information is presented, some of which is from financial statements, tax returns, and accounting records, this information has not been subjected to any audit or review procedures by us as defined by the American Institute of Certified Public Accountants (AICPA) during this engagement. The terms "audit" and "review" are described and defined in pronouncements promulgated by the AICPA. Accordingly, this Report should not be construed, or referred to, as an audit, examination, or review of the Trust's financial information by Meridian Advantage and the Trustee.

the Trust, performing administrative duties, providing information and documents to third parties, and preparing a claim for property tax refund from Washoe County.

Wendy Jaksick passed away on July 23, 2022. At this point the Trustee is awaiting further information, including as to who the Executor is or will be. The Trustee does request from the Court as to what responsibility, if any, the Trustee has over the sub-Trust created for Wendy through The Samuel S Jaksick Jr Family Trust Agreement (As Restated), and the Second Amendment To the Samuel S Jaksick Jr Family Trust Agreement Restated Pursuant to the Third Amendment Dated June 29, 2006. It is understood that these two Agreements are the controlling documents. I understand that the prior Trustees had the responsibility for the sub-Trust, but it doesn't appear that I, as Temporary Trustee have any authority or responsibility for such. To my knowledge, Wendy's sub-Trust would still need to be funded, primarily if not exclusively from her beneficial interest in the Family Trust. The Trustee requests further direction from the Court.

TRUST CASH

Currently, the Trust has approximately \$1,820,681 cash on hand in an interest-bearing checking account at RBC Wealth Management (RBC). There are no anticipated sources of income in the immediate future aside from possible property sales and a small amount on an installment sale (Basecamp) and a property tax refund from Washoe County. At the same time, demands continue to be made upon the Trust to pay its obligations for capital calls from various entities, as well a Joint Motion for Fees to Robison, Sharp, Sullivan & Brust; Maupin Cox Legoy; and McDonald Carano for payment has been filed (refer below). By September 15, 2022 the Trust must pay or provide for a significant estimated tax liability for 2022.

AMERICAN AgCREDIT (AgCredit)

A payment of \$126,795 is due by September 1, 2022. The current balance owed as of August 3, 2022 is approximately \$284,700. It is the intent of the Trustee to pay the amount due AgCredit in by the September 1st due date. It is the Trustee's intent to pay the remaining portion due September 2022. The amount due AgCredit will need to be paid off in full before the Trust is finalized. Paying the full amount due in 2022 rather than both in 2023 and 2024 will save the Trust approximately \$15,000, as interest is accruing at the rate of 6.05%. The Trustee continues to work with AgCredit on requests for information, updates, and releases of certain entities from the debt.

On April 1, 2022 the Court approved the payment to Todd Jaksick for the reimbursement of \$126,795.31 as a priority payment. Todd had agreed to pay the September 1, 2021 AgCredit note payment as the Trust had insufficient funds at that time to pay the obligation. Once the proceeds from the MANA sale of the Montreux lots was received the Trust was able to pay Todd.

BASECAMP, LLC

The sale of the underlying real property in Basecamp, LLC closed in December 2021. The Court previously approved the Trustee's decision to allow for the sale of the property by Basecamp's Managing Member. The Trust has been paid its pro rata portion of the down payment and the note

receivable in the amount of \$7,171. The balance of the sales price is seller-financed and will be paid over time.

TOIYABE INVESTMENT CO. (TIC) & MONTREUX DEVELOPMENT GROUP, LLC (MXDG)

On April 1, 2022 the Court approved the sale of the lots in Montreux Development Group (MXDG) to MANA Investments (MANA) and related entities. The sale was finalized on April 4, 2022. In accordance with the sales documents, Toiyabe Investment Company (TIC) redeemed the Trust's 50% stock ownership. The Trust received proceeds of \$2,038,000. The Trust will have a significant tax liability on this transaction, of which an estimate is being calculated by the CPA.

NORTHERN WASHOE COUNTY INVESTMENTS

As the Court may recall, the Trust has an ownership interest in other entities that hold assets located throughout Washoe County and Storey County. The Trust ownership interests included entities in which it owns 100% interest, and others that the Trust only has a minority ownership interest. To recap, those entities and the Trust's ownership in each include:

• SJ Ranch	100.0%
• Samuel S Jaksick Jr. IV LLC	100.0%
• Buckhorn Land & Livestock (Winnemucca Ranch)	25.0%
• White Pine Lumber	100.0 %
• Duck Flat Ranch	49.0 %
• BBB Investments	49.0%
• Gerlach Green Energy	49.0%
• Lake-Ridge Corp.(revoked)	45.0%
• Basecamp LLC	100.0%
• Montreux Golf Holding Co. LLC	18.75%
	1.98%

As outlined in previous Reports, in order for the Trust to meet its obligations, assets in these entities and/or the Trust's ownership interests will need to be sold. It appears that some underlying real property is more easily marketable than others. Much of the real property is in remote areas and some are subject to conservation easements that limit the use of the real property.

Todd has submitted a preliminary proposal whereby he would redeem the Trust's ownership interests in various entities, but not all. That proposal is still being analyzed and needs to be discussed further with him and his Counsel. Additional information, documents, and accountings have been requested for further analysis and discussion. There are number of questions and issues that need to be researched before moving forward with the proposal. Before any proposal is finalized, and before terms are agreed upon, the Trustee would notify the Court and Counsel for the other beneficiaries. Listing properties for sale to unrelated third parties is also being explored. The real property in the entities SJ Ranch and Samuel S Jaksick Jr. IV, LLC were sold in early 2021 as reported in the first Status Report. The Trustee is in the process of dissolving those entities before the end of 2022 and continues to attempt to get AgCredit to release SJ Ranch as a guarantor of that debt.

The Trust has a 25% ownership in Buckhorn Land & Livestock (fka Winnemucca Ranch). The other owners of this entity are:

Buckhorn Ownership	
Stan Jaksick	20.0%
Todd Jaksick Family Trust	22.5%
Randall Venturacci	25.0%
TBJ Investment Trust	7.5%
Total	<u>75.0%</u>

I understand that the underlying real property is subject to a permanent conservation easement with the Natural Resources Conservation Service (NRCS) of the USDA. This can be viewed as both an advantage or a disadvantage. There has been some limited discussion about possibly selling the underlying real property to outside, unrelated parties. There has also been some limited discussion of the other LLC members purchasing the Trust's ownership interest. As well, there has been a proposal by Todd to purchase the Trust's ownership interest, refer above. Further discussion and analysis are continuing.

The Trust has 100% ownership in White Pine Lumber. I understand that there is a 30-year conservation easement in effect. The existence of such limits the use and development of the real property and may affect the marketability. Because the Trust has an 100% ownership interest in this entity it potentially is the most marketable property. However, it does have the conservation easement, which may be a limiting factor. The other property with a greater potential to being sold is Buckhorn. However, the Trust only has a 25% ownership in this entity, and is thus unable to control the sale of the property. The research into this is continuing, including listing the property with realtors as outlined above.

Duck Flat Ranch, the Trust has a 49% ownership, and the Todd Jaksick Family Trust owns 24.99%, and TBJ Investment Trust owns 26.01%. These properties are also being considered for sale, but the Trust only has a minority ownership interest.

BBB Investments, in which the Trust has a 49% ownership interest, owns land toward Gerlach, and near the Burning Man sites. The other ownership consists of Todd Jaksick Family Trust 51%. This property is also being considered for sale, but the Trust only has a minority ownership interest.

The Trust has a 45% ownership in Gerlach Green Energy. The other ownership interests consist of Stanley Jaksick 2013 Revocable Trust 10.0%, Todd Jaksick Family Trust 22.05%, TBJ Investment Trust 22.95%. It has been represented that this entity is of minimal value and may have remediation liabilities. Further research needs to be conducted of this.

Research is continuing on Lake-Ridge Corp., an entity in which the Trust has an ownership interest. The Nevada Secretary of State's office lists the corporation as revoked status. The entity owns 3 slivers of land near or by the Lakeridge Golf Course. It appears that 2 of those parcels are too small for building and the value would be limited. I understand that the 3rd parcel consisting of approximately 8 acres may have some easement and title issues. There have been some problems with other parcels deeded to the Lakeridge Shores Homeowners' Association many years ago; that is in the process of being resolved.

As outlined above, Basecamp, LLC was sold in 2021. In 2023, the Trust will continue to receive its pro rata share of the installment sale.

PROPERTIES' WATER RIGHTS

At the first Status Hearing in August 2021 the Court directed, and the Trustee was considering, that additional research and analyses were warranted pertaining to water right values on the underlying real estate parcels. In accordance with that direction the Trustee has been analyzing and researching possible water rights values and potential for sales, liquidation, or transfers. For the analyses it was necessary to familiarize the water rights issues that were presented at trial(s), and the Trustee has spent a limited amount of time in reviewing such. The Trustee did not analyze the accusations of fraudulent water rights transfers, or transfers for inadequate consideration, or any type of self-dealing assertions. These issues appear to have been adjudicated by the trial(s). It also appears the Estate Tax Return did not include water rights transferred prior to the date of death. If the Court wants additional analyses of those issues, then the Trustee will perform such analyses, but at this time the Trustee does not envision any additional analyses of such allegations.

The Trustee has and continues to analyze the possible value of underlying water rights to ascertain any value to the Trust and to determine whether water rights were transferred to Todd for partial satisfaction of claims under the Indemnification Agreement. There were prior water rights appraisals in 2008 and 2009, but those are extremely dated. However, they are indicative of some value. The Trustee has engaged the services of a consultant for minimal costs to assist in the analyses. The Trustee has not, at this point, engaged a water engineer, which the Trustee believes would be at substantial cost. The Trustee is aware that Buckhorn purchased approximately 3,000-acre feet of water rights in 2014 from Washoe County for \$2 million. The analyses consider the locations, nearest available water rights, and possible other parties that might be interested in the purchase of water rights. As the analysis is continuing and additional research is being performed, the results are not presented in this Report but will be provided in an additional Report. As part of the analyses the Trustee has performed some site visits.

JOINT MOTION FOR LEGAL FEES

On July 26, 2022 a Joint Motion For Fees to Robison, Sharp, Sullivan & Brust; Maupin Cox Legoy; and McDonald Carano ("Joint Motion for Fees") was filed. A Partial Opposition To Joint Motion for Fees To Robison, Sharp, Sullivan & Brust; Maupin Cox Legoy; and McDonald Carano; and Report on Outstanding Issues Regarding Trust Liability ("Partial Opposition") was filed by Trustee's Counsel on August 12, 2022 and is incorporated herein by this reference. The comments and position of the Trustee were outlined in that response and will not be discussed further in this Report.

It is important for the Trust to reduce the income tax liabilities due to sales that resulted in capital gains, and for ordinary income items passed through to the Trust from other entities. The Trustee has had several discussions, some dating back to 2021, with Kevin Riley, CPA as to how to reduce the tax liability and how best to categorize legal fees to result in maximum reduction of capital gains and ordinary income. I understand to the extent that legal and other professional fees can be classified as capital expenditures vs. ordinary expenses, such could reduce the Trust's tax liability.

I continue to have discussions with the CPA, and the CPA is in the process of estimating the 2022 tax liability of the Trust.

I have attempted to identify the issues, the nuances, and liability concerns to Counsel for the beneficiaries, but it appears that they might not fully recognize the importance of what the Trustee is attempting to resolve. For minimizing tax liabilities, it is necessary to identify:

- Total legal fees incurred
- What the fees were incurred for, the type of services performed
- On behalf of who the fees were incurred, and in what capacity
- The dates for the services incurred
- What has been paid, and by whom
- The timing for payment.

All of the above must be considered in order for the CPA to calculate an accurate tax liability, tax planning alternatives, and develop sound research for the positions undertaken in the event of questions by the IRS. As explained in the Partial Opposition, an allocation of legal fees incurred by the Issue Trust and the Family Trust for some legal matters has not been determined. Further, it appears that some law firms did not separately bill the Issue Trust for the Appeal to the Nevada Supreme Court, and some fees need to be allocated and paid by the Issue Trust, and not entirely by the Family Trust. These issues need to be resolved before payment of legal fees. The allocation of legal fees to the Issue Trust and the minimization of the Trust's tax liabilities benefits all beneficiaries, not only some.

OTHER MATTERS

A claim for Incline Village/Crystal Bay Refund Claim was filed with the Washoe County Treasurer. The claim is for refunds of certain property taxes paid to Washoe County before 2013. It is estimated that the refund due the Trust is approximately \$88,000 depending upon final calculations by Washoe County, and include interest on the overpaid property taxes. Payment is not expected until 2023.

During the administration of the Trust small additional past obligations have been discovered and have been paid or are being researched. Some of the obligations may be attributed to possible and unreported assets, or items not clearly identified in the financial statements. One such obligation was due to Last Chance Irrigation Co., Inc. for past assessments. Another small obligation is for property taxes on an unknown parcel of land. Similar small administrative matters continue to arise.

In May 2022 the Trust received from Duck Flat Ranch \$122,968 for an LLC member distribution. This was attributed to a full payment from a note receivable owed to Duck Ranch.

Claim has been made for over \$100,000 for legal fees associated with the appeal to the Supreme Court. The Supreme Court Decision affirmed the verdicts in the trials for which the Trust is still jointly obligated to pay \$300,000 to legal counsel for Wendy. Neither the Trustee nor his Counsel had any input in the Appeal or the decision to appeal.

Trust accounting information under the control of the Trustee has been submitted to the Trust's CPA for preparation of the Trust's 2021 income tax returns. Other entities for which the Trust has an ownership interest in must still provide information to the CPA before the Trust's income tax return can be completed and filed with the Internal Revenue Service by the September 30, 2022 due date.

2021 & 2022 CASH RECEIPTS AND CASH DISBURSEMENTS TO DATE

When the Trustee took possession of the RBC cash account the balance was \$47,622. The Trust has received cash and disbursed since March, 2021:

Jaksick Family Trust Cash Receipts and Cash Disbursements For the Period of Temporary Trustee March 2001 - August 2022		
Beginning Cash turned over to Temporary Trustee	\$	47,622
<u>Cash Receipts</u>		
Property Sales	108,457	
Sale of TIC Stock	2,038,000	
Tax Refunds	18,026	
Partner/LLC Disributions	126,469	
Interest Income	322	
AgCredit Dividend Income	5,052	
Note Receivable	7,171	2,303,497
Total Cash Receipts		2,351,119
<u>Cash Disbursements</u>		
AgCredit payment reimbursement	126,815	
Income Tax	204	
CPA fees, including prior fees	19,884	
Prior litigation costs	796	
Appraisal prior fees	7,500	
Beneficiary insurance premiums	489	
Trustee fees & costs	145,562	
Trustee legal fees & costs	228,182	
Post Office Box	25	
Partnership assessments	450	
Property tax	32	
AgCredit release fees	500	
Total Cash Disbursements		530,438
Ending Cash Balance	\$	<u>1,820,681</u>

TRUSTEE FEES AND TRUSTEE LEGAL FEES

Through July 31, 2022, Trustee's counsel has incurred \$260,637 in fees and costs, over 689.7 hours, for an effective billing rate of \$378 per hour, of which \$228,182 has been paid.

The Trustee has performed 767.9 hours of services for \$144,735 in fees and \$825.60 costs, for an effective billing rate of \$188 per hour.

It is estimated that fees and costs incurred to negotiate, document, and obtain necessary documents and information related to the redemption of the TIC stock and the sale of Montreux Development Group lots for the sale to MANA were approximately \$130,000 in legal fees and \$44,594 in Trustee fees.

It is estimated that, of these fees and costs, approximately \$50,390 in legal fees and \$7,476 in Trustee's fees were incurred to address Stan's demands that the Trust pay his portion of the taxes of the transaction and that the Trust not pursue the amounts he or his entities owed MXDG and/or TIC. These fees and costs also include the time incurred to obtain necessary documents and information from Stan as this Court ordered regarding the finances of MXDG and TIC and the funds Stan or his entities had received, and to enable the Trustee and his counsel to analyze those documents.

COUNSEL COMMENTS

During the February 2022 hearings as well as throughout the negotiations and finalization of the purchase of the MXDG Montreux lots, Stan's counsel made allegations and questioned the Trustee's and Counsel's capabilities, qualifications in understanding and completing the transaction. It was deemed unnecessary to respond in Court to such comments. However, given the litigious nature of the administration of the Trust, and over an extended period of time, it is prudent and important to respond.

First, and has been outlined and discussed, the Trustee has an obligation to administer the Trust for the benefit of all beneficiaries. In order to perform his duties, the Trustee must objectively make inquiries and obtain documents and additional information, and make decisions on such, again for the benefit of the Trust. Parties or their counsel may not agree or realize the importance of such requests and inquiries, but they have been deemed necessary to objectively administer the Trust. Indeed, and as has been outlined, it is also necessary, upon analysis, to determine if additional documents and questions are necessary as a result of earlier requests and answers. This is typical, and necessary.

The Trustee is very aware of the tax and financial implications of the Trust and the sale of the MXDG lots and the TIC stock transaction. The Trustee started considering such in mid-2021 as negotiations commenced. The Trustee also started discussions with the Trust's CPA to best determine the structure and details of the transactions.

The Trustee has more than 30 years of accounting and finance experience. The Trustee was in public accounting for 26 years owning a certified public accounting firm for almost 20 years. The accounting firm had a sophisticated tax practice with over 600 clients, over which more than 1/3 were closely-held businesses, including but not limited to contractors, real estate developers, professional services, and businesses with significant revenues and assets. Those businesses operated as all types of entities; C corporations, S Corporations, LLC, Partnerships, Sole Proprietorships, and Non-Profit Organizations. During the course of the Practice, the Trustee was a trusted advisor and often consulted with the sale or purchases of businesses, exit planning, succession planning, reorganization and restructuring. During the 25 years of being a US Bankruptcy Trustee, and administering over 5,000 cases, the Trustee sold businesses or their assets, participated in reorganization and liquidation of businesses. Not only were the services pertaining to the tax consequences, but also the feasibility and structure of such.

During my years of experience, I have participated, planned, assisted in transactions far more complicated and for higher dollar amounts than the sale of the MXDG lots and the TIC stock ownership. Indeed, during the finalization of the SPA, the Trustee suggested several provisions that were advantageous to the Family Trust not included by the Buyer or the Seller. Again, these suggestions were as a result of my experience. The alleged difficulty in the proposed deal with the MANA purchase was MANA's insistence on a structure that resulted in more tax to the Trust, as well as Stan's assertion that the Trust should pay all of the additional tax liability of the Trust and Stan. The Trustee's responsibility is and was to maximize the realization of funds to the Trust while continuing to present and finalize a sale to MANA.

Counsel for the Trustee has encountered similar situations. For example, as directed by the Court at a February 10, 2022 hearing, counsel prepared a proposed Order granting the Trustee immediate access to books and records of Mx DG and TIC, including specifically listed items. Counsel participated with the Trustee in a lengthy meet and confer with Stan Jaksick and Adam Hosmer-Henner to discuss the contents of the Order. Counsel filed a Notice of Submission of Proposed Order on February 15, 2022. On February 22, 2022, Stanley Jaksick's Objection to Proposed Order was filed.

Counsel for Stan Jaksick objected by email to the Notice of Submission on the ground that it was procedurally improper, despite explanation of the facts that the Notice of Submission was precisely what this Court had ordered the Trustee's attorney to file. In response, Mr. Hosmer-Henner stated in an email dated February 15, 2022 "I'm going to have to ask you to familiarize yourself with the procedural rules of the Second Judicial District Court. Your incorrect position is noted and we will respond to it in our Objection."

Despite the threat that Ms. Lee's "incorrect position" on filing the Request for Submission would be addressed in Stan's opposition, no such argument was set forth in the Stanley Jaksick's Objection to Proposed Order or made at the hearing on February 23, 2022.

CONCLUSIONS

There have been and continue to be several open, unresolved, or vague and undefined issues that have been necessary to bring to the Court for resolution, or at the least to inform the Court of. Despite assertions that the Trustee and his Counsel are being unfair, singling out parties, or misinterpreting items, there are items that have not been resolved or decided, or that remain unclear. All of which the Court needs to be aware of or decide and resolve; especially when the record or the documents are unclear and open to various interpretations. Some of those were listed in the Second Status Report. The Trustee has a responsibility to independently and objectively administer the Trust for the benefit of *all* beneficiaries and creditors. The Trustee and Counsel have extensively reviewed the relevant portions of the record and what has been provided and have determined the conclusions outlined. Otherwise, the Trustee takes no position as to the validity or interpretation of such and has requested the Court to rule on those positions raised. When the Temporary Trustee assumed responsibility for the administration of the Trust there were a number of unresolved issues and open items. As the administration continues additional items are discovered, as outlined in the Status Reports, and the Temporary Trustee is attempting to resolve such. When there is a question as to the Trustee's responsibility, the determination or disposition

of an asset or an obligation, or a difference in opinion of certain documents and decisions, those will be brought to the attention of the Court.

Among the more significant pending issues:

- Consider the payment of legal fees to personal counsel for Stan and for Todd as plead in the Joint Motion for Fees and the issues raised in the Partial Opposition, as well as the appropriate timing to rule on the payment of fees that may not be administrative in nature so as to maximize the tax advantages to the Trust;
- Direct the law firms for the former trustees to provide additional information on fees and costs, if deemed necessary by the Trustee in order to analyze and maximize the tax advantages to the Trust;
- Authorize the Trustee to prepay the AgCredit, in full if deemed in the best interest of the Trust;
- What responsibility, if any the Trustee has for the Wendy sub-Trust.

As outlined in the Second Status Report the Trustee has been developing a priority mechanism for payment of the Trust's obligations. To reiterate, it appears that the trust assets may not be sufficient to fully pay the Trust's obligations and make distributions to the beneficiaries. A priority mechanism for payment cannot be completed until more detailed information is provided and decisions made regarding the nature and extent of the Trust's liabilities to the co-trustees.

This fourth Status Report is to further inform the Court as to the continuing administration of the Trust. The Trustee will continue to perform additional analyses and work with various parties to further determine the Trust's assets and its obligations and continue to develop a plan as to how to meet those obligations, and any distributions to the beneficiaries including selling ownership interests in entities, liquidating property, all of which will be brought forward to the Court.

Respectfully Submitted,
MERIDIAN ADVANTAGE



James S. Proctor, CPA, CFE, CFF
CVA Emeritus

As Temporary Trustee for the Samuel S. Jaksick, Jr Family Trust

August 31, 2022

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AFFIRMATION

Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the personal information of any person.

DATED this 1st day of September, 2022.

FLETCHER & LEE

/s/ Cecilia Lee, Esq.
CECILIA LEE, ESQ.

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCp 5(b), I certify under penalty of perjury that I am an employee of Fletcher
3 & Lee, 448 Ridge Street, Reno, Nevada 89501, and that on 1st day of September, 2022, I served a
4 true and correct copy of the **TRUSTEE'S FOURTH INTERIM STATUS REPORT** on the
5 parties set forth below by:

6 X Service by eFlex:

7 DONALD ALBERT LATTIN, ESQ. for MICHAEL S. KIMMEL, KEVIN RILEY,
8 TODD B. JAKSICK
9 KENT RICHARD ROBISON, ESQ. for SAMMY SUPERCUB, LLC, SERIES A,
10 DUCK LAKE RANCH LLC, TODD B. JAKSICK, INCLINE TSS, LTD.
11 HANNAH E. WINSTON, ESQ. for SAMMY SUPERCUB, LLC, SERIES A,
12 DUCK LAKE RANCH LLC, TODD B. JAKSICK, INCLINE TSS, LTD.
13 MARK J. CONNOT, ESQ. for WENDY A. JAKSICK
14 JAMES PROCTOR
15 ADAM HOSMER-HENNER, ESQ. for STANLEY JAKSICK
16 PHILIP L. KREITLEIN, ESQ. for STANLEY JAKSICK, SAMUEL S. JAKSICK,
17 JR. FAMILY TRUST
18 JOHN A. COLLIER, ESQ. for LUKE JAKSICK
19 CAROLYN K. RENNER, ESQ. for MICHAEL S. KIMMEL, KEVIN RILEY,
20 TODD B. JAKSICK
21 STEPHEN C. MOSS, ESQ. for STANLEY JAKSICK, SAMUEL S. JAKSICK,
22 JR. FAMILY TRUST
23 SARAH FERGUSON, ESQ. for STANLEY JAKSICK, SSJ'S ISSUE TRUST,
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25 lawyer. This document does not contain the personal information of any person as defined by
26 NRS 603A.040.

27 /s/ Elizabeth Dendary, CP
28 ELIZABETH DENDARY, CP
Certified Paralegal

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IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE
HONORABLE DAVID HARDY, DISTRICT JUDGE

-o0o-

In the Matter of the : CASE NO. PR17-00445
Administration of the SSJ's :
ISSUE TRUST, : DEPT. NO. 15

In the Matter of the :
Administration of the SAMUEL :
S. JAKSICK, JR. FAMILY :
TRUST, :

AND OTHER CROSS RELATED :
CLAIMS. :

BY ZOOM VIDEOCONFERENCE

TRANSCRIPT OF PROCEEDINGS

September 26, 2022

Reno, Nevada

JOB NO. 918825

REPORTED BY: LINDA B. SHAW, CCR #123, RPR, CSR

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A P P E A R A N C E S

3

FOR THE TRUST

FLETHCER & LEE

BY: CECILIA LEE, ESQ.

4

AND: JIM PROCTOR, TRUSTEE

448 Ridge Street

5

Reno, NV 89501

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FOR THE PLAINTIFF:

SPENCER & JOHNSON

By: R. KEVIN SPENCER, ESQ.

8

(NOT PRESENT)

And ZACHARY E. JOHNSON, ESQ.

500 N. Akard Street, Suite 2150

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Dallas, Texas 75201

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FOR THE DEFENDANTS:

ROBISON, SHARP, SULLIVAN & BRUST

By: KENT ROBISON, ESQ.

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Reno, NV 89503

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MAUPIN, COX & LEGOY

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By: DONALD A. LATTIN, ESQ.

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Reno, NV 89519

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MCDONALD CARANO

BY: ADAM HOSMER-HENNER, ESQ.

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Not present

KREITLEIN LAW GROUP

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1 MONDAY, SEPTEMBER 26, 2022, 1:30 P.M., RENO, NEVADA

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4 THE COURT: This is the consolidated cases involving
5 the SSJ Issue Trust and the Jaksick Junior Family Trust.

6 Let's begin with appearances, please.

7 MR. ROBISON: Kent Robison, good afternoon. I
8 represent Todd Jaksick individually and as a beneficiary of the
9 Family Trust.

10 THE COURT: Hello.

11 MR. HOSMER-HENNER: Adam Hosmer-Henner, McDonald
12 Carano for Stanley Jaksick.

13 MS. LEE: Good afternoon, Your Honor. This is Cecilia
14 Lee, and I'm here with the Trustee, Jim Proctor, in my office.

15 THE COURT: Thank you. Nice to see everyone.

16 Will resist my horrible inclination to begin with lots
17 of words from the bench.

18 I want to hear from counsel. I'll share with you that
19 I have reviewed Mr. Proctor's most recent Status Report and all
20 moving papers related to the payment of fees and initial
21 stipulation, trustee's concern, and then pledge to re-stipulate
22 filing of a stipulation regarding fees, to which Mr. Stan
23 Jaksick objected, and the trustee replied. Those are all of
24 the documents I've reviewed before today.

25 Let me turn to Ms. Lee. Why don't you just bring me

1 up to speed and walk me where you want me to go, and then I'll
2 hear from other counsel.

3 MS. LEE: Thank you, Your Honor, I appreciate that. I
4 see that Mr. Lattin is also -- is also in the Zoom meeting.
5 And the first thing that I'd like to address, Your Honor, is
6 the stipulation that the trustee has entered into with Maupin,
7 Cox & Legoy.

8 This stipulation followed the joint motion for fees,
9 and basically incorporates all of the terms the trustee had set
10 forth in the partial opposition that the trustee would be
11 willing to enter into as consensual orders right now.

12 The objection that was filed, which I can go over,
13 Your Honor, if you would like, rather than my giving you a
14 major overview of everything that is in front of you. But
15 definitely as a result of today's hearings what Mr. Lattin and
16 I ask the Court is that the proposed order with the stipulation
17 attached be approved, so that the trustee can render payment to
18 Mr. Lattin's firm.

19 With respect to -- the trustee will give a report on
20 his Status Report. And then my request is that the joint
21 motion come last. And I greatly appreciate, as I know the
22 trustee does, the Court's initial statement about comments.
23 And we are very concerned about making sure that the record is
24 as devoid of any findings at this point in time until we know
25 what the tax situation is.

1 And I'm not in any way suggesting that people can't
2 make their arguments or anything like that, but to the -- the
3 last thing that we want is a determination that the Trust has
4 no liability to pay certain of these attorneys fees for Stan
5 and Todd individually when, in fact, if the exact opposite
6 would be a tax advantage to the Trust.

7 So our position would be that things remain neutral
8 with respect to the personal counsel for Stan and for Todd,
9 that Mr. Lattin's stipulation with the Trust be approved, and
10 that to the extent the Court is comfortable with this, a
11 similar order be entered with respect to Mr. Hosmer-Henner's
12 firm for the payment of McDonald Carano's fees incurred for
13 representing Stan as a trustee. Which I had offered several
14 times to Mr. Hosmer-Henner, and he was not willing to enter
15 into for reasons that I won't go into.

16 That is kind of our overview of where we are.

17 Addressing specifically the stipulation between
18 Mr. Proctor and Mr. Lattin's firm, the objections really come
19 down to two separate items. And Stan has objected to the term
20 of disgorgement. And as I attempted to set forth in the reply
21 brief, I went over the concept of disgorgement with counsel,
22 the terms of the disgorgement are embodied both in the Trust
23 Agreement, and as particularly as that is -- it is augmented by
24 Nevada statute.

25 So NRS 150.240, sub 2, provides for proportionate

1 payment of similarly situated creditors. The administrative
2 creditors, which Mr. Hosmer-Henner and the Maupin Cox firm are
3 members, are similarly situated.

4 And then there's NRS 147.195, which provides for
5 priority of payment of administrative creditors somewhere near
6 the top. The Trust itself provides that taxes get paid first.
7 So the trustee's key responsibility in connection with this is
8 to make sure there are sufficient funds to pay the taxes.

9 And after that administrative creditors, and whatever
10 priority scheme the Court has or will enter, they get paid,
11 again proportionately with their similarly situated creditors.

12 And this gives rise to the potential need for
13 disgorgement. To the extent there is not enough money to pay
14 creditors with higher priority, which of course would include
15 the taxes, Mr. Lattin has appropriately understood the need to
16 include a term of disgorgement, so that if his firm is paid
17 more than similarly situated creditors, a portion would have to
18 come back into the Trust and then be used to pay so that
19 proportionately -- so that Nevada law is complied with. This
20 term is actually for a protection for the other similarly
21 situated law firms, including McDonald Carano.

22 I think the key issue here is that Stan appears to
23 take the position that my law firm is being treated
24 inconsistently. And there are two reasons why this is just
25 simply not correct. The first is that McDonald Carano and

1 Maupin Cox are asking for final fees. This is the end of their
2 work, they're not going to be incurring any more fees.

3 In contrast, Fletcher & Lee continues to provide
4 services to the trustee, and there's no determination at this
5 point in time as to whether or not those fees that have not
6 been approved by the Court, and not paid by the trustee, could
7 then be used to offset anything that would create the problem
8 with proportionality that I referred to above.

9 And I think that's enough of a reason to make the
10 distinction between my firm and Maupin, Cox & Legoy and
11 McDonald Carano.

12 There is another reason, and that is that in this
13 Court's Order that was entered on January 5th, 2022 the Court
14 specifically ordered that my firm's fees and the trustee's fees
15 were going to be paid first. There is no interpretation of
16 that, there's never been a need for any interpretation of that,
17 subsequent to the filing of that Order.

18 But -- and so by mentioning it, I don't mean to be
19 poking a bear by any means, but there does seem to be some
20 distinction in the Court's mind in entering that Order between
21 the services that are being provided by the current
22 administration of the Trust and what had been provided
23 previously.

24 The intention, of course, is that none of this should
25 ever be an issue. The hope is there, of course, will always be

1 sufficient money to pay the taxes and then pay the
2 administrative creditors in full and hopefully be able to pay
3 the remaining creditors of the Trust.

4 I think that addresses the term of disgorgement that
5 Stan has objected to.

6 The other term of the stipulation with Mr. Lattin that
7 Stan has objected to is the term of discharge. The point with
8 respect to discharge is to effectuate this Court's Order in
9 which the Trustee was appointed from February 2021. Losing
10 track of my years.

11 The -- that Order specifically said that the trustees,
12 that Todd and Stanley Jaksick are not entitled to trustees'
13 fees or reimbursement or payment from the Family Trust for
14 professional fees from here on in. There was a limited
15 exception for fees that may have been incurred to assist the
16 trustee in the transition. Those kinds of fees are not at
17 issue here.

18 The point with respect to the term of disgorgement is
19 to ensure that the Trust has a known quantity of its
20 administrative expenses for having done this litigation, the
21 entire litigation. The two trials, all of the motions that
22 came in connection with those trials, and the appeal.

23 To obtain a final number and say this litigation is
24 done, it's finished, and the Trust doesn't need to incur any
25 additional fees in connection with that.

1 So that is the reason for the term of discharge to
2 which Mr. Lattin certainly understood it and readily agreed
3 with it.

4 So on those grounds, Your Honor, we ask that the Court
5 enter the proposed Order. I e-mailed it again to your Judicial
6 Assistant this morning, along with the copy of the stipulation
7 which is referred to in the Order and incorporated into the
8 Order by the reference.

9 THE COURT: I want to just sit with what you said for
10 a minute before I hear from Mr. Hosmer-Henner and others.

11 My experience is that litigation between unaligned
12 parties represented by zealous counsel can be fierce.
13 Litigation involving counsels' own fees goes to a heightened
14 level of fierceness. So I want to be fully informed and
15 judicious in the way I address this, because I never want to
16 devalue the attorneys' right to be paid for services rendered.

17 In a nameless, faceless hypothetical, a client hires
18 attorney, prevails, on behalf of client, attorney seeks an
19 award of fees from the Court and the Court denies the request.
20 That doesn't mean the attorney shouldn't be paid. It's just a
21 matter of sourcing. Is the original client the payor or is
22 somebody else the payor. So I hope and expect that every
23 attorney will be fully paid. The question is sourcing.

24 I also kind of paused on this word disgorgement
25 because I haven't seen it in practice, in application, in my

1 career. And I wondered if there is a form of disgorgement that
2 the client the bears the risk of, as opposed to the law firm
3 itself.

4 For example, I think you are proposing that the law
5 firm of Maupin Cox Legoy, and secondarily, if approved, the law
6 firm of McDonald Carano, stand ready to disgorge fees they
7 received, presumably taxed, presumably distributed to overhead
8 and profits, and to -- to require one of those firms to now
9 come up with multiple six figures in disgorgement seems like it
10 imposes a burden upon the professional and not the
11 decision-making litigant.

12 So then I thought well, does Maupin Cox Legoy have
13 a -- I don't know their fee agreement with -- here's where it
14 gets complicated, because the client is the Trust. I don't
15 know if they have like a guarantee from Todd or Stan or Todd or
16 whether Adam Hosmer-Henner and his firm have a guarantee. I
17 might have just conflated the first names of the brothers.

18 Whether Adam Hosmer-Henner has a guarantee from Stan
19 independent of their services for Stan as trustee, because
20 maybe there's behind-the-scenes indemnification where I'm
21 called upon -- I, law firm, am called upon to disgorge. You
22 have 30 days to give me the money, Stan, that I've now got to
23 disgorge.

24 I don't know if any of that is at play that I'm
25 unaware of. Because I'm not quarreling with your argument that

1 disgorgement is an appropriate trust and statutory feature,
2 just makes me wonder if payment is timely at all.

3 So that's one of the questions I have that I'll invite
4 you to speak to.

5 And then also in your partial opposition you end that,
6 Ms. Lee, with your -- the trustee's proposed distribution. And
7 I just note that the amounts payable to McDonald Carano and to
8 Maupin & Cox appear to satisfy those outstanding invoices,
9 whereas there is only a partial amount to the Spencer & Johnson
10 firm.

11 And I'm wondering if I'm going to be in a situation as
12 judge where my order is kind of vitiated in some way that
13 Spencer & Johnson ends up with less than 300,000 dollars, where
14 other law firms are paid the full amount of their invoices. So
15 will you respond to some of my comments, please?

16 MS. LEE: I will, Your Honor, thank you.

17 I've been representing trustees in various capacities
18 for over 30 years, Your Honor, and I can assure you that
19 nothing is more distasteful or unpleasant than the thought that
20 the firm has been paid but it is subject to maybe having to
21 cough that money back up again. It's just not a place where
22 any of us want to be. So I am mindful of that at a business
23 and a professional level.

24 The problem that we face is a limited pot of money
25 that may increase as a result of the trustee's sale and

1 disposition of other assets but is never going to be the
2 multiple millions of dollars that would give free rein at this
3 point in time.

4 And so that's what -- so that Your Honor specifically
5 highlighted the two choices that the trustee has at this point
6 in time. And that is, to stipulate for or ask for the term of
7 disgorgement or to say we agree that these are the fees that
8 are owed, but until we know exactly what the pot of money is
9 that's out there, we're not going to pay them because we
10 don't -- we are not going to force you to be subject to a term
11 of disgorgement or the Court won't impose a term of
12 disgorgement.

13 So those are the options. And to my way of thinking,
14 and when I had conversations with Mr. Lattin, the former seemed
15 to be the better choice. Get the money, get it now, and then
16 take it with the understanding that Nevada law imposes certain
17 restrictions with respect to it because of the requirement of
18 proportionality.

19 With respect to Spencer Johnson, they're in a somewhat
20 different situation, Your Honor, not because Your Honor didn't
21 say that they were owed 300,000 dollars as an administrative
22 expense. Definitely the amended judgment does provide that.
23 The issue with respect to Spencer Johnson is that the Court
24 also said that the trusts, plural, were liable to pay the
25 300,000 dollars to Spencer Johnson, and that amount has never

1 been allocated between the two trusts.

2 I am working currently with Mr. Lattin on determining
3 if we can come to a proposal that we would be willing to make
4 to the Court as to how to make that allocation of the liability
5 of the 300,000 dollars to Spencer Johnson, and it was on that
6 basis that the trustee proposed some payment to Spencer Johnson
7 at this point in time, as opposed to the full amount that then
8 would be subject to being paid back to the extent of the
9 allocation from the Issue Trust.

10 I've had communication with the Spencer Johnson
11 lawyers about this, and my latest explanation as to why the
12 50,000 dollars was there, I've never received a response to
13 that. So that's the situation with them.

14 The point with respect to the 50,000 dollars, of
15 course, was to provide them with something but to keep options
16 open in terms of the allocation, which is not in front of the
17 Court at this point in time.

18 THE COURT: Do I recall correctly that there's been an
19 earlier interim distribution of some insignificant amount to
20 the law firms?

21 MS. LEE: No, there has not.

22 THE COURT: I thought there was a prior order that
23 they all receive 50,000 dollars?

24 MS. LEE: No, Your Honor. There was a prior request
25 that we made in early May of this year. After the TIC

1 transaction was completed, the trustee had funds, he made
2 application to pay relatively nominal amounts -- I think 50,000
3 dollars for each of the firms, to the three firms that are in
4 front of you and to Spencer Johnson.

5 We got immediate pushback on that from the three law
6 firms, and the reason for that was that the appeal was not yet
7 finalized and, hence, the requirement of the Trust to pay the
8 50,000 dollars to Spencer Johnson was not yet finally
9 adjudicated, and so we withdrew that application.

10 THE COURT: I recall that now. It was the pending
11 appeal.

12 So let me then ask about a third possibility. As
13 opposed to paying Maupin, Cox & Legoy its final invoice, and
14 often subject to disclosure, and offering to pay McDonald
15 Carano its final invoice, subject to disgorgement, you said,
16 well, I could either impose disgorgement or I could just sit
17 back and not distribute anything until the tax environment
18 unfolds.

19 Isn't there a third option where I could now -- I
20 don't want law firms to work without payment. And I don't
21 particularly like the disgorgement. Again, I'm not quarreling
22 with you the legal basis. I understand the analysis for it.
23 But can I just arrive at some interim amount that's -- that
24 there's parity among all and authorize a hundred thousand
25 dollars each or 75,000 or 50 or whatever that number is?

1 MS. LEE: Of course that's an option, Your Honor. I
2 mean, that's absolutely -- absolutely an option. And I want to
3 be clear about one other thing. I think that even if the order
4 doesn't say that these fees are being paid subject to
5 disgorgement, Nevada law creates that right anyway on behalf of
6 the trustee, to be able to make sure that there is
7 proportionality of payment of similarly situated creditors.

8 It just is clearer and hence, you know, gives us more
9 assurance of that term to include it, so that everybody
10 understands exactly where it is the trustee is coming from in
11 connection with this.

12 But yes, the third option is that Your Honor comes up
13 with a number, and it may be a number that the trustee feels
14 completely comfortable with and everybody is held in abeyance.

15 I want to be very clear about something, and this is
16 really important for the Court to understand. The trustee is
17 not -- the trustee will do what Your Honor tells him to do.
18 He's not taking a position to say it has to be this or it has
19 to be that, but, rather, to assess the current facts that are
20 the reality of this Trust as it is today, and present them to
21 the Court and ask for guidance. That's our point.

22 THE COURT: I'm going to ask another question or two
23 that's going to penetrate your Status Report a little bit
24 before I ask counsel to come back to the fee issue.

25 When I read your Status Report, I had a sense that

1 Mr. Proctor was applying his extensive knowledge or expertise
2 to help with -- to mitigate the tax obligation.

3 THE TRUSTEE: Yes.

4 THE COURT: And while I'm not opposed in any
5 circumstance to lawfully reducing the amount owed, I sometimes
6 bristle -- not in this case but in other cases I've had, when
7 lawyers and tax professionals ask me to become kind of a tacit
8 participant in tax avoidance. And I don't write the tax law.
9 They are what they are, and it seems like a tax obligation
10 can't be known yet because there's this ordinary income versus
11 capital gains coming from the TIC, and it's out with an
12 accountant right now.

13 And so I just don't know how aggressive the Trust is
14 being about tax mitigation, if at all, and then when will the
15 tax liability become certain, because that will help me
16 understand practical risk of disgorgement, once we know what
17 the tax obligation is.

18 MS. LEE: I don't -- Mr. Proctor should address
19 definitely the specifics on the taxes, which is within his
20 extensive experience, but I think that in terms of the timing,
21 from a non-tax professional's perspective, which I hope will
22 help the Court, if it is possible to deduct the attorneys' fees
23 that have been incurred in connection with the litigation, as a
24 capitalizable expense, that could then help to reduce the
25 capital gains from the sale of the TIC stock. That

1 determination has to be made and the deductions have to be
2 made -- have to be paid in 2022. Is that right?

3 THE COURT: Has the trustee and the representative
4 from Mr. Lattin's firm been able to arrive at some mechanism to
5 obtain the information that would otherwise -- may even still
6 be burdensome on the law firm to have to go through the work
7 product and redact and so forth? Where are you on that process
8 right now to give you the information you need from Maupin Cox?

9 MS. LEE: Well, right now what we have from Maupin Cox
10 is -- there's two steps here, and forgive me, Your Honor, if
11 I'm not immediately answering your question, because I need to
12 give you a little bit of background before I go directly to the
13 Maupin Cox situation.

14 But the tax analysis is being done by Kevin Riley, who
15 has historically been very, very involved in the Trust and all
16 of the various different entities, et cetera. And the in-depth
17 analysis that he's doing is whether or not the attorneys' fees
18 may be capitalizable as an expense. I'm probably using
19 slightly wrong words, but I think that's the gist of it.

20 And if they are, then what we want to be able to do is
21 to pay those without having the Internal Revenue Service ever
22 coming back and saying, well, this wasn't really an expense of
23 the Trust, because there were orders entered or, you know,
24 specific comments made or findings made that would indicate
25 that in fact they were not expenses of the Trust.

1 Now, this only applies to counsel for the individuals,
2 not for counsel for the trustees. The question -- so
3 because -- and let me explain to you why.

4 In entering the final judgment, Your Honor, the
5 amended judgment, which has now been affirmed a hundred percent
6 on appeal, Your Honor made specific rulings that the expenses
7 of representing the trustees in the litigation are
8 administrative expenses of the Trust. There is nothing anybody
9 can do or would want to do to change that. So we can't --
10 we're not going back in time to try and revise that.

11 The question would be of those trustee expenses will
12 there be something in the billing entries that will facilitate
13 the conclusion that, in fact, those trustee expenses could be
14 used as deductions against the capital gains. So that's how it
15 deals with that. And I'll come back again briefly to Mr. --
16 Mr. Lattin's firm in particular.

17 With respect to the individual representation, there
18 has not been a determination that the Trust has liability, and
19 we don't want a determination that it is liable or not today,
20 because of the uncertainty as to whether or not those expenses
21 also could be deductions. If in fact they -- Mr. Riley
22 concludes that they can be taken as deductions, we want a clear
23 record that we can come back and ask for permission to be able
24 to deduct them, pay them as expenses of the Trust, and to be
25 able to deduct them during the tax year 2022.

1 Then with respect to Mr. Lattin's billing records, we
2 do not have all of his firm's actual invoices. We have certain
3 reports that his firm gave to us that indicate the amounts
4 billed, the amounts paid and the balance due and owing. And
5 then we have certain billing records to allow us to help fill
6 in some of the pieces.

7 It is very possible that Mr. Riley will need to see
8 actual invoices in order to be able to make conclusions as to
9 whether or not the services that Mr. Lattin and his firm
10 actually were done in a -- actually could be deductions. And
11 I'm going to paraphrase, and so I'm going to ask Mr. Proctor to
12 step in if I'm saying wrong words right now.

13 Generally the concept is, was the litigation done in a
14 manner so as to protect the value of the Trust assets. So it
15 is possible we will need to ask Mr. Lattin and his firm to
16 provide us with unredacted copies of his invoices, as Mr. Riley
17 goes through his analysis. That is something that will be out
18 there for the future.

19 And the same would potentially be true for McDonald
20 Carano. The only difference with respect to their fees in
21 connection with representing Stan as a trustee, is that while
22 we do not have actual invoices for everything, we do have what
23 looks like a running total of all of the individual billing
24 entries. Some are redacted, but I think we can probably work
25 with that. And to the extent we need to and Mr. Riley needs to

1 see unredacted billing records, I think that we could work with
2 respect to that.

3 THE COURT: Thank you. That's a great answer.

4 MS. LEE: And I'd also like to tie that in, too, with
5 Mr. Robison's firm. Mr. Robison's firm has been enormously
6 helpful and timely in getting information to us about their
7 three separate billing matters. I believe that virtually
8 everything we have is completely unredacted. He and his firm
9 have been very forthcoming and very timely in the information
10 that they have provided to us.

11 So when we get to the stage of Mr. Riley's analysis,
12 we will be able to give him Mr. Robison's complete billing
13 records without their -- the need, I believe, for anything
14 further to ask from him.

15 THE COURT: Mr. Hosmer-Henner, do you want to respond
16 next or do you want to hear from Mr. Lattin and Mr. Robison?

17 MR. HOSMER-HENNER: At your preference. Mr. Lattin
18 can go first.

19 THE COURT: I yield to you then, Mr. Hosmer-Henner.
20 Let's hear from Mr. Lattin and Mr. Robison.

21 MR. KENT: Your audio is off, Don. Now you are
22 frozen.

23 THE COURT: I reluctantly set this by Zoom, because I
24 thought I had a medical event today, and I didn't want to miss
25 the hearing. So this will be one of the last times I hope that

1 we do this by Zoom. Even though it's convenient for everybody,
2 it's always good to be in person.

3 Mr. Lattin, can't hear you.

4 Why don't you just write on a blank piece of paper
5 with red marker, just write I agree with everything
6 Mr. Hosmer-Henner is about to say.

7 MR. ROBISON: Is there a call-in number, Your Honor?

8 THE COURT: I don't know. Ms. Clerk?

9 THE CLERK: Counsel, there's not a call-in -- there
10 could be a call-in number on the link that we sent to everyone,
11 and I'll try to send it to Mr. Lattin; however, we have in the
12 past -- if Mr. Lattin leaves and comes back, sometimes that
13 does fix the problem. I don't know.

14 MR. ROBISON: Maybe he should try coming back in.
15 That worked in a Zoom conference this morning.

16 MR. HOSMER-HENNER: I can get you on speaker, Don, and
17 then you can talk through my phone to the Court. Do you want
18 to try that?

19 MR. ROBISON: I think that was a yes.

20 I'm going through the firm, see if that works.

21 MR. HOSMER-HENNER: Don's a creature of habit. He
22 won't mute his cell phone.

23 (Discussion off the record.)

24 MR. LATTIN: Thank you, Your Honor. I apologize for
25 the problems.

1 First of all, let me just say with regard to the
2 stipulation, if you will recall, our firm has represented the
3 trustees and we have not represented anybody individually, and
4 we have dealt with this issue in the past with regard to our
5 fees being written off. And Mr. Riley has agreed with that in
6 the past and they have been written off.

7 And we have also, with regard to the stipulation and
8 the disgorgement issue, looked at that extensively through both
9 our tax practice here and through just what's happened in the
10 case, and we are comfortable with the stipulation as drafted,
11 including the disgorgement issues.

12 And in all honesty, it's -- I think it's very remote,
13 at least for our firm -- everybody else will have to make their
14 own assessment -- but we are comfortable with the stipulation,
15 and I'm comfortable with the terms as presented by Cecilia Lee.

16 THE COURT: Thank you.

17 Mr. Hosmer-Henner.

18 MR. HOSMER-HENNER: Your Honor, I'm just going to
19 limit my comments on the trustee fees related to the
20 stipulation, if that's all right, and I'll reserve the balance
21 for whatever order we do next.

22 The temporary trustee has agreed to pay in full our
23 amount for the request for trustee fees, subject to the two
24 conditions. I know we litigate on principle, regardless of our
25 own individual interests. So while we could enter into such a

1 stipulation and receive payment, those are two conditions that
2 just don't make sense and there is no support or authority for
3 them, especially in the Trust context.

4 But rather than go through all the issues of
5 disgorgement, counsel referenced NRS Chapter 147, bias to
6 estate, it's not applicable here. I don't know why it was
7 cited. I could go through the other kind of legal arguments
8 here, but I will say if the position of the temporary trustee
9 is that Nevada law opposes that condition of disgorgement, then
10 we can go ahead and accept an authorization of payment from the
11 Trust to us, subject to the general condition of Nevada law,
12 without referencing it, if that's their position. And that
13 way, that resolves that issue with respect to disgorgement.

14 All the administrative issues you raised previously
15 about the payment of taxes, distribution, overhead, payment of
16 my secretary, those will all be hopefully moot, but the real
17 issue is there's just no reason to impose a criteria for
18 disgorgement, and our real heartburn was that request to enter
19 disgorgement was only put in in this application for fees by
20 these firms.

21 Not in any of the prior applications for fees that
22 even the temporary trustee made, certainly not in the
23 application for fees made by the counsel for temporary trustee
24 for her own payment of fees.

25 THE COURT: Can I restate what I think you said?

1 MR. HOSMER-HENNER: Yes, Your Honor.

2 THE COURT: Your firm does not oppose and would
3 probably like to be included in a stipulation for payment of
4 final invoice, if the word disgorgement is removed and language
5 is inserted that consistent -- you know, whatever the language
6 is -- consistent with all existing requirements under Nevada
7 law or something like that.

8 MR. HOSMER-HENNER: Yeah, that's fine with us. And,
9 you know, that offer was presented to us just as matter of
10 principle. We wanted to make sure that it wasn't subject to
11 disgorgement, when no other firm was. So consistent with
12 Nevada law, sure.

13 The second criteria was on the issue of discharge.
14 Again, that's a bankruptcy concept, it is no obligation here.
15 There is no authority that would allow this Court to discharge
16 Stan's counsel as a representative of Stan as former trustee in
17 this matter.

18 I'm not sure why that was in there, but to the extent
19 that it's actually trying to set a rule that counsel for Stan
20 and Todd in their capacity as former trustees are no longer
21 entitled to payment from this Court -- from the Trust -- excuse
22 me -- that is inconsistent with this Court's order appointing
23 temporary trustee, which held that counsel for Stan and Todd
24 and the other trustees are potentially entitled to fees, if the
25 temporary trustee requests information or is assisting in the

1 process of that.

2 So in terms of whether there are going to be fees
3 payable to our firm for future representation of Stan as
4 temporary -- as former trustee, that's an issue for another
5 day. But to condition payment to us now, on the discharge of
6 our legal representation, is not something that I could accept
7 as my ethical and fiduciary duty to my client, given that there
8 are still outstanding issues related to the representation of
9 these individuals as former trustees, and there could be future
10 claims against them in their capacity as former trustees.

11 THE COURT: How do you contemplate being paid by Stan
12 as former trustee, if you do not have access to trust corpus
13 for payment going forward?

14 MR. HOSMER-HENNER: One, if we were to take that
15 representation without -- we would have to have some retainer
16 from Stan individually that would make him responsible for
17 those fees. But again, we have represented him in other
18 capacities, just like we represent other clients in this firm,
19 apart from representing Stan as former trustee.

20 But in terms of that payment, Your Honor, if that
21 claim is brought up, we would enter into a separate fee
22 arrangement that doesn't relate to what we did previously for
23 Stan as an individual.

24 And I do want to specifically note that this is not
25 just a matter of sourcing for the attorneys' fees. This is a

1 claim where on both the trustee and neutral fees, that there's
2 an absolute right of payment for our clients that have been
3 decided in at least six documents in the argument of motions.

4 So it's not a question of whether we're just going to
5 get paid, that Stan pays rather than the Trust. This is almost
6 a contractual issue that we would litigate up to the Nevada
7 Supreme Court and back, rather than just accept that our firm
8 is going to get paid and we're -- and everything is fine, as
9 long as someone pays it, regardless of whether it's Stan or the
10 Trust.

11 THE COURT: I want to think about what you just said.

12 I don't understand the context for what you just said,
13 I know that there is an appellate court in the State of Nevada,
14 and I accept that every litigant aggrieved in this department
15 has every right to appeal, and it never persuades me to alter
16 my decision one way or another, because somebody threatens to
17 appeal me. That's why I paused on this.

18 Are you talking about your -- the Court's denial of a
19 future request for payment of fees from the Trust? Is that
20 what you are talking about?

21 MR. HOSMER-HENNER: No, Your Honor. I did conflate
22 two issues, and I well recognize -- one, I'll talk about my own
23 record defending your decisions on appeal at a later date. But
24 what I will say is -- what I'm saying is it's not an issue
25 where as long as there's payment, once this Court issues an

1 order, then it's resolved. An issue denying payment of Stan's
2 individual fees that were capped at 250,000 would result in a
3 250,000 financial loss to Stan, rather than something where our
4 firm is made whole and our client has no injury.

5 And so just to summarize the stipulation issue.
6 Again, we filed a joint motion with Mr. Lattin. We want his
7 firm to get paid. With respect to the issue of disgorgement,
8 we think although legally there are some issues there that we
9 could litigate about, and that's kind of a game I'll get to
10 later is why are we litigating the same case over again now.
11 But with regard to the issue of disgorgement, if that's part of
12 Nevada law, then we can just say consistent with Nevada law the
13 payment is made to our firm, and as long as that's the same as
14 every other payment the Trust has made to an outside vendor,
15 that resolves the issue of disgorgement from our perspective.

16 And on the issue of discharge, we think the issue of
17 whether our future representation of Stan as a -- I will just
18 leave it at that. A future representation of Stan as former
19 trustee, whether that representation is paid for by the Trust
20 becomes a future issue, and at this point we're only
21 intending -- we're limited specifically by this Court's order
22 appointing the temporary trustee saying it's only on a limited
23 basis in terms of whether our work assisted the administration
24 of the Trust by the temporary trustee. We certainly think
25 there are some fees that fall in there.

1 But my point is with regard to discharge, that the
2 Court doesn't need to condition payment to us on a discharge
3 and termination of our client representation, that relationship
4 with Stan as the former trustee of the Trust.

5 I'll reserve the balance of my comments on the
6 individual fees and trustee status.

7 THE COURT: Mr. Lattin, you are not on the line any
8 longer, are you? Nope.

9 That's all right, Mr. Robison.

10 Mr. Robison, is there anything you have to add before
11 I turn back to Ms. Lee?

12 MR. ROBISON: Yes, Your Honor, thank you.

13 I submitted our reply today, albeit right before the
14 hearing. I just say that so the Court understands that I have
15 a seat at the table.

16 THE COURT: I haven't seen it.

17 MR. ROBISON: It doesn't say much other than the fact
18 that Adam Hosmer-Henner is correct and the temporary trustee is
19 not, and then I submitted it. But I want to look at the
20 background a little bit, Your Honor, on this thing because I
21 think if the IRS agent investigating this is privy to this
22 conversation, they don't touch our fees. They know they're
23 legitimate debts of the family trust.

24 We've been working on this case, Your Honor, over five
25 years, and I submitted my bills to you on the Offer of Judgment

1 completely unredacted. They were challenged and you approved
2 my fees and an award against Wendy, and that was appealed to
3 the Supreme Court. And my bills went to the Supreme Court
4 unredacted, was argued, and the Supreme Court affirmed you,
5 that my fees were reasonable and necessary and every single
6 hour was identified with specificity with no redaction on those
7 bills.

8 We come back, that was covered by the indemnification
9 agreement, which you said the jury passed on and evidently
10 approved. It was also incorporated into the Settlement
11 Agreement. I'm the one that resisted enforcement of the
12 Settlement Agreement, based upon who gets paid what when.
13 Nonetheless, the Court approved the Settlement Agreement.

14 Adam Hosmer-Henner, McDonald Carano are viable, honest
15 to God creditors on that contract. My firm is a creditor of
16 the Family Trust in that contract. Maupin Cox Legoy is a
17 creditor on that contract that this honorable court approved.

18 So once we have approval of the Settlement Agreement,
19 then we get into a hearing last August 2021 where the temporary
20 trustee was ordered to submit a report. And I stood up and I
21 said, Your Honor, can that report include the analysis of what
22 is owed under the Settlement Agreement that you have approved.
23 And rather than get an analysis of who was owed what, we get
24 challenged basically on our fees.

25 So where I am now is we saw the application in May of

1 2022 that each of the four firms get paid 50,000 dollars. And
2 I brought it up to Ms. Lee, how can you be distributing money
3 when my fees are on appeal, Spencer Johnson's fees are on
4 appeal, and we are going to argue this thing in two weeks.

5 If you go ahead and spend the money and the Supreme
6 Court reversed the award of 300,000 dollars to Spencer Johnson
7 or overrules my fees, you spent money that you are now going to
8 have to go back and retrieve from these law firms, and you may
9 not get that.

10 So then that application was withdrawn. Supreme Court
11 came down, affirmed the fees of me, affirmed the fees for
12 Spencer Johnson. And we then thought, well, good, we're going
13 to get paid something from the Family Trust based upon what
14 they filed in May. Well, they didn't want to file anything,
15 they wanted to look into it further.

16 So we then filed the joint motion. And in our joint
17 motion we said our fees have essentially been approved, and
18 agent from the IRS, the court has approved these fees and we're
19 in no different position than Ag Credit. Ag Credit is not
20 required to disgorge. They are a secured creditor.

21 And Your Honor, when you say that this litigation was
22 fierce, I can not disagree. It is not fierce now. We've been
23 getting along with Stan's counsel, the trustee's counsel, and
24 even the temporary trustee's counsel trying to work this out.
25 But we have a contract right, and we could file a motion for

1 closing on our lien. I don't know whether or not the Court in
2 its discretion would buy that, but we have a contract that says
3 we're entitled to these fees to be paid from the Family Trust.

4 And we have been patient. We have been patient.

5 In fact, the first ray of sunshine was when the
6 temporary trustee said let's give them all 50,000 dollars to
7 begin with.

8 So Your Honor, we think we should be paid fees without
9 having to disgorge anything. I've never seen disgorgement in a
10 fee award in my life. Whether it's a trust case, a bankruptcy
11 case, I haven't seen that. I haven't seen anybody have to
12 disgorge.

13 And if -- what it looks like is the administrative
14 fees, that's absolutely curious because Mr. Proctor and Ms. Lee
15 are the administrative fees, and I'm meeting with them tomorrow
16 to try to sell an asset that the Family Trust has an asset in
17 to generate money. And yes, I'll be charging for that.

18 So I'm here for a while because I'm trying to help the
19 Family Trust wind down, but I've been carrying more than six
20 figures on my books, Your Honor, for probably three and a half
21 years, and the assets of that, we have not even seen an
22 accounting in 18 months. I've seen reports, status reports.
23 My client is a beneficiary. It's time to, you know, call it,
24 Your Honor. We're entitled to be paid. We're not going to
25 anticipate anything.

1 THE COURT: So your arguments are resonating with me
2 and then -- and then I get to the trustee's obligation to
3 understand the full scope of liabilities before all money is
4 distributed to the law firms. So going back to that 50,000
5 dollars, Ms. Lee called it -- described it as nominal. Is that
6 a concept I should examine, some payment now with reserved
7 contractual right in the future?

8 MR. ROBISON: Times four, but yes, Your Honor, you
9 should.

10 THE COURT: Part of my --

11 MR. ROBISON: We understand tax gets paid first.
12 Unfortunately, we understand the administrative expenses get
13 paid. But we are a viable, court-approved creditor with rights
14 under the contract.

15 THE COURT: I understand. But your joint motion that
16 was filed contemplates the payment approximately of 1.3 million
17 dollars.

18 MR. ROBISON: I don't think it's that much.

19 THE COURT: I'm looking at page 5. 185 to Maupin Cox,
20 519 to McDonald Carano, and there may be some payments already
21 paid that aren't credited there. Robison Belaustegui 290, and
22 Spencer Johnson 300. So 3 and 290 is 6 plus 519 is 1.1, plus
23 185, one-2, one-3. I mean, it's in the ballpark.

24 MR. ROBISON: Yes. And I would like to tell the IRS,
25 being of sound mind, we spent it on the lawyers.

1 THE COURT: So my challenge is to interact with this
2 question without pushing back the attorneys who earned the
3 money but trying to honor, I think, the trustee's concern that
4 we don't want to front load the payment to some and find
5 ourselves short down the road.

6 MR. ROBISON: Here's an example that I'm talking
7 about. I waited to submit my portion of the motion because we
8 had discussions with the temporary trustee and his counsel, and
9 I said give us your bills up to August 31st. Right on the next
10 day, they have my bills unredacted for five years.

11 And they say we'll look at this and we will make a
12 determination of whether or not the time you spent benefited
13 the Trust, and if it did, we will consider paying you for the
14 services that you rendered that may have benefited the Trust.
15 Well, that was six weeks ago. I haven't heard anything, and I
16 don't know how long I wait for a determination to pay them, not
17 to pay me.

18 So I come to the Court saying save the Trust money and
19 order payment of the attorneys, who the did the work to save
20 this Trust.

21 MR. HOSMER-HENNER: Your Honor?

22 THE COURT: Yes.

23 MR. HOSMER-HENNER: I apologize, please finish that
24 thought and come back.

25 THE COURT: Well, I was going to say that I invite Ms.

1 Lee to respond to what she's heard and I can kind of see the
2 outlines of the oral pronouncement developing in my mind. But
3 I also want to turn to the Status Report, because I think the
4 information in the Status Report will help contextualize this
5 fee request, particularly incoming receivables.

6 I'm worried about -- I'm not worried. I have an
7 unanswered question about expenses associated with Wendy's sub
8 trust and other potential expense minefields, that I'm unaware
9 of, and so I wanted to hear the Status Report before I made any
10 type of decision on the fees.

11 So that's what I wanted to say. Let's go to
12 Mr. Hosmer-Henner and then to Ms. Lee.

13 MR. HOSMER-HENNER: Just very briefly. So you are
14 correct, Your Honor, that the joint motion did request 1.3
15 million. And that included 300,000 to Spencer Johnson, which
16 is part of the judgment, rather than part of the administrative
17 attorneys' fees. Just because of their absence, I won't
18 specifically pick on them. But that is the one category that
19 is different in the requests.

20 This joint status -- the temporary trustee's Status
21 Report did show cash assets of approximately 1.8 million. That
22 would leave 525,000 remaining in the Trust to satisfy these.
23 There are two reasons why I would strongly support the granting
24 of a joint motion in full. One is because, contrary to what
25 was in the Status Report, there is a benefit regardless of

1 whether the -- let me be very specific.

2 The tax benefits are going to be derived in this year,
3 in 2022. So if there are going to be payments, there is a
4 significant reason to make at least most of those payments, if
5 not all of them, in this tax year to offset liabilities --
6 potential tax liabilities. I think that was what was heard
7 from the counsel for temporary trustee.

8 But regardless, our -- like Kent said. Excuse me,
9 like Mr. Robison said, our ability to obtain these fees or
10 enforce our right to these fees is not dependent on whether the
11 Trust can deduct them. That is not a consideration whether
12 they're owed or whether they should be paid at this point.
13 That's a benefit to the Trust that invites them to be paid now
14 rather than in piecemeal fashion; they could be spread out over
15 the next year.

16 But the second point I would just add before turning
17 to Ms. Lee is we are -- we have been extremely patient and our
18 firm has deferred its fees on multiple occasions, both in the
19 best interest of the Trust and then in the best interest of
20 potential settlement. We can't be patient anymore, because the
21 administrative expenses and the fees between the temporary
22 trustee and counsel for temporary trustee through July totals
23 over 360,000. That's more than I was paid by the Trust for
24 defeating an 80 million dollar judgment against the Trust for
25 five years of litigation.

1 We're concerned that there will be a pro rata payment
2 at some point where the assets of the Trust do get eaten up,
3 and we think that February 2021 was when the trustee was
4 supposed to begin the work on determining the assets and
5 liabilities of the Trust and start paying those.

6 I think if we continue this, we won't get paid because
7 the assets will be eaten up through the continued investigation
8 of the fees, as Mr. Robison just said, investigating whether to
9 pay them. And if this case -- if this determination through
10 this joint -- through this opposition to the joint motion turns
11 into future litigation, we are going to be using the resources
12 of the Trust more so to litigate the fees than actually would
13 be conserved by the Trust by just simply paying them at this
14 point and taking the potential tax benefits.

15 THE COURT: So if the Trust has 1.8 now and you are
16 urging the Court to approve 1.3, we really don't know what the
17 tax obligation will be from the sale of this Trust asset.
18 Whether it be gains -- capital gains or ordinary income, we
19 don't know what that trust obligation is going to be. And we
20 don't know what the trustee and his attorney are going to
21 charge.

22 So what I've just heard you say is pay us all now and
23 whatever is not left can be divided among those -- the IRS and
24 the trustee and the trustee's attorney; they'll just have to
25 get less than their full amount of that. That's what I just

1 heard you say.

2 MR. HOSMER-HENNER: Unlike us, the trustee and the
3 trustee's attorney have been paid on a regular basis in
4 response to every application.

5 And the second thing is the Status Report did say an
6 estimated tax payment was due on September 15th. So I think
7 that is the information that's relevant to this Court's
8 determination, and I think I would very much like to hear what
9 that estimated tax payment was.

10 But again, I think it's more valuable for the Trust to
11 pay these fees than it is to fight over them or delay them.

12 THE COURT: Ms. Lee.

13 MS. LEE: Thank you, Your Honor. Just a couple
14 comments and then I'm going to turn it over, with Your Honor's
15 permission, to the trustee, so he can go through his report and
16 provide important information that's necessary.

17 A couple of things. I heard Mr. Robison say that we
18 were looking at fees to determine whether or not something had
19 benefited the Trust. I don't recall ever saying that, and that
20 is not the purpose of our attempting to get our arms around
21 exactly what the expenses are of the Trust. That has never
22 been the point.

23 The point with respect to trying to understand all of
24 the fees and things to assist the trustee and his accountant to
25 be able to determine which of these might be deducted, and in

1 addition, as one or more of the attorneys present on this
2 hearing have mentioned, the trustee was given the obligation to
3 determine what the liabilities of the Trust are. We've been
4 working on that for months and months and months. And it is
5 not an issue of someone unlike Mr. Robison, who gave us all of
6 his information very quickly, has always responded timely.

7 It's been more like pulling teeth to get certain
8 information out of Mr. Hosmer-Henner's firm, and this has been
9 going on literally for months, Your Honor. To date, I still
10 don't have copies of all of his firm's invoices. What I
11 expressed to you was that I have instead a listing of -- a
12 chronological listing of all of the invoice entries. That may
13 be sufficient for our purposes, but that was arrived at rather
14 late in the game. If I recall correctly, something like July.

15 There is a -- there is, I think, a disconnect, Your
16 Honor, between our position and what has been stated to you
17 today. There is a difference between creditors. Mr. Robison
18 mentioned in particular a secured creditor. A secured creditor
19 is in a very, very different position because of the existence
20 of their security agreement. Ag Credit, for example, has a
21 security interest in property that is owned by the Trust. To
22 protect that underlying collateral and any equity that is in
23 the collateral, the Trust of course has to pay the security
24 interest and has to pay it in full. That puts that particular
25 creditor in a very, very different position from everyone who's

1 present in this Zoom meeting today, Your Honor.

2 There is a difference between Spencer Johnson, who
3 contrary to what Mr. Hosmer-Henner has said, is not an
4 administrative expense of the Trust. That is simply incorrect,
5 based on this Court's orders that resulted in the final amended
6 judgment.

7 This Court said the Trusts shall pay 300,000 dollars
8 to Wendy's lawyers directly as an administrative expense of the
9 Trust. That puts them on exactly the same footing as the two
10 law firms who did the yeoman's job of defending the trustees in
11 the litigation that was in front of you.

12 THE COURT: And I'll just tell you just there -- that
13 was the Court's intention.

14 MS. LEE: M-hm (affirmative).

15 THE COURT: And it remains the Court's intention that
16 that 300,000 dollars remain horizontally aligned with every
17 other law firm's expense.

18 MS. LEE: Where I think -- where I think things --
19 where we have a disconnect, it's not a benefit issue, it's a
20 disconnect in terms of the priority of payment, is in
21 connection with representing the trustees in their personal
22 capacity. It's not a function of did Mr. Robison do a great
23 job, did he -- was the work done, was it well done. Of course
24 it was. There's no question with respect to that.

25 The question is how does that fall in line with

1 respect to all of the other creditors that the Trust has.
2 We've got -- we know the taxes. We know we have some
3 administrative creditors. We know Spencer Johnson, based on
4 what Your Honor just said, is consistent with my understanding,
5 they are administrative creditors.

6 But then there are a whole host of other creditors
7 that are out there that are just simply unsecured general
8 creditors. They include a number of different sources. And
9 what we're trying to avoid is a determination of where the
10 representation of Stan and Todd individually fits in with them.
11 Because that's where we run into the issue with respect to the
12 taxes.

13 If I can avoid that type of determination between now
14 and the end of the year, it's possible that we can come back
15 and say to Your Honor we think these are creditors who are in a
16 different position than the other unsecured creditors of the
17 estate. They need to get paid now. It's a tax advantage to
18 the Trust. This is what would be the best thing for the Trust.
19 But we're not in a position to do that today. And it's just
20 that simple.

21 And with that, I'd like to turn it over to the
22 trustee, because I think that his comments and reflections on
23 the cash position of the Trust are very important.

24 THE COURT: Please.

25 MR. PROCTOR: Jim Proctor, temporary trustee, Your

1 Honor. As you observantly stated that the obligations that are
2 being requested come to somewhere around 1.3 million dollars.
3 As of today, right before I write Mr. Lattin's checks, if the
4 stipulation is approved, the Trust has 1.57 -- excuse me, Your
5 Honor -- 1.577,000 dollars on hand, okay.

6 That includes a hundred -- that's net, I should say.
7 The Ag Credit payment that was due on September 1st of 126,795
8 dollars, which I paid, that includes a hundred thousand dollar
9 estimated tax liability that I paid on September 15th. And
10 then some more little administrative fees and my fees for last
11 month.

12 So, Your Honor, we're sitting right before I write
13 Mr. Lattin's checks, again, at a million-577,000 dollars
14 roughly rounded.

15 Based on conversations I've had with Mr. Riley, the
16 CPA, his initial estimated tax liability for 2022 is
17 approximately 400,000 dollars. Again, of which 100,000 dollars
18 has been paid. So there's still 300,000 dollars that needs to
19 be paid, and that's subject to any type of research and in
20 reducing the tax liability, which I'll talk to you separately
21 in a little bit just a minute ago -- or in a minute.

22 If we have to pay Spencer Johnson and McDonald Carano,
23 Your Honor, and we pay Phil Kreitlein's firm --

24 THE COURT: How much is Kreitlein's firm, by the way?

25 MS. LEE: Can I interject, Your Honor? It's

1 approximately 17,000 dollars that is unpaid for them.

2 THE TRUSTEE: If we pay some money to the CPA to do
3 the tax research, the tax returns, which he's preparing -- he
4 has a draft he finished last night at 11 clock that's due on
5 Friday, which there is not a tax liability. There's been some
6 prepaid taxes. We'll apply a small amount to the 2022
7 liability. And Ms. Lee's unpaid fees.

8 Your Honor, that gets us down to zero. Okay. Without
9 any of the monies coming in that are receivable amounts or
10 amounts due from an installment sale on the Base Camp, it
11 includes maybe some liquidation of some other smaller items.
12 And that's before we even talk about selling any of the
13 properties or the interest in any of these entities that are in
14 the Northern Washoe County area.

15 We are talking with Todd and Mr. Robison tomorrow on
16 that to understand their positions on things and how they
17 arrived at certain dollar amounts.

18 But, Your Honor, what everyone is asking for today and
19 with my concern, is that it gets us down -- it gets the Trust
20 down to zero being cash. I don't feel comfortable with
21 administrating a trust that doesn't have any money.

22 And I am -- as a fellow professional, I am very
23 sensitive to disgorgement or limitations in fees, which is why
24 once the Trust had money in May we tried to make some type of
25 token payments just to get people some money, because they have

1 been -- I recognize they have been carrying this amount of
2 money for years. It's a substantial amount of money. I
3 wouldn't want to carry that amount either.

4 But as I've said in other reports, the facts are what
5 they are. This is what I've been left with, Your Honor.

6 There are, as I had stated in my report, there are
7 areas that are subject to dispute or interpretation that I'm
8 relying on legal counsel to determine. I don't disrespect any
9 of the attorneys at this, but they all have their own
10 interpretation of how certain things are interpreted.

11 And I want to make sure that I'm doing what I'm
12 supposed to be doing. And hence, I rely on legal counsel, and
13 if there is a dispute we come to the Court, or if there is
14 something that's vague or not clear, that's why I'm coming to
15 the Court so you can make the decision. I'll do what I need to
16 do with respect to that.

17 But there are still amounts that are owed on capital
18 calls from other entities. Stan and Todd are both owed
19 insurance premiums. There is the tax liability, which I'll get
20 into in just a minute. There are still liabilities out there,
21 Your Honor, and the monies that are available to the Trust are
22 liquid -- ill-liquid, they're not very liquid right now. What
23 we have is cash in the bank that I'm trying to preserve.

24 Now, as far as the tax liability goes, I recognized
25 early on when we got the original offer last summer that there

1 would be some type of tax consequence. We worked through that.

2 We started talking to Mr. Riley back in the fall and
3 winter of 2021 with respect to what would be necessary. He
4 indicated that he's not been provided, though he'd been
5 requested payment from various law firms, for statements and
6 invoices.

7 Ms. Lee started in October of last year attempting to
8 get that information. We recognize that the determination and
9 classification of the legal fees can be very important to the
10 Trust in mitigating the tax liability and reducing it.

11 Now, to express or -- excuse me, I'm not feeling that
12 great today -- to address the Court's concern, yes, there is a
13 difference between tax evasion and tax avoidance.

14 We try our best to avoid taxes within the legal realm.
15 The trouble is this is an area that's a gray area. It's one
16 thing to say this desk is capitalizable and that chair can be
17 expensed. That's one thing.

18 The gray areas, we start developing areas that are
19 more subject to dispute, things like values, things like
20 classification, that could be interpreted one way or another.
21 Those are the things the IRS goes after. Because that's --
22 they know that if they take a ridiculously low position on a
23 deduction, and then someone takes a high position, they're
24 going to be out better, because they're going to be somewhere
25 in the middle or something along those lines. Some kind of

1 negotiation. So we're very careful about that.

2 Mr. Riley and I have had several conversations about
3 items that we've professionally have bantered things back and
4 forth. I'm not giving tax advice. I'm not going to give tax
5 advice. While I have expertise in 30 years of accounting,
6 that's dated. I haven't practiced as a CPA in over 10 years.
7 I'm not about to address things that have changed even in the
8 last five years as to how some of these classifications or
9 expenses have been.

10 There's a settled part of law that says someone can't
11 go in and pay someone else's liability. And in talking with
12 Mr. Riley, that is a concern. He's going to do some research
13 as to whether or not individual representation could be
14 deductible or capitalizable.

15 So we're having these conversations. He has some
16 initial -- like I said, he had an initial estimate of 2022 tax
17 liability of being about 400,000 dollars, of which a hundred
18 thousand has been paid. That leaves 300,000. That doesn't
19 mean we can't cut that down. It also doesn't mean that it
20 won't increase.

21 But we need a full picture of what these legal fees
22 are, as I said in my report, and as Ms. Lee indicated in her
23 pleadings, as to what they were incurred for, on behalf of who
24 they were incurred for, the amount and the time periods.
25 That's all critical.

1 And unfortunately, it's not real clear, and Mr. Riley
2 is going to have to do that. We're going to have to talk about
3 alternatives. He's going to have to say we can take this
4 position on these legal fees and this is going to be a
5 capitalized expense or this is going to be an ordinary expense,
6 and we'll have to talk about that and we'll have to determine
7 that we're going to have to come up with that sometime in the
8 next three months to make those payments.

9 So that's -- that's very important. That's my big
10 focus right now to try to -- besides trying to preserve the
11 cash position of the Trust for whatever else might come out of
12 there. Like I said, there are capital calls, there are payable
13 amounts to Todd and Stan, there are other little obligations
14 that come up. Property taxes that come up. There's a lot of
15 moving parts, and we're trying to best put those in those
16 classifications where it's advantageous for the Trust to pay
17 them and pay them as they're classified.

18 I wish we had more money, and I would love to pay all
19 these legal fees, because they're going to be some type of
20 deduction in 2022, whether it is ordinary or capital. The
21 reality is that all of the legal fees right now, along with the
22 obligations -- I want to pay Ag Credit off. I want to start
23 saving some interest there. That's not a small amount of
24 interest we're saving. That's enough almost to pay
25 Mr. Kreitlein's firm that we can save in interest. The fact

1 that we have to pay the CPA, we still have Spencer Johnson to
2 pay for. That exhausts the cash resources that the Trust has.

3 THE COURT: We're going to take about a seven-minute
4 break because the reporter has been writing for an hour and 17
5 minutes.

6 When we come back, Mr. Proctor, I would like to know a
7 little bit more about The Trust's ownership of water rights
8 that may be marketable. I read in the Status Report that the
9 Trust may have spent 2 million dollars purchasing water rights
10 from Washoe -- in a Washoe County transaction.

11 And I'm trying to get my mind around what future
12 receivables there may be that would resuscitate this Trust for
13 payment of all, as of then, unpaid obligations and whether
14 there could be any distributions to beneficiaries. I would
15 like to know a little bit more about that. When we come back.

16 All right. Thank you, everybody.

17 See you in -- it's 2:48. Why don't we come on at
18 2:55.

19 (Whereupon a seven-minute break was taken.)

20 THE COURT: I learned during the break that
21 Mr. Johnson was present during the first session of the court
22 but had not been promoted to counsel status, so I've just
23 invited him to occupy a grid on my panel.

24 MR. JOHNSON: Thank you, Your Honor.

25 THE COURT: Mr. Proctor, continue with you first.

1 MR. LATTIN: And, Your Honor, this is Don Lattin. I
2 joined on my phone, so you can hear me now.

3 THE COURT: Good. Yes. Thank you.

4 MR. LATTIN: I apologize for that.

5 THE COURT: It's all right. It's the Zoom life we
6 have.

7 THE TRUSTEE: Okay. Your Honor, you had questions
8 regarding the water rights?

9 THE COURT: Yes.

10 THE TRUSTEE: Okay. I have hired a consultant, not a
11 water engineer. He has done some preliminary work. I'm going
12 through his reports now. I got his latest report with respect
13 to Buckhorn Land and Livestock, which is the ranch out in the
14 Winnemucca Ranch area between Spanish Springs and Pyramid Lake.
15 I'm going through that right now.

16 It's important to note, as I did in my Status Report,
17 that the Trust only has a 25 percent interest in that. With
18 respect to what you commented on before the break is, yes, I'm
19 aware that Buckhorn -- not the Trust, but Buckhorn purchased
20 from Washoe County in 2014 for 2 million dollars the water
21 rights for that Buckhorn Ranch.

22 THE COURT: Are those part of the conservation
23 easement now? Are they possibly encumbered in some way?

24 THE TRUSTEE: Yes, that's my understanding, Your
25 Honor. And I know Commissioner Humke actually signed that

1 document, so I do have a copy of that. I have not gone back
2 and analyzed the -- where the source of that money came from or
3 how that might have been -- other monies might have been spent
4 with respect to Buckhorn. Again, this is not dissimilar to
5 what we did with Montreux in the sale of the Toyabe stock and
6 going back further transactions.

7 I want to kind of determine and digest those reports a
8 little bit and determine whether or not in fact the Trust has
9 to analyze the prior Buckhorn transactions. I'm not inclined
10 to do so; however, if I need to, perhaps we may need to come to
11 Court. I don't know.

12 Maybe Mr. Todd Jaksick could explain and document how
13 Buckhorn has been financed over the years. I know there's some
14 grazing fees they get, those are minimum. Like a hundred
15 thousand dollars a year. With respect to some of the monies
16 that Buckhorn may have received from the conservation easement,
17 those are things that, again, we're continuing to analyze.

18 And with Mr. Todd Jaksick's assistance and maybe one
19 of his partners out there, whether or not we can satisfy
20 ourselves everything's been counted and the Trust has gotten
21 all the money that it's entitled to. Again, similarly to
22 Montreux.

23 Again, I'm very sensitive to your admonition when I
24 was appointed not to create more issues or to undertake
25 anything that would result in additional litigation or to look

1 at things that really aren't going to benefit the Trust.

2 So we are continuing to look -- I think most of the
3 work has been done on analyzing the water rights that I will
4 present in a separate report, including where these are, so the
5 Court has an idea of exactly how remote some of these areas
6 are. It's one thing to say there are water rights associated
7 with a parcel out in the Death Valley area, and it's another
8 thing to say, yeah, well, it's a hundred miles as the crow
9 flies to Reno and how does one do something with water rights
10 out there.

11 It's the same thing maybe with the Winnemucca Ranch
12 area, albeit closer to the city limits and being part of the
13 sphere of influence for Reno, the City of Reno, again what does
14 one do with those.

15 The problem with Buckhorn is the Trust only has a 25
16 percent interest in it. We hope to have more conversations
17 with Mr. Robison and his client tomorrow regarding that and
18 continue on with that.

19 If for some reason we need determination from the
20 Court as to how to proceed on something, we'll certainly bring
21 that forward. And I mention in my report similarly, as we did
22 with the Toyabe slash Montreux issue, before we get to a point
23 of any kind of agreement with Mr. Todd Jaksick, if there is
24 one, we would bring that before the Court's and certainly the
25 other counsels' attention as well.

1 MS. LEE: Assets.

2 THE TRUSTEE: Now, as far as, you know, I said the
3 cash position of the Trust could be as low as zero after
4 today's hearing. Mr. Todd Jaksick does owe the Trust
5 approximately 200,000 dollars. Mr. Stan Jaksick owes
6 approximately 238,000 dollars to the Trust, as a result of the
7 Toyabe transaction that transpired earlier this year.

8 I know Ms. Jaksick, Wendy Jaksick, owes the Trust
9 approximately 45,000 dollars for costs. And the Base Camp note
10 receivable may be somewhere around 50,000 dollars, I believe,
11 if I recall right. So those are the monies that would be
12 coming in.

13 Washoe County property tax, the Incline Village
14 overpayment, that's -- I'm told that's approximately 88,000.
15 The county has not completed its calculations. I was going to
16 check with the county sometime before the end of the year, even
17 though they say don't bother them until 2023, to see if the
18 calculations are done. I am just going to try to follow up
19 with them and see if they have a determination of what those
20 fees, the property tax refunds could be, as well as a payment
21 date. I'm not expecting those between -- before the middle of
22 next year.

23 That's what we see on the horizon, as far as assets
24 coming into the estate. Again, depending what happens with
25 the, say, half a dozen different entities that the Trust has a

1 minority interest in or, in the case of White Pine Lumber up
2 there in Death Valley, a hundred percent interest in.

3 THE COURT: Okay. Thank you.

4 I'm going to begin with an oral pronouncement but it's
5 just tentative, and then I'm going to invite counsel to
6 respond.

7 I knew when I appointed Mr. Proctor that he would be
8 expensive and I knew that there would be -- ha. I didn't know
9 anything. I suspected he would be expensive and I suspected
10 that there would be discontent with the additional expenses
11 incurred by the Trust.

12 When I read Mr. Proctor's partial opposition, I was
13 glad for Mr. Proctor's appointment and the presence of his
14 attorney. There was a thoroughness and neutrality about it
15 that was palpable for me. I don't want to give to Mr. Proctor
16 and counsel a blank check in perpetuity, they're not asking for
17 one obviously. But I just acknowledge the expense. But it is
18 through Mr. Proctor's work that this Trust will be administered
19 and terminated.

20 And I renew what I might have said in passing or
21 entered formally in order, and that is that I will ensure that
22 all reasonably incurred expenses will be satisfied as presented
23 by Mr. Proctor and his attorney.

24 Second, I'm really uncomfortable with the joint motion
25 as filed on July 26th, because it contemplates the payment of

1 1.3 million dollars and dissipates Trust corpus, when I don't
2 have full information about tax liabilities, other claims,
3 other liquid -- liquid resources and so forth. So I would not
4 grant that joint motion. It's just premature to me.

5 I'm also uncomfortable with the stipulation the
6 trustee reached with Mr. Lattin's firm, because as I read that
7 stipulation, it contemplates payment of Mr. Lattin's firm in
8 full. And Mr. Hosmer-Henner could accept the trustee's
9 invitation and accept the exact same stipulation. And then
10 it's hard for me to analytically exclude Mr. Robison from that
11 and Mr. Johnson's firm from that. And I just don't want to
12 have full payments to anybody until some of this unknown
13 liability becomes known.

14 Now I join with what Ms. Lee and Mr. Proctor said
15 about the work of counsel, their need to be paid, Mr. Proctor
16 said -- these are my words -- he'd be grouchy about carrying
17 that amount of account receivable. I think the Trust should
18 make payment this year to all of the recipients identified in
19 Mr. Proctor's partial opposition beginning at page 19.

20 But it needs to be more aligned with the nominal
21 distribution that was contemplated while the appeal remained
22 pending. I'm not saying it needs to be 50,000 dollars, but the
23 trustee needs to kind of sharpen his pencil about what amounts
24 can be distributed in pro rata to the law firms of Lattin,
25 Robison, Hosmer-Henner, and Johnson so that a significant good

1 faith amount can be paid while reserving whatever amount is
2 within Mr. Proctor's comfort level. And hopefully we'll
3 revisit for additional distributions after some of the unknowns
4 become known.

5 I agree with Mr. Hosmer-Henner that the word discharge
6 feels a little unnatural in this context. I know that it is a
7 bankruptcy concept, but it's also a probate concept. We
8 discharge all the time in probate court. But for me as a judge
9 to somehow create an imprimatur upon Mr. Hosmer-Henner's client
10 relationship with Mr. Stan Jaksick as a former trustee or
11 moving forward for Stan individually, I just don't want to get
12 into that business.

13 I think it's fairly well known to the Court that there
14 is a point in time at which fees will not be paid for services
15 rendered, and I don't mean to use the word discharge, I don't
16 believe.

17 I think, Mr. Hosmer-Henner -- well, I agree with
18 Mr. Robison, but I've never seen this concept of disgorgement
19 within our context that we so often occupy, but I'm not taking
20 an adverse position to Ms. Lee's legal analysis. And I think
21 that this disgorgement concept, if I accept what Ms. Lee has
22 said, exists regardless of the language used.

23 So I would accept Mr. Hosmer-Henner's friendly
24 amendment that the payment is subject to all Nevada law or
25 something of that nature. And if you wanted to even draw up a

1 footnote that says the Court has considered arguments and not
2 identified the concept of disgorgement just so it's flagged, I
3 don't care about that. But I don't want to go any further with
4 that.

5 This is a day when I -- the head that wears the crown
6 is extraordinarily heavy, because I don't want anybody in this
7 Zoom not to get paid. It's just too soon for me to start
8 authorizing full payment because of the unknowns.

9 So what I'd like you to do, Ms. Lee, is get together
10 with Mr. Hosmer-Henner, Mr. Robison, Mr. Lattin, and
11 Mr. Johnson and figure out in consultation with your client
12 what a new proposed stipulation would look like that
13 contemplates immediate 2022 payment of some amount. I'm not
14 troubled at all if it's above the 50,000 dollars earlier
15 contemplated. It just can't be 1.3 million dollars in the
16 aggregate, with what Mr. Proctor has told me. And I trust
17 Mr. Proctor to be conservative in his assessments, so that the
18 Trust is not zeroed out prematurely by the Court having
19 something revised from you, Ms. Lee.

20 That's my oral pronouncement. Who wishes to push
21 against it and modify it in any way?

22 MS. LEE: It's fine with the trustee, Your Honor.

23 MR. LATTIN: Your Honor, if I may, this is Don Lattin.
24 I respect what you have said and I certainly will go along with
25 it. What I can say is our firm, in connection with Ms. Lee and

1 Mr. Proctor, are trying to bring some finality to the ongoing
2 costs, and with that we did a thorough assessment of the
3 downside, the risks, and looked at this disgorgement issue.

4 And with that, we entered into a stipulation with the
5 hope that we could end the ongoing cost, at least from our
6 firm. And we view our representation a little bit differently
7 because we were representing the trustees, which obviously
8 brought value to the Trust, and if our fees are paid it will
9 provide a tax write-off, for lack of a better term, for the
10 Family Trust. So again, I would just make the request that you
11 honor our stipulation.

12 It was not objected to by way of us getting payment.
13 There were just some terms that we've discussed and thoroughly
14 analyzed in this hearing. So I would again just request that
15 you honor the stipulation that we entered into with the
16 trustee.

17 THE COURT: Mr. Lattin, my heart is just kind of heavy
18 because I hear what you are saying and I accept what you said,
19 and I also see your firm's role slightly different than
20 McDonald Carano in that you represented both trustees. Todd
21 had independent counsel, and it's not as clear to me when the
22 McDonald Carano firm passed off files to Mr. Kreitlein in
23 Stan's individual capacity, when McDonald Carano was engaged
24 with Stan individually. It's not as clear to me.

25 My concern that overrides all of that is that if I

1 accept this stipulation, then all of a sudden I'm given a
2 stipulation that fully pays McDonald Carano and then I'm given
3 a stipulation that fully pays the Johnson firm and Robison,
4 then we're at that 1.3.

5 If based upon everything we've said and heard today,
6 if the new stipulation submitted to me preserves the amount to
7 your firm and creates a pro rata distribution to others, I'm
8 not going to quarrel with that. I just have to know that the
9 trustee has preserved whatever amount is professionally
10 reasonable to reserve to pay the unknowns. So I guess I'm
11 acknowledging but not modifying.

12 MR. LATTIN: I almost feel like we're being penalized
13 for participating in the process and trying to bring some
14 finality to it, but I understand what you are saying and I
15 always respect the -- your decisions, and we'll go with it.

16 THE COURT: Mr. Hosmer-Henner.

17 MR. HOSMER-HENNER: Your Honor, like Mr. Lattin, we do
18 not want to litigate or negotiate over this anymore. I think
19 that it is tremendously wasteful to the Trust and we're
20 spending time which we're not getting paid for.

21 THE COURT: If you don't want to negotiate or
22 litigate, then my order will be there will be no payments
23 whatsoever until there's final accounting and determination and
24 distribution of these Trust assets, if that's the direction you
25 want to go.

1 MR. HOSMER-HENNER: I understand that, Your Honor, and
2 I understand that you can't be making decisions based on a
3 Trust corpus that you haven't been provided the full
4 information about, and that tax liability and those assets, we
5 would like to see that, too. We have not.

6 And the party that's responsible for providing that to
7 you is the temporary trustee. So that needs to be provided
8 because the point of this appointment was to terminate and wind
9 down the Trust. And we're still -- this month hearing about
10 investigations on water rights issues with respect to Buckhorn.

11 So our concern is that this goes on for eternity and
12 there is no cutoff date. But what I'll say is -- and you were
13 right to interrupt me, because I started at the wrong place,
14 but what I'm saying is in order to avoid those costs of
15 negotiation and disagreement, I would request some additional
16 clarification from this Court, and an order in order to avoid
17 disagreements that it existed, because if the issue is just
18 about timely payment, that's one thing. But we have been going
19 back and forth over the history of this entire case with
20 counsel for the temporary trustee almost from the beginning and
21 relitigating things that were litigated at the Supreme Court.

22 So the first thing I heard you say is there will come
23 a point in time in which the counsel for the former trustees
24 will no longer obtain payment. Hear that and understand that,
25 but subject to your prior order appointing the temporary

1 trustee, I want to make sure that we're still entitled to
2 request fees that occurred basically last year, while we were
3 transitioning the matter to the temporary trustee, that those
4 will be presented to the trustee for consideration. And that
5 if there's disagreement, that that can be presented to you, and
6 that you're not cutting off all requests for fees after
7 February 2021.

8 THE COURT: I do not object -- what you've said
9 doesn't trouble me. If you are asking for the right to file a
10 request for additional fees based upon transition expenses,
11 I'll certainly entertain it when it arrives.

12 MR. HOSMER-HENNER: The second thing is with respect
13 to the interest and late fees that our firm charge on certain
14 amounts, we agreed to write those off, if we receive payment in
15 full. That has not been written off at this time and may be
16 part of our future request, given that we are not receiving
17 payment in full.

18 And again, our request will just be we will discuss
19 that with the temporary trustee, and perhaps that will be part
20 of our negotiations, and we will present that to you at a
21 future point in time.

22 THE COURT: Thank you.

23 Mr. Robison, before you begin I want you to know --
24 Go head, Mr. Hosmer-Henner.

25 MR. HOSMER-HENNER: The biggest one I want to get to

1 before the music plays is I want to make sure that since you
2 said that the firms will be paid on some proportional amount
3 subject to negotiation, that that includes Mr. Robison's firm
4 for representing Todd individually, and our request for fees
5 for representing Stan individually, because that seemed to be a
6 point of disagreement in the temporary trustee's partial
7 opposition.

8 THE COURT: I won't revisit anything that I've
9 previously ordered and Mr. Robison is very clear that his firm
10 has a contractual right under a prior order to make claims that
11 he's currently making. I don't know who might have seen this
12 day six months ago, 12 months ago, 24 months ago, but the day
13 is coming where all we're doing is distributing all that the
14 Trust has to professional fees, and some amount less than the
15 professional fees have incurred. That's the day I see coming,
16 and I don't know who's going to take that haircut and when. So
17 I don't want to comment on what the trustee is wrestling with
18 right now.

19 MR. HOSMER-HENNER: And, Your Honor, I'm not asking
20 for amounts. I'm talking about to entitlement of the amounts
21 that we agreed to under the Settlement Agreement. Because the
22 temporary trustee seems to have taken the position, at least in
23 an e-mail to me, that our fees are not confirmed by this Court.

24 So to the extent that's going to be part of the
25 negotiation, that's the reason that we ultimately had to submit

1 this, because there was some attempt to distinguish between the
2 trustee fees and the individual fees.

3 And our position is that -- Mr. Robison's firm under
4 the same Settlement Agreement has already received payment
5 under that Settlement Agreement. Our firm has not. And we
6 believe that Settlement Agreement was litigated in the Supreme
7 Court and approved. These fees have appeared on financial
8 statements and not been objected to.

9 So if the temporary trustee has an objection to
10 including those fees as part of the payment, if the issue is
11 timing, we can live with that. If the issue is that we haven't
12 resolved whether our firm is entitled to fees, both under the
13 indemnification agreement, and under the Trust document, under
14 the financial statements, under the accountings, under the
15 Settlement Agreement, and under the co-agreement of the
16 trustees, then that's an issue that will be litigated at some
17 point, and we hope to have that resolved now.

18 THE COURT: I imagine that there will be litigation
19 until the Trust is empty. I just -- I can't stop that from
20 happening. There is a finite amount of money and the
21 litigation appears to be infinite. And so I'll address it as
22 it arrives. But I'm telling everybody that my sense is that
23 there's going to be some dissatisfaction. So --

24 This is with the assets --

25 MR. HOSMER-HENNER: Your Honor, I'm sorry for

1 belaboring this point, but if this isn't resolved, then it will
2 lead to litigation. But it can be resolved today. No
3 beneficiary has objected to our request for individual fees.
4 No other trustee. The only -- there's no real party in
5 interest that's come today to object to that payment --

6 THE COURT: Mr. Hosmer-Henner, I heard Mr. Proctor say
7 that if I paid all of the fees that are requested today, the
8 Trust has zero. That's what I heard Mr. Proctor say. I'm not
9 going to order the Trust to have zero today.

10 MR. HOSMER-HENNER: Your Honor, I'm not asking for any
11 immediate payment at all at this point. This conversation is
12 solely about what we do when we negotiate with the temporary
13 trustee. I absolutely understand that -- the tax implications
14 and the payment.

15 But what I would like to hear as part of this decision
16 is we're negotiating over payments that would include payments
17 to our firm and to Mr. Robison's firm for representing the
18 individual fees. And regardless of whether that's one dollar
19 today or tomorrow or 50,000 or a hundred thousand, at least
20 that issue is no longer in dispute.

21 THE COURT: You've made your point well. Thank you.

22 Mr. Robison.

23 MR. ROBISON: Thank you, Your Honor. I understood the
24 Court to refer to a specific page of the Opposition wherein
25 amounts owed to all firms were delineated, and I thought I

1 heard the Court say that payment should be made some time
2 hopefully before the end of the year to those listed firms.

3 THE COURT: But not in the amounts proposed.

4 MR. ROBISON: Not in the amounts proposed. We know
5 you are not going to approve one-three, we know you are not
6 going to approve our bills in total. And we know you've left
7 it to the trustee.

8 But I think the point you made that may have just been
9 confused a little bit is the firms listed on that particular
10 page that they list the amounts owed for, will be recipients of
11 some disbursements hopefully soon.

12 THE COURT: That was my intention. I'm looking at
13 page 19 and 20 of the Notice of Submission of Proposed Order.

14 MR. ROBISON: Thank you, Your Honor.

15 THE COURT: All of those recipients should receive
16 some pro rata amount.

17 MR. ROBISON: Got it. Thank you. I needed that
18 clarity.

19 Is there any way we can set a -- maybe set a tentative
20 date for him to be done with this analysis? We litigated water
21 rights for weeks, if not months, and I'm telling you, Your
22 Honor, the exhibits and the transcripts explain this water
23 rights situation six ways from Sunday. We litigated it.

24 THE COURT: So I had a thought when listening to
25 Mr. Proctor about the source of the 2 million dollars and the

1 2014 purchase and whether Todd should come back to court. I
2 heard Mr. Proctor say all that, and while he was speaking I
3 thought that's not the finality that we're all yearning for,
4 but then I thought what if I were Mr. Proctor. Right?

5 He doesn't want to be exposed to any accusation that
6 he didn't exhaust the full scope of his appointment, and at
7 some point there's going to have to be some -- there doesn't
8 have to be anything.

9 At some point it appears appropriate that the parties
10 get together and they indemnify him for the work that he's
11 done, and they put a bow around him and thank him for the work
12 that he's done, so that he has that coverage he needs to stop
13 the scope analysis.

14 And frankly, I think going back to 2014, in examining
15 Todd, to the extent it replicates what was done with Stan and
16 Montreux, I'm not opposed to it because I like -- I like that
17 the sword cuts in both directions. But I also don't want to
18 relitigate the assets of this trust.

19 MR. ROBISON: Your Honor, just so we're clear,
20 tomorrow Todd Jaksick will explain every single detail of the
21 water rights accusation to counsel and the temporary trustee.
22 I know what comes next: A request for every single document
23 that substantiates or corroborates what he says.

24 We're in, we'll do it. But we're paying for things
25 that have already been done, but we will do it. We're clear on

1 that. The trustee gets to know everything that Todd Jaksick
2 knows about those water rights. We're in one hundred percent.

3 My last comment, Your Honor, is there any way you can
4 set a date for the trustee to be ready to recommend a payment?

5 THE COURT: I was hoping that Ms. Lee would convene a
6 conversation. I'm not asking you to negotiate the outcome of
7 this entire dispute. But she could get buy-in from all of you
8 immediately about what amounts you would accept today, versus
9 what amounts you postpone to the future. That's my hope.

10 MR. ROBISON: Sooner or more, that's where we are,
11 Your Honor.

12 THE COURT: Sooner and more. I'm certainly available
13 if you want to set something on the Court's calendar. I'll
14 need another Status Report that shows me -- I mean, I felt like
15 I was really prepared today from the trustee's work in putting
16 together these moving papers. If you want more court time,
17 I'll give it to you.

18 MR. LATTIN: Your Honor, if I may, you made a point
19 about the trustee being indemnified. If you will recall, when
20 you first appointed the trustee you requested our office to
21 prepare an indemnification, which we did, and you signed. So
22 there already is an indemnification agreement in place.

23 THE COURT: Thank you, Mr. Lattin. I can't keep track
24 of everything and I'm embarrassed, but in closing, that I've
25 forgot is more important than pretending I remember.

1 MR. LATTIN: I understand. Thank you.

2 THE COURT: I appreciate that.

3 Mr. Johnson, I'm going to give you second to last
4 word.

5 MR. JOHNSON: Thank you, Your Honor.

6 THE COURT: I'm interested to know if Wendy has an
7 estate opened anywhere.

8 MR. JOHNSON: I've reached out to try to determine
9 that, and I don't have an answer.

10 MR. ROBISON: I do, Your Honor. Her ex-husband is
11 scheduled to open an estate this month was what we were told.

12 THE COURT: And does her -- does her distributive
13 share lapse upon her death or is it payable to her estate for
14 distribution according to her --

15 MR. ROBISON: Her trust, the sub trust -- the sub
16 trust has two trustees, Todd and Stan, so it's complicated.

17 THE COURT: Yeah, I'm not inclined, if I have
18 authority to appoint Todd and Stan on her behalf. That was one
19 of the issues raised in the Status Report. I don't want to
20 take the time to go there now. Let's just see what happens.

21 If I have authority -- I don't want to appoint
22 somebody -- we've got to be economical about it. But I also
23 need to make sure her interests are present in the same way
24 Luke's interests have been present in the past with
25 Mr. Collier.

1 MR. ROBISON: Your Honor, just so we don't get
2 crosswise, we intend to file a claim in that probate matter
3 with respect to the judgment Todd has against Wendy, though we
4 know it comes from distribution or other assets.

5 THE COURT: Yeah. I'm not surprised and I don't have
6 any issue.

7 MR. ROBISON: Thank you.

8 THE COURT: Mr. Johnson, go ahead. Anything else?

9 MR. JOHNSON: Yes. Ms. Lee touched on this. I
10 believe the final amended judgment did not apportion the
11 300,000 dollar payment to Spencer & Johnson between the Family
12 Trust and the Issue Trust. Is the only way to clarify that the
13 filing a motion requesting clarification or is there some other
14 way to handle that?

15 THE COURT: So I was unaware of what appears to be an
16 error. I have the authority to enter a nunc pro tunc order
17 that clarifies what was intended but omitted in the past. I
18 can tell you my intention was to put the Spencer Johnson firm
19 on the same horizontal plane as all the other attorneys for
20 that 300,000 dollars. That was my intention. If I need to
21 enter an amended judgment, I will do so at the trustee's
22 request.

23 If you think that's appropriate, Ms. Lee, I'll do it.

24 MS. LEE: We actually had begun discussions with
25 Mr. Lattin about what the apportionment would be. It's an

1 apportionment of both a liability and an asset. The liability
2 is the 300,000 dollars that Your Honor said was due and payable
3 to Mr. Johnson's firm, and the asset consists of the
4 approximately 200,000 dollars that Your Honor ordered Todd
5 Jaksick to pay, again, to the Trust. That has not been
6 apportioned either. And so I think that I would like to
7 continue having those discussions with him with respect to
8 that.

9 I don't have any dispute with respect to what I think
10 Mr. Johnson is saying and what I hear from the comments of the
11 Court. And that is, regardless of who pays -- which of the two
12 trusts pays the 300,000 dollars awarded to his firm, they are
13 of an administrative character, as opposed to being any other
14 type of creditor of either Trust. That, I have -- that, I
15 don't think we have any dispute with.

16 And I'm not sure if Mr. Johnson is finished, I don't
17 want to just continue talking like I normally would.

18 MR. JOHNSON: I'm trying to figure out a way to
19 address the apportionment now, so that if we get down the road
20 and it is time to distribute, then we all don't have to come
21 back to court and try to figure that out.

22 MR. ROBISON: Your Honor, may I ask a question that
23 might help? We apportioned our bills, Family Trust and Issue
24 Trust. Did the Spencer Johnson firm do that? That would make
25 a pretty easy answer.

1 MR. JOHNSON: I don't know -- yeah, I don't know if
2 that's possible.

3 THE COURT: I'm thinking maybe the Spencer Johnson
4 firm had a different Fee Agreement.

5 MR. ROBISON: Yeah, it was contingency, but they made
6 a Brunzell type pitch in terms of argument. So I was wondering
7 if they bifurcated their time.

8 THE COURT: Either way it's going to be paid as an
9 administrative expense horizontal with the other law firms. I
10 don't know the answer to that question.

11 Ms. Lee, on behalf of the trustee, chase down that
12 issue and present an easy resolution to me.

13 MS. LEE: I will do so. And I'm sorry -- I'm writing
14 a note to myself before I continue with my last thought.

15 THE COURT: Will you give me your last thoughts,
16 Ms. Lee? I want you to have the final word.

17 Mr. Hosmer-Henner raised his hand. Let me just check
18 in with him real quick.

19 MR. HOSMER-HENNER: Your Honor, I believe you were
20 reading from page 19 or 20 or something you were talking about
21 firms.

22 THE COURT: Yes.

23 MR. HOSMER-HENNER: Is that from the partial
24 opposition?

25 THE COURT: Let me grab it again.

1 Yes, the partial opposition filed on August 12th.

2 MS. LEE: This is exactly where I was going is that
3 the individual fees, the fees for representing Stan
4 individually and for representing Todd individually are not
5 included on that page, but I understand what Your Honor's
6 charge is, and those amounts will be part of the discussions
7 that we have from here on in.

8 THE COURT: Perfect. All right. Ms. Lee.

9 MS. LEE: I don't think I have any other additional
10 comments, Your Honor. I think that what we will do after this
11 hearing today is go back to the drawing board with everybody
12 and see what resolutions we can come to on all of these issues
13 and come up with a timing of payment that goes -- that the
14 trustee is going to be comfortable with.

15 I'm anticipating that we may have separate
16 stipulations that we can present to the Court. You know,
17 potentially a blanket motion that says here are these separate
18 stipulations and these are the reasons why the trustee thinks
19 each of those is going to be acceptable, et cetera.

20 I know that there is a lot of consternation about my
21 use of the word discharge. I'm not talking about a bankruptcy
22 discharge. That's a completely separate legal concept. I'm
23 talking about the finality that the Trust needs to know that
24 the lawyers who are representing the former trustees are no
25 longer -- they don't have any further liability to the -- the

1 Trust doesn't have any further liability to them because their
2 job in connection with litigation is done. That's really the
3 concept here. That's all I'm going after.

4 THE COURT: So if I could speak for Mr. Hosmer-Henner
5 for a moment. It's important that he reserve the ability to
6 present fees incurred in transition.

7 MS. LEE: Correct.

8 THE COURT: And I do not anticipate that that --
9 that's what seemed important to him, and I don't have any
10 problem with that.

11 MS. LEE: Your Honor, I don't either. It's exactly
12 what is set forth in the order appointing Mr. Proctor as the
13 temporary trustee. So it's not an infringement, from my
14 perspective, in making the proposal, the use of that word, that
15 that would in any way ameliorate that right either on behalf of
16 Mr. Lattin's firm, who has a lot of experience both dealing
17 with this Trust, as well as with trust issues in general.
18 They're a resource that we can turn to.

19 THE COURT: I trust you as a drafter, maybe it's just
20 discharge instead of period, comma, subject to the Court's
21 prior order authorizing the presentation of fees incurred in
22 the transition, or something like that.

23 MS. LEE: Yes. And perhaps some wordsmithing since
24 that issue seems to be a flash point.

25 But, Your Honor, I think I understand where it is that

1 you want us to go, and we will work to make that happen.

2 THE COURT: I'd really like to see payments made in
3 2022. I think it's good for tax avoidance -- not evasion,
4 ever -- and it's also good for the attorneys.

5 So in conclusion, Mr. Proctor, wave your magic trustee
6 wand, and make sure everybody gets paid 100 percent at some
7 point.

8 MR. PROCTOR: Impossibility. Yes, Your Honor.

9 THE COURT: Thanks, everybody.

10 MS. LEE: Thank you, Your Honor.

11 THE COURT: I'm available for further court time as
12 requested.

13 MS. LEE: Understood. We appreciate that.

14 MR. ROBISON: Thank you, Your Honor.

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1 STATE OF NEVADA)
2 WASHOE COUNTY) ss.
3)

4 I, LINDA B. SHAW, an Official Reporter of the Second
5 Judicial District Court of the State of Nevada, in and for
6 Washoe County, DO HEREBY CERTIFY;

7 That I was present in Department No. 15 of the
8 above-entitled Court on September 26, 2022, and took verbatim
9 stenotype notes of the proceedings had upon the matter
10 captioned within, and thereafter transcribed them into
11 typewriting as herein appears;

12 That the foregoing transcript, consisting of pages 1
13 through 73, is a full, true and correct transcription of my
14 stenotype notes of said proceedings.

15 DATED: At Reno, Nevada, this 20th day of October,
16 2022.

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25



LINDA B. SHAW, CCR #123, RPR, CSR

1 HEALTH INFORMATION PRIVACY & SECURITY: CAUTIONARY NOTICE

2 Litigation Services is committed to compliance with applicable federal

3 and state laws and regulations ("Privacy Laws") governing the

4 protection and security of patient health information. Notice is

5 hereby given to all parties that transcripts of depositions and legal

6 proceedings, and transcript exhibits, may contain patient health

7 information that is protected from unauthorized access, use and

8 disclosure by Privacy Laws. Litigation Services requires that access,

9 maintenance, use, and disclosure (including but not limited to

10 electronic database maintenance and access, storage, distribution/

11 dissemination and communication) of transcripts/exhibits containing

12 patient information be performed in compliance with Privacy Laws.

13 No transcript or exhibit containing protected patient health

14 information may be further disclosed except as permitted by Privacy

15 Laws. Litigation Services expects that all parties, parties'

16 attorneys, and their HIPAA Business Associates and Subcontractors will

17 make every reasonable effort to protect and secure patient health

18 information, and to comply with applicable Privacy Law mandates,

19 including but not limited to restrictions on access, storage, use, and

20 disclosure (sharing) of transcripts and transcript exhibits, and

21 applying "minimum necessary" standards where appropriate. It is

22 recommended that your office review its policies regarding sharing of

23 transcripts and exhibits - including access, storage, use, and

24 disclosure - for compliance with Privacy Laws.

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CODE: 4050
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Attorneys for Temporary Trustee James S. Proctor, CPA, CFE, CVA, CFF

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

In the Matter of the Administration of the
SSJ'S ISSUE TRUST.

Case No. PR17-00445

Dept. No. 15

In the Matter of the Administration of the
SAMUEL S. JAKSICK, JR. FAMILY TRUST.

CONSOLIDATED

Case No. PR17-00446

Dept No. 15

STIPULATION FOR PAYMENT OF LEGAL FEES
OWED BY THE FAMILY TRUST

James S. Proctor, CPA, CFE, CVA, CFF, in his capacity as the duly appointed Temporary Trustee (the "Trustee") of the Samuel S. Jaksick, Jr. Family Trust (the "Family Trust"), by and through his counsel, Cecilia Lee, Esq. and Elizabeth A. Fletcher, Esq., Fletcher & Lee; and Todd Jaksick, Michael Kimmel and Kevin Riley, by and through their counsel, Donald A. Lattin, Esq., Maupin Cox & Legoy ("MCL"); Todd Jaksick, by and through his counsel, Kent Robison, Esq., Robison Sharp Sullivan & Brust ("RSSB"); Stanley Jaksick, by and through his counsel, Adam Hosmer-Henner, Esq., McDonald Carano ("McD"); and Spencer Johnson and Harvell, by and through its counsel, Zachary E. Johnson, Esq., Spencer Johnson and Harvell ("SJH", and together with MCL, RSSB, McD, and Kreitlein Leeder Moss, the "Law Firms"), hereby stipulate as

RA0786

1 follows:

2 1. In its March 12, 2020 Order After Equitable Trial, the Court ordered that former
3 Trustees Stan Jaksick's and Michael Kimmel's attorneys' fees be chargeable to the Family Trust
4 and paid from trust corpus. Id., p. 17. The Court furthered ordered that the Trusts shall pay 100%
5 of the fees incurred by their attorneys in representation of the trustees. Id., p. 21. The Court
6 furthered ordered that the Trusts shall pay combined attorneys' fees of \$300,000 directly to SJH
7 as counsel for Wendy Jaksick. Id., ¶(d).

8 2. The trustees of Issue Trust and the Family Trust have entered into a Stipulation
9 Regarding Allocation of Liability For Legal Fees Owed by the Family Trust and the Issue Trust to
10 Spencer Johnson & Harvell, in which they agreed to apportion 66 percent of the liability to pay
11 SJH to the Family Trust and 34 percent to the Issue Trust.

12 3. On June 10, 2020, the Court entered its Order Resolving Submitted Matters, pp. 4-
13 5, the Court acknowledged its previous ruling in its Order After Equitable Trial that the attorneys'
14 fees for representing the trustees would be paid as a general trust administration expense, id., pp.
15 17, 22. On July 6, 2020, the Court entered the Amended Judgment, consistent with its Order
16 Resolving Submitted Matters. At page 2, the Amended Judgment incorporated the Judgment,
17 Order on Equitable Claims and Order Resolving Submitted Matters. In response to Stan's
18 Memorandum of Attorney's Fees, the Court held that the fees incurred by Stan Jaksick as a co-
19 trustee are payable from the Trust. Id., p. 3, ll. 1-3.

20 4. On June 22, 2022, the Supreme Court entered an Order of Affirmance, in which it
21 affirmed the Amended Judgment in its entirety.

22 5. On January 31, 2019, Stan Jaksick, individually, as beneficiary and as Co-Trustee
23 of the Family Trust, and as Trustee of the 2013 Stanley Jaksick Revocable Family Trust ("Stan"),
24 and Todd, individually, as beneficiary and Co-Trustee of the Family Trust, as beneficiary and
25 Trustee of the SSJ's Issue Trust, manager of Incline TSS, LLC, and Trustee of the Todd B. Jaksick
26 Family Trust, TBJ Issue Trust, TBJ SC Trust, and TBJ Investment Trust ("Todd"), entered into the
27 Settlement Agreement and Release (the "Settlement Agreement").

28 6. The Settlement Agreement provides as follows:

With respect to attorney's fees paid or incurred by Todd or Stan in their individual or beneficiary capacities in Cases Nos. PR17-00445 and PR17-00446 or with respect to any attorney's fees associated with their indemnification agreements, Todd and Stan agree as follows: i. Todd and Stan agree that the Family Trust shall reimburse Todd in the amount of \$400,000 and Stan in the amount of \$250,000 for attorney's fees. Should there be an appeal of any action by Wendy Jaksick, then Todd can secure additional attorney's fees not to exceed \$150,000.

Id., p. 4 ¶G.

7. On January 8, 2021, the Court entered its Order Granting Petition for Instructions and Motion to Partially Enforce Settlement Agreement, in which it approved the Settlement Agreement. Id., p. 2. The Amended Judgment, the Judgment, Order on Equitable Claims, Order Resolving Submitted Matters and Order Granting Petition for Instructions and Motion to Partially Enforce Settlement Agreement are referred to herein as the "Orders."

8. The Trustee and the Law Firms stipulate and agree that the TOTAL OWED column of the chart below reflects the full amount owed by the Family Trust pursuant to the Orders and that payment by the Family Trust of the full amounts listed in the TOTAL OWED column will satisfy the Family Trust's liabilities to the Law Firms as ordered in the Orders.

9. The Trustee and the Law Firms stipulate and agree that the Trustee will remit partial payment to each PAYEE listed in the PAYEE column of the above chart in the amount of 60 percent of the TOTAL OWED not later than December 24, 2022:

Jaksick Family Trust Proposed Legal Fees to Pay in 2022			
<u>PAYEE</u>	<u>NOTE</u>	<u>TOTAL OWED</u>	60% payment to Law Firms
Maupin Cox Legoy		\$ 241,463.99	\$ 144,878.39
Spencer Johnson	66% of \$300,000	\$ 198,000.00	\$ 118,800.00
Kreitlein Law Firm		\$ 17,544.81	\$ 10,526.89
McDonald Carano	Stan as co-trustee	\$ 269,478.03	\$ 161,686.82
McDonald Carano	Stan individually	\$ 250,000.00	\$ 150,000.00
Robison, Sharp, Sullivan & Brust	Todd individually	\$ 180,000.00	\$ 108,000.00
Robison, Sharp, Sullivan & Brust	Todd for appeal	\$ 51,212.20	\$ 30,727.32
Total legal fees		\$ 1,207,699.03	\$ 724,619.42

10. In the Trustee's exercise of his prudent business judgment and discretion, the Trustee will remit the unpaid balance of the TOTAL OWED to each of the Law Firms as funds become available to the Family Trust as determined to be sufficient by the Trustee.

11. The Trustee and the Law Firms stipulate and agree that all payments made to the Law Firms pursuant to this Stipulation are subject to and conditioned on disgorgement to the extent permitted by Nevada law.

12. The Trustee and the Law Firms stipulate and agree to seek entry of an order approving the terms of this Stipulation.

DATED this 20th day of December, 2022.

FLETCHER & LEE

/s/ Cecilia Lee, Esq.

Cecilia Lee, Esq.

Attorneys for James Proctor, Trustee

MAUPIN COX & LEGOY

/s/ Donald A. Lattin, Esq.

Donald A. Lattin, Esq.

Attorneys for Todd Jaksick, Michael Kimmel
and Kevin Riley

ROBISON SHARP SULLIVAN & BRUST

/s/ Kent Robison, Esq.

Kent Robison, Esq.

Attorney for Todd Jaksick

McDONALD CARANO

/s/ Adam Hosmer-Henner, Esq.

Adam Hosmer-Henner, Esq.

Attorneys for Stanley Jaksick

SPENCER JOHNSON & HARVELL

/s/ Zachary E. Johnson, Esq.

Zachary E. Johnson, Esq.

Attorneys for Spencer Johnson & Harvell

AFFIRMATION

Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the personal information of any person.

DATED this 20th day of December, 2022.

FLETCHER & LEE

/s/ Cecilia Lee, Esq.

CECILIA LEE, ESQ.

CERTIFICATE OF SERVICE

Pursuant to NRCp 5(b), I certify under penalty of perjury that I am an employee of Fletcher & Lee, 448 Ridge Street, Reno, Nevada 89501, and that on this 20th day of December, 2022, I served the Stipulation for Payment of Fees Owed by the Family Trust on the parties set forth below by:

 X Service by eFlex:

DONALD ALBERT LATTIN, ESQ. for MICHAEL S. KIMMEL, KEVIN RILEY,
TODD B. JAKSICK
KENT RICHARD ROBISON, ESQ. for SAMMY SUPERCUB, LLC, SERIES A,
DUCK LAKE RANCH LLC, TODD B. JAKSICK, INCLINE TSS, LTD.
HANNAH E. WINSTON, ESQ. for SAMMY SUPERCUB, LLC, SERIES A,
DUCK LAKE RANCH LLC, TODD B. JAKSICK, INCLINE TSS, LTD.
MARK J. CONNOT, ESQ. for WENDY A. JAKSICK
JAMES PROCTOR
ADAM HOSMER-HENNER, ESQ. for STANLEY JAKSICK
PHILIP L. KREITLEIN, ESQ. for STANLEY JAKSICK, SAMUEL S. JAKSICK,
JR. FAMILY TRUST
JOHN A. COLLIER, ESQ. for LUKE JAKSICK
CAROLYN K. RENNER, ESQ. for MICHAEL S. KIMMEL, KEVIN RILEY,
TODD B. JAKSICK
STEPHEN C. MOSS, ESQ. for STANLEY JAKSICK, SAMUEL S. JAKSICK,
JR. FAMILY TRUST

 X Service by electronic mail:

ZACHARY JOHNSON, ESQ. for WENDY A. JAKSICK –
zach@dallasprobate.com
R. KEVIN SPENCER, ESQ. for WENDY A. JAKSICK –
kevin@dallasprobate.com
ALEXI JAKSICK FIELDS – alexifields@yahoo.com
RANDALL VENTURACCI – rlv52@hotmail.com

A copy of this Certificate of Service has been electronically served to all parties or their respective lawyers. This document does not contain the personal information of any person as defined by NRS 603A.040.

/s/ Elizabeth Dendary, CP
ELIZABETH DENDARY, CP
Certified Paralegal

CODE: 3357

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

In the Matter of the Administration of the
SSJ'S ISSUE TRUST.

Case No. PR17-00445

Dept. No. 15

In the Matter of the Administration of the
SAMUEL S. JAKSICK, JR. FAMILY
TRUST.

CONSOLIDATED

Case No. PR17-00446

Dept No. 15

**ORDER GRANTING STIPULATION FOR PAYMENT OF
OF LEGAL FEES
OWED BY THE FAMILY TRUST**

The Court has reviewed the Stipulation for Payment of Legal Fees Owed
By the Family Trust (the "Stipulation"), James S. Proctor, CPA, CFE, CVA, CFF,
in his capacity as the duly appointed Temporary Trustee (the "Trustee") of the
Samuel S. Jaksick, Jr. Family Trust (the "Family Trust"), by and through his
counsel, Cecilia Lee, Esq. and Elizabeth A. Fletcher, Esq., Fletcher & Lee; and
Todd Jaksick, Michael Kimmel and Kevin Riley, by and through their counsel,
Donald A. Lattin, Esq., Maupin Cox & Legoy ("MCL"); Todd Jaksick, by and

1 through his counsel, Kent Robison, Esq., Robison Sharp Sullivan & Brust
2 ("RSSB"); Stanley Jaksick, by and through his counsel, Adam Hosmer-Henner,
3 Esq., McDonald Carano ("McD"); and Spencer Johnson and Harvell, by and
4 through its counsel, Zachary E. Johnson, Esq., Spencer Johnson and Harvell
5 ("SJH", and together with MCL, RSSB, McD, and Kreitlein Leeder Moss, the "Law
6 Firms"). The Court has considered its March 12, 2020 Order After Equitable
7 Trial, its June 10, 2020 Order Resolving Submitted Matters, the Amended
8 Judgment which incorporated the Judgment, Order on Equitable Claims and
9 Order Resolving Submitted Matters, the Supreme Court Order of Affirmance, in
10 which it affirmed the Amended Judgment in its entirety, the January 8, 2021
11 Order Granting Petition for Instructions and Motion to Partially Enforce
12 Settlement Agreement, in which it approved the Settlement Agreement
13 (collectively, the "Orders"), and the papers and pleadings on file in these jointly
14 administered cases, of which the Court takes judicial notice. The Court finds
15 that the Family Trust owes legal fees to each of the Law Firms as reflected in the
16 Orders in the amounts set forth in the TOTAL OWED column of the table below.
17 The Court finds that payment by the Family Trust of the full amounts owed to
18 each Law Firm as set forth in the TOTAL OWED column of the table below will
19 satisfy the Family Trust's liabilities to each Law Firms as ordered in the Orders.

20 WHEREFORE, good cause appearing,

21 IT IS HEREBY ORDERED that the Stipulation is GRANTED in its entirety
22 and that the Trustee is authorized to take the steps necessary to comply with
23 the Stipulation and thereby satisfy legal fees this Court has ordered are owed by
24 the Family Trust.

25 IT IS ALSO HEREBY ORDERED that the Trustee is authorized to pay to
26 each Law Firm 60 percent of the TOTAL OWED to each Law Firm by December
27 24, 2022, as set forth in the table below:

28 ///

**Jaksick Family Trust
Proposed Legal Fees to Pay in 2022**

<u>PAYEE</u>	<u>NOTE</u>	<u>TOTAL OWED</u>	60% payment to Law Firms
Maupin Cox Legoy		\$ 241,463.99	\$ 144,878.39
Spencer Johnson	66% of \$300,000	\$ 198,000.00	\$ 118,800.00
Kreitlein Law Firm		\$ 17,544.81	\$ 10,526.89
McDonald Carano	Stan as co-trustee	\$ 269,478.03	\$ 161,686.82
McDonald Carano	Stan individually	\$ 250,000.00	\$ 150,000.00
Robison, Sharp, Sullivan & Brust	Todd individually	\$ 180,000.00	\$ 108,000.00
Robison, Sharp, Sullivan & Brust	Todd for appeal	\$ 51,212.20	\$ 30,727.32
Total legal fees		\$ 1,207,699.03	\$ 724,619.42

IT IS ALSO HEREBY ORDERED that, in the Trustee's exercise of his prudent business judgment and discretion, the Trustee will remit the unpaid balance of the TOTAL OWED to each of the Law Firms as funds become available to the Family Trust as determined to be sufficient by the Trustee.

IT IS FINALLY HEREBY ORDERED that all payments made to the Law Firms pursuant to this Order are subject to and conditioned on disgorgement to the extent permitted by Nevada law.

DATED this 20th day of December, 2022.

IT IS SO ORDERED.


DISTRICT JUDGE

Submitted by:

FLETCHER & LEE

/s/ Cecilia Lee, Esq.
CECILIA LEE, ESQ.

1 **CERTIFICATE OF MAILING**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Second Judicial
3 District Court of the State of Nevada, County of Washoe; that on this ____ day of December, 2022, I
4 deposited in the County mailing system for postage and mailing with the United States Postal
5 Service in Reno, Nevada, a true copy of the attached document addressed to:
6 N/A

7
8 **CERTIFICATE OF ELECTRONIC SERVICE**

9 I hereby certify that I am an employee of the Second Judicial District Court of the State of
10 Nevada, in and for the County of Washoe; that on the 20th day of December, 2022, I
11 electronically filed the foregoing with the Clerk of the Court by using the ECF system which will
12 send a notice of electronic filing to the following:

13
14 JAMES PROCTOR
15 STEPHEN MOSS, ESQ.
16 CECILIA LEE, ESQ.
17 SARAH FERGUSON, ESQ.
18 ELIZABETH FLEATHER, ESQ.
19 CAROLYN RENNER, ESQ.
20 KEVIN RILEY
21 HANNAH WINSTON, ESQ.
22 KENT ROBISON, ESQ.
23 MARK CONNOT, ESQ.
24 JOHN COLLIER, ESQ.
25 ADAM HOSMER-HENNER, ESQ.
26 DONALD LATTIN, ESQ.
27 PHILIP KREITLEIN, ESQ.
28


Carrie Lipparelli
Judicial Assistant