

IN THE SUPREME COURT OF THE STATE OF NEVADA

MEI-GSR HOLDINGS, LLC, AM-GSR
HOLDINGS, LLC, and GAGE
VILLAGE COMMERCIAL
DEVELOPMENT, LLC,

Appellants,

v.

ALBERT THOMAS, *et al.*,

Respondents.

Case No. 86092

Electronically Filed
Jun 13 2023 06:00 PM
Elizabeth A. Brown
Clerk of Supreme Court

**APPENDIX IN SUPPORT OF APPELLANTS' RESPONSE
TO MAY 8, 2023 ORDER TO SHOW CAUSE**

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MEI-GSR Holdings, LLC; Gage Village
Commercial Development, LLC; and
AM-GSR Holdings, LLC*

INDEX TO APPENDIX

Exhibit #	Description	Date	Vol #	Bates No.
1	Order on Plaintiff's Motion for Order to Show Cause	5/23/2023	1	APPX0001-3
2	Second Amended Complaint	03/23/2013	1	APPX0004-29
3	Order Granting Plaintiffs' Motion for Case-Terminating Sanctions	10/03/2014	1	APPX0030-42
4	Order of Suspension	06/13/2017	1	APPX0043-46
5	Order Appointing Receiver and Directing Defendants' Compliance	01/07/2015	1	APPX0047-55
6	Findings of Fact, Conclusions of Law and Judgment	10/09/2015	1	APPX0056-79
7	Stipulation and Order Regarding the Court's Findings of Fact, Conclusions of Law and Judgment	11/03/2015	1	APPX0080-81
8	Order on Motion in Support of Punitive Damages Award	01/17/2023	1	APPX0082-87
9	Order on Receiver's Motion for Orders & Instructions	01/26/2023	1	APPX0088-92
10	Order on Defendants' Objection to Receiver's Calculations Contained in Exhibit 1 Attached to Receiver's Omnibus Reply to Parties Oppositions to the Receiver's Motion for Orders & Instructions	03/27/2023	1	APPX0093-95
11	Supersedeas Bond on Appeal	04/04/2023	1	APPX0096-101
12	Final Judgment	02/02/2023	1	APPX0102-105
13	Order Granting in Part and Denying in Part Plaintiffs' Motion to Alter or Amend Judgment	03/27/2023	1	APPX0106-108

Exhibit #	Description	Date	Vol #	Bates No.
14	Amended Final Judgment	04/10/2023	1	APPX0109-112
15	Supersedeas Bond on Appeal	03/13/2023	1	APPX0113-118
16	Supersedeas Bond on Appeal	04/19/2023	1	APPX0119-123
17	Order on Defendants' Motions to Retax Costs	05/30/2023	1	APPX0124-127
18	Rough Draft of Hearing Transcript	06/09/2023	1	APPX0128-132

DATED this 13th day of June 2023.

PISANELLI BICE PLLC

By: /s/ Jordan T. Smith
Jordan T. Smith, Esq., #12097
Brianna Smith, Esq., #11795
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Las Vegas, Nevada 89101

Attorneys for Appellants

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of Pisanelli Bice PLLC, and that on this 13th day of June 2023, I caused to be served through the Court's CM/ECF website true and correct copies of the above and foregoing **APPENDIX IN SUPPORT OF APPELLANTS' RESPONSE TO MAY 8, 2023 ORDER TO SHOW CAUSE** to all parties registered for service, as follows:

/s/ Shannon Dinkel
An employee of Pisanelli Bice PLLC

EXHIBIT 1

Hon. Elizabeth Gonzalez (Ret.)
Sr. District Court Judge
PO Box 35054
Las Vegas, NV 89133

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

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada
Limited Liability Company, et al

Defendant.

) ORDER

) Case#: CV12-02222

) Dept. 10 (Senior Judge)

Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being fully informed rules on Plaintiffs' Motion for Order to Show Cause ("Application for an OSC").¹ This Application for an OSC centers on Plaintiffs claims that Defendants have not supplemented certain discovery responses. Cause has not been shown.

The Court has entered a final judgment on the issues pending in the operative pleadings. The Court retains jurisdiction to: supervise the Receivership established in 2019; oversee the dissolution of the owner's association;² truing up of funds due among the parties (since the appointment of the

¹ The Court has reviewed the Plaintiffs' Motion for Order to Show Cause filed April 19, 2023; Defendants' Opposition to Plaintiffs' Motion for Order to Show Cause filed May 10, 2023; and the Reply in Support of Motion for Order to Show Cause filed May 17, 2023.

² The Court notes that since the entry of the final judgment the dissolution process of the Grand Sierra Resorts Unit Owners Association has begun. The controlling Unit Rental Agreement is unaffected by this process as it is an individual agreement between the individual unit owner and Grand Sierra Resorts.

1 Receiver in 2019) after completion of the Receiver's remaining duties; and, to enforce its own orders
2 through contempt proceedings.

3 This retention of jurisdiction by the Court does not mean that the parties discovery obligations
4 under NRCP continue for all eternity. The discovery obligations that Plaintiffs allege in the
5 Application for OSC require supplementation are limited by NRCP 26(b)(1). That rule limits
6 discovery to areas relevant to any party's claims or defenses. As a final judgment has been entered,
7 those pretrial discovery obligations are no longer mandated. Here the Plaintiffs' assertion that
8 Defendants have not supplemented the pretrial discovery responses post judgment, is not one in
9 which the Court can utilize its contempt powers or limit use of any nondisclosed evidence at the
10 upcoming contempt trial.
11

12
13 Post judgment discovery or specific discovery related to dissolution and receivership issues are
14 available and may be specifically requested with Court authorization.
15

16
17 Dated this 23rd day May 2023.

18
19 
20 Hon. Elizabeth Gonzalez, (Ret.)
21 Sr. District Court Judge
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DALE KOTCHKA-ALANES
DANIEL POLSENBERG, ESQ.
DAVID MCELHINNEY, ESQ.
BRIANA COLLINGS, ESQ.
ABRAN VIGIL, ESQ.
JONATHAN TEW, ESQ.
JARRAD MILLER, ESQ.
TODD ALEXANDER, ESQ.
F. DEARMOND SHARP, ESQ.
STEPHANIE SHARP, ESQ.
G. DAVID ROBERTSON, ESQ.
ROBERT EISENBERG, ESQ.
JENNIFER HOSTETLER, ESQ.
ANN HALL, ESQ.
JAMES PROCTOR, ESQ.
JORDAN SMITH, ESQ.

Holly W. Inge

EXHIBIT 2

1 CODE: 1090
2 G. David Robertson, Esq. (NV Bar No. 1001)
3 Jarrad C. Miller, Esq. (NV Bar No. 7093)
4 Jonathan J. Tew, Esq. (NV Bar No. 11874)
5 Robertson, Johnson, Miller & Williamson
6 50 West Liberty Street, Suite 600
7 Reno, Nevada 89501
8 (775) 329-5600
9 Attorneys for Plaintiffs

6 **SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**

7 **IN AND FOR THE COUNTY OF WASHOE**

9 ALBERT THOMAS, individually; JANE
10 DUNLAP, individually; JOHN DUNLAP,
11 individually; BARRY HAY, individually;
12 MARIE-ANNE ALEXANDER, as Trustee of
13 the MARIE-ANNIE ALEXANDER LIVING
14 TRUST; MELISSA VAGUJHELYI and
15 GEORGE VAGUJHELYI, as Trustees of the
16 GEORGE VAGUJHELYI AND MELISSA
17 VAGUJHELYI 2001 FAMILY TRUST
18 AGREEMENT, U/T/A APRIL 13, 2001; D'
19 ARCY NUNN, individually; HENRY
20 NUNN, individually; MADELYN VAN DER
21 BOKKE, individually; LEE VAN DER
22 BOKKE, individually; DONALD
23 SCHREIFELS, individually; ROBERT R.
24 PEDERSON, individually and as Trustee of
25 the PEDERSON 1990 TRUST; LOU ANN
26 PEDERSON, individually and as Trustee of
27 the PEDERSON 1990 TRUST; LORI
28 ORDOVER, individually; WILLIAM A.
HENDERSON, individually; CHRISTINE E.
HENDERSON, individually; LOREN D.
PARKER, individually; SUZANNE C.
PARKER, individually; MICHAEL IZADY,
individually; STEVEN TAKAKI,
individually; FARAD TORABKHAN,
individually; SAHAR TAVAKOL,
individually; M&Y HOLDINGS, LLC;
JL&YL HOLDINGS, LLC; SANDI RAINES,
individually; R. RAGHURAM, individually;
USHA RAGHURAM, individually; LORI K.
TOKUTOMI, individually; GARRET TOM,
individually; ANITA TOM, individually;
RAMON FADRILAN, individually; FAYE
FADRILAN, individually; PETER K. LEE
and MONICA L. LEE, as Trustees of the LEE
FAMILY 2002 REVOCABLE TRUST;
DOMINIC YIN, individually; ELIAS
SHAMIEH, individually; JEFFREY QUINN,

Case No. CV12-02222
Dept. No. 10

SECOND AMENDED COMPLAINT

1 individually; BARBARA ROSE QUINN
2 individually; KENNETH RICHE,
3 individually; MAXINE RICHE, individually;
4 NORMAN CHANDLER, individually;
5 BENTON WAN, individually; TIMOTHY D.
6 KAPLAN, individually; SILKSCAPE INC.;
7 PETER CHENG, individually; ELISA
8 CHENG, individually; GREG A.
9 CAMERON, individually; TMI PROPERTY
10 GROUP, LLC; RICHARD LUTZ,
11 individually; SANDRA LUTZ, individually;
12 MARY A. KOSSICK, individually; MELVIN
13 CHEAH, individually; DI SHEN,
14 individually; NADINE'S REAL ESTATE
15 INVESTMENTS, LLC; AJIT GUPTA,
16 individually; SEEMA GUPTA, individually;
17 FREDRICK FISH, individually; LISA FISH,
18 individually; ROBERT A. WILLIAMS,
19 individually; JACQUELIN PHAM,
20 individually; MAY ANN HOM, as Trustee of
21 the MAY ANN HOM TRUST; MICHAEL
22 HURLEY, individually; DOMINIC YIN,
23 individually; DUANE WINDHORST,
24 individually; MARILYN WINDHORST,
25 individually; VINOD BHAN, individually;
26 ANNE BHAN, individually; GUY P.
27 BROWNE, individually; GARTH A.
28 WILLIAMS, individually; PAMELA Y.
ARATANI, individually; DARLENE
LINDGREN, individually; LAVERNE
ROBERTS, individually; DOUG MECHAM,
individually; CHRISINE MECHAM,
individually; KWANGSOO SON,
individually; SOO YEUN MOON,
individually; JOHNSON AKINDODUNSE,
individually; IRENE WEISS, as Trustee of
the WEISS FAMILY TRUST; PRAVESH
CHOPRA, individually; TERRY POPE,
individually; NANCY POPE, individually;
JAMES TAYLOR, individually; RYAN
TAYLOR, individually; KI HAM,
individually; YOUNG JA CHOI,
individually; SANG DAE SOHN,
individually; KUK HYUNG (CONNIE),
individually; SANG (MIKE) YOO,
individually; BRETT MENMUIR, as Trustee
of the CAYENNE TRUST; WILLIAM
MINER, JR., individually; CHANH
TRUONG, individually; ELIZABETH
ANDERS MECUA, individually;
SHEPHERD MOUNTAIN, LLC; ROBERT
BRUNNER, individually; AMY BRUNNER,
individually; JEFF RIOPELLE, individually;
PATRICIA M. MOLL, individually;
DANIEL MOLL, individually; and DOE

1 PLAINTIFFS 1 THROUGH 10, inclusive,

2 Plaintiffs,

3 vs.

4 MEI-GSR Holdings, LLC, a Nevada Limited
5 Liability Company, GRAND SIERRA
6 RESORT UNIT OWNERS' ASSOCIATION,
7 a Nevada nonprofit corporation, GAGE
8 VILLAGE COMMERCIAL
9 DEVELOPMENT, LLC, a Nevada Limited
10 Liability Company and DOE DEFENDANTS
11 1 THROUGH 10, inclusive,

12 Defendants.

13 COME NOW Plaintiffs ("Plaintiffs" or "Individual Unit Owners"), by and through their
14 counsel of record, Robertson, Johnson, Miller & Williamson, and for their causes of action
15 against Defendants hereby complain as follows:

16 **GENERAL ALLEGATIONS**

17 **The Parties**

18 1. Plaintiff Albert Thomas is a competent adult and is a resident of the State of
19 California.

20 2. Plaintiff Jane Dunlap is a competent adult and is a resident of the State of
21 California.

22 3. Plaintiff John Dunlap is a competent adult and is a resident of the State of
23 California.

24 4. Plaintiff Barry Hay is a competent adult and is a resident of the State of
25 California.

26 5. Plaintiff Marie-Annie Alexander, as Trustee of the Marie-Annie Alexander Living
27 Trust, is a competent adult and is a resident of the State of California.

28 6. Plaintiff Melissa Vagujhelyi, as Co-Trustee of the George Vagujhelyi and Melissa
Vagujheyli 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a
resident of the State of Nevada.

1 7. Plaintiff George Vagujhelyi, as Co-Trustee of the George Vagujhelyi and Melissa
2 Vagujhelyi 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a
3 resident of the State of Nevada.

4 8. Plaintiff D'Arcy Nunn is a competent adult and is a resident of the State of
5 California.

6 9. Plaintiff Henry Nunn is a competent adult and is a resident of the State of
7 California.

8 10. Plaintiff Lee Van Der Bokke is a competent adult and is a resident of the State of
9 California.

10 11. Plaintiff Madelyn Van Der Bokke is a competent adult and is a resident of the
11 State of California.

12 12. Plaintiff Donald Schreifels is a competent adult and is a resident of the State of
13 Minnesota.

14 13. Plaintiff Robert R. Pederson, individually and as Trustee of the Pederson 1990
15 Trust, is a competent adult and is a resident of the State of California.

16 14. Plaintiff Lou Ann Pederson, individually and as Trustee of the Pederson 1990
17 Trust, is a competent adult and is a resident of the State of California.

18 15. Plaintiff Lori Ordoover is a competent adult and is a resident of the State of
19 Connecticut.

20 16. Plaintiff William A. Henderson is a competent adult and is a resident of the State
21 of California.

22 17. Plaintiff Christine E. Henderson is a competent adult and is a resident of the State
23 of California.

24 18. Plaintiff Loren D. Parker is a competent adult and is a resident of the State of
25 Washington.

26 19. Plaintiff Suzanne C. Parker is a competent adult and is a resident of the State of
27 Washington.

1 20. Plaintiff Michael Izady is a competent adult and is a resident of the State of New
2 York.
3 21. Plaintiff Steven Takaki is a competent adult and is a resident of the State of
4 California.
5 22. Plaintiff Farad Torabkhan is a competent adult and is a resident of the State of
6 New York.
7 23. Plaintiff Sahar Tavakol is a competent adult and is a resident of the State of New
8 York.
9 24. Plaintiff M&Y Holdings is a Nevada Limited Liability Company with its
10 principal place of business in Nevada.
11 25. Plaintiff JL&YL Holdings, LLC is a Nevada Limited Liability Company with its
12 principal place of business in Nevada.
13 26. Plaintiff Sandi Raines is a competent adult and is a resident of the State of
14 Minnesota.
15 27. Plaintiff R. Raghuram is a competent adult and is a resident of the State of
16 California.
17 28. Plaintiff Usha Raghuram is a competent adult and is a resident of the State of
18 California.
19 29. Plaintiff Lori K. Tokutomi is a competent adult and is a resident of the State of
20 California.
21 30. Plaintiff Garett Tom is a competent adult and is a resident of the State of
22 California.
23 31. Plaintiff Anita Tom is a competent adult and is a resident of the State of
24 California.
25 32. Plaintiff Ramon Fadrilan is a competent adult and is a resident of the State of
26 California.
27 33. Plaintiff Faye Fadrilan is a competent adult and is a resident of the State of
28 California.

1 34. Plaintiff Peter K. Lee, as Trustee of the Lee Family 2002 Revocable Trust, is a
2 competent adult and is a resident of the State of California.

3 35. Plaintiff Monica L. Lee, as Trustee of the Lee Family 2002 Revocable Trust, is a
4 competent adult and is a resident of the State of California.

5 36. Plaintiff Dominic Yin is a competent adult and is a resident of the State of
6 California.

7 37. Plaintiff Elias Shamieh is a competent adult and is a resident of the State of
8 California.

9 38. Plaintiff Nadine's Real Estate Investments, LLC, is a North Dakota Limited
10 Liability Company.

11 39. Plaintiff Jeffery James Quinn is a competent adult and is a resident of the State of
12 Hawaii.

13 40. Plaintiff Barbara Rose Quinn is a competent adult and is a resident of the State of
14 Hawaii.

15 41. Plaintiff Kenneth Riche is a competent adult and is a resident of the State of
16 Wisconsin.

17 42. Plaintiff Maxine Riche is a competent adult and is a resident of the State of
18 Wisconsin.

19 43. Plaintiff Norman Chandler is a competent adult and is a resident of the State of
20 Alabama.

21 44. Plaintiff Benton Wan is a competent adult and is a resident of the State of
22 California.

23 45. Plaintiff Timothy Kaplan is a competent adult and is a resident of the State of
24 California.

25 46. Plaintiff Silkscape Inc. is a California Corporation.

26 47. Plaintiff Peter Cheng is a competent adult and is a resident of the State of
27 California.

28

1 48. Plaintiff Elisa Cheng is a competent adult and is a resident of the State of
2 California.
3 49. Plaintiff Greg A. Cameron is a competent adult and is a resident of the State of
4 California.
5 50. Plaintiff TMI Property Group, LLC is a California Limited Liability Company.
6 51. Plaintiff Richard Lutz is a competent adult and is a resident of the State of
7 California.
8 52. Plaintiff Sandra Lutz is a competent adult and is a resident of the State of
9 California.
10 53. Plaintiff Mary A. Kossick is a competent adult and is a resident of the State of
11 California.
12 54. Plaintiff Melvin H. Cheah is a competent adult and is a resident of the State of
13 California.
14 55. Plaintiff Di Shen is a competent adult and is a resident of the State of Texas.
15 56. Plaintiff Ajit Gupta is a competent adult and is a resident of the State of
16 California.
17 57. Plaintiff Seema Gupta is a competent adult and is a resident of the State of
18 California.
19 58. Plaintiff Fredrick Fish is a competent adult and is a resident of the State of
20 Minnesota.
21 59. Plaintiff Lisa Fish is a competent adult and is a resident of the State of Minnesota.
22 60. Plaintiff Robert A. Williams is a competent adult and is a resident of the State of
23 Minnesota.
24 61. Plaintiff Jacquelin Pham is a competent adult and is a resident of the State of
25 California.
26 62. Plaintiff May Ann Hom, as Trustee of the May Ann Hom Trust, is a competent
27 adult and is a resident of the State of California.
28

1 63. Plaintiff Michael Hurley is a competent adult and is a resident of the State of
2 Minnesota.
3 64. Plaintiff Dominic Yin is a competent adult and is a resident of the State of
4 California.
5 65. Plaintiff Duane Windhorst is a competent adult and is a resident of the State of
6 Minnesota.
7 66. Plaintiff Marilyn Windhorst is a competent adult and is a resident of the State of
8 Minnesota.
9 67. Plaintiff Vinod Bhan is a competent adult and is a resident of the State of
10 California.
11 68. Plaintiff Anne Bhan is a competent adult and is a resident of the State of
12 California.
13 69. Plaintiff Guy P. Browne is a competent adult and is a resident of the State of
14 California.
15 70. Plaintiff Garth Williams is a competent adult and is a resident of the State of
16 California.
17 71. Plaintiff Pamela Y. Aratani is a competent adult and is a resident of the State of
18 California.
19 72. Plaintiff Darleen Lindgren is a competent adult and is a resident of the State of
20 Minnesota.
21 73. Plaintiff Laverne Roberts is a competent adult and is a resident of the State of
22 Nevada.
23 74. Plaintiff Doug Mecham is a competent adult and is a resident of the State of
24 Nevada.
25 75. Plaintiff Chrisine Mecham is a competent adult and is a resident of the State of
26 Nevada.
27 76. Plaintiff Kwangsoo Son is a competent adult and is a resident of Vancouver,
28 British Columbia.

1 77. Plaintiff Soo Yeun Moon is a competent adult and is a resident of Vancouver,
2 British Columbia.

3 78. Plaintiff Johnson Akindodunse is a competent adult and is a resident of the State
4 of California.

5 79. Plaintiff Irene Weiss, as Trustee of the Weiss Family Trust, is a competent adult
6 and is a resident of the State of Texas.

7 80. Plaintiff Pravesh Chopra is a competent adult and is a resident of the State of
8 California.

9 81. Plaintiff Terry Pope is a competent adult and is a resident of the State of Nevada.

10 82. Plaintiff Nancy Pope is a competent adult and is a resident of the State of Nevada.

11 83. Plaintiff James Taylor is a competent adult and is a resident of the State of
12 California.

13 84. Plaintiff Ryan Taylor is a competent adult and is a resident of the State of
14 California.

15 85. Plaintiff Ki Ham is a competent adult and is a resident of Surry B.C.

16 86. Plaintiff Young Ja Choi is a competent adult and is a resident of Coquitlam, B.C.

17 87. Plaintiff Sang Dae Sohn is a competent adult and is a resident of Vancouver, B.C.

18 88. Plaintiff Kuk Hyung (“Connie”) is a competent adult and is a resident of
19 Coquitlam, B.C.

20 89. Plaintiff Sang (“Mike”) Yoo is a competent adult and is a resident of Coquitlam,
21 British Columbia.

22 90. Plaintiff Brett Menmuir, as Trustee of the Cayenne Trust, is a competent adult and
23 is a resident of the State of Nevada.

24 91. Plaintiff William Miner, Jr., is a competent adult and is a resident of the State of
25 California.

26 92. Plaintiff Chanh Truong is a competent adult and is a resident of the State of
27 California.

1 93. Plaintiff Elizabeth Anders Mecua is a competent adult and is a resident of the
2 State of California.

3 94. Plaintiff Shepherd Mountain, LLC is a Texas Limited Liability Company with its
4 principal place of business in Texas.

5 95. Plaintiff Robert Brunner is a competent adult and is a resident of the State of
6 Minnesota.

7 96. Plaintiff Amy Brunner is a competent adult and is a resident of the State of
8 Minnesota.

9 97. Plaintiff Jeff Riopelle is a competent adult and is a resident of the State of
10 California.

11 98. Plaintiff Patricia M. Moll is a competent adult and is a resident of the State of
12 Illinois.

13 99. Plaintiff Daniel Moll is a competent adult and is a resident of the State of Illinois.

14 100. Plaintiffs are informed and believe and thereon allege that at all relevant times
15 herein, Defendant MEI-GSR Holdings, LLC (“MEI-GSR”) is a Nevada Limited Liability
16 Company with its principal place of business in Nevada.

17 101. Plaintiffs are informed and believe and thereon allege that at all relevant times
18 herein, Defendant Gage Village Commercial Development, LLC (“Gage Village”) is a Nevada
19 Limited Liability Company with its principal place of business in Nevada.

20 102. Plaintiffs are informed and believe and thereon allege that Gage Village is related
21 to, controlled by, affiliated with, and/or a subsidiary of MEI-GSR.

22 103. Plaintiffs are informed and believe and thereon allege that at all relevant times
23 herein, Defendant Grand Sierra Resort Unit Owners’ Association (the “Unit Owners’
24 Association”) is a Nevada nonprofit corporation with its principal place of business in Nevada.

25 104. The true names and capacities whether individual, corporate, associate or
26 otherwise of Plaintiff Does and Defendant Does 1 through 10, are unknown to Plaintiffs, and
27 Plaintiffs therefore include them by such fictitious names. Plaintiffs will amend this Complaint
28 to allege their true names and capacities when such are ascertained. Plaintiffs are informed and

1 believe and thereon allege that each of the fictitiously named Defendant Does is liable to
2 Plaintiffs in some manner for the occurrences that are herein alleged.

3 **MEI-GSR's Control of the Unit Owners' Association is to Plaintiffs' Detriment**

4 105. The Individual Unit Owners re-allege each and every allegation contained in
5 paragraphs 1 through 102 of this Complaint as though fully stated herein and hereby incorporate
6 them by this reference as if fully set forth below.

7 106. The Grand Sierra Resort Condominium Units ("GSR Condo Units") are part of
8 the Grand Sierra Unit Owners Association, which is an apartment style hotel condominium
9 development of 670 units in one 27-story building. The GSR Condo Units occupy floors 17
10 through 24 of the Grand Sierra Resort and Casino, a large-scale hotel casino, located at 2500
11 East Second Street, Reno, Nevada.

12 107. All of the Individual Unit Owners: hold an interest in, own, or have owned, one or
13 more GSR Condo Units.

14 108. Defendants Gage Village and MEI-GSR own multiple GSR Condo Units.

15 109. Defendant MEI-GSR owns the Grand Sierra Resort and Casino.

16 110. Under the Declaration of Covenants, Conditions, Restrictions and Reservations of
17 Easements for Hotel-Condominiums at Grand Sierra Resort ("CC&Rs"), there is one voting
18 member for each unit of ownership (thus, an owner with multiple units has multiple votes).

19 111. Because Defendants MEI-GSR and Gage Village control more units of ownership
20 than any other person or entity, they effectively control the Unit Owners' Association by having
21 the ability to elect Defendant MEI-GSR's chosen representatives to the Board of Directors (the
22 governing body over the GSR Condo Units).

23 112. As a result of Defendants MEI-GSR and Gage Village controlling the Unit
24 Owners' Association, the Individual Unit Owners effectively have no input or control over the
25 management of the Unit Owners' Association.

26 113. Defendants MEI-GSR and Gage Village have used, and continue to use, their
27 control over the Defendant Unit Owners' Association to advance Defendants MEI-GSR and
28 Gage Villages' economic objectives to the detriment of the Individual Unit Owners.

1 114. Defendants MEI-GSR and Gage Villages' control of the Unit Owners'
2 Association violates Nevada law as it defeats the purpose of forming and maintaining a
3 homeowners' association.

4 115. Further, the Nevada Division of Real Estate requires a developer to sell off the
5 units within 7 years, exit and turn over the control and management to the owners.

6 116. Under the CC&Rs, the Individual Unit Owners are required to enter into a "Unit
7 Maintenance Agreement" and participate in the "Hotel Unit Maintenance Program," wherein
8 Defendant MEI-GSR provides certain services (including, without limitation, reception desk
9 staffing, in-room services, guest processing services, housekeeping services, Hotel Unit
10 inspection, repair and maintenance services, and other services).

11 117. The Unit Owners' Association maintains capital reserve accounts that are funded
12 by the owners of GSR Condo Units. The Unit Owners' Association collects association dues of
13 approximately \$25 per month per unit, with some variation depending on a particular unit's
14 square footage.

15 118. The Individual Unit Owners pay for contracted "Hotel Fees," which include taxes,
16 deep cleaning, capital reserve for the room, capital reserve for the building, routine maintenance,
17 utilities, etc.

18 119. Defendant MEI-GSR has systematically allocated and disproportionately charged
19 capital reserve contributions to the Individual Unit Owners, so as to force the Individual Unit
20 Owners to pay capital reserve contributions in excess of what should have been charged.

21 120. Defendants MEI-GSR and Gage Development have failed to pay proportionate
22 capital reserve contribution payments in connection with their Condo Units.

23 121. Defendant MEI-GSR has failed to properly account for, or provide an accurate
24 accounting for the collection and allocation of the collected capital reserve contributions.

25 122. The Individual Unit Owners also pay "Daily Use Fees" (a charge for each night a
26 unit is occupied by any guest for housekeeping services, etc.).

27 123. Defendants MEI-GSR and Gage Village have failed to pay proportionate Daily
28 Use Fees for the use of Defendants' GSR Condo Units.

124. Defendant MEI-GSR has failed to properly account for the contracted “Hotel Fees” and “Daily Use Fees.”

125. Further, the Hotel Fees and Daily Use Fees are not included in the Unit Owners' Association's annual budget with other assessments that provide the Individual Unit Owners' the ability to reject assessment increases and proposed budget ratification.

126. Defendant MEI-GSR has systematically endeavored to increase the various fees that are charged in connection with the use of the GSR Condo Units in order to devalue the units owned by Individual Unit Owners.

127. The Individual Unit Owners' are required to abide by the unilateral demands of MEI-GSR, through its control of the Unit Owners' Association, or risk being considered in default under Section 12 of the Agreement, which provides lien and foreclosure rights pursuant to Section 6.10(f) of the CC&R's.

128. Defendants MEI-GSR and/or Gage Village have attempted to purchase, and purchased, units devalued by their own actions, at nominal, distressed prices when Individual Unit Owners decide to, or are effectively forced to, sell their units because the units fail to generate sufficient revenue to cover expenses.

129. Defendant MEI-GSR and/or Gage Village have, in late 2011 and 2012, purchased such devalued units for \$30,000 less than the amount they purchased units for in March of 2011.

130. The Individual Unit Owners effectively pay association dues to fund the Unit Owners' Association, which acts contrary to the best interests of the Individual Unit Owners.

131. Defendant MEI-GSR's interest in maximizing its profits is in conflict with the interest of the Individual Unit Owners. Accordingly, Defendant MEI-GSR's control of the Unit Owners' Association is a conflict of interest.

MEI-GSR's Rental Program

132. As part of Defendant MEI-GSR's Grand Sierra Resort and Casino business operations, it rents: (1) hotel rooms owned by Defendant MEI-GSR that are not condominium

1 units; (2) GSR Condo Units owned by Defendant MEI-GSR and/or Gage Village; and (3) GSR
2 Condo Units owned by the Individual Condo Unit Owners.

3 133. Defendant MEI-GSR has entered into a Grand Sierra Resort Unit Rental
4 Agreement with Individual Unit Owners.

5 134. Defendant MEI-GSR has manipulated the rental of the: (1) hotel rooms owned by
6 Defendant MEI-GSR; (2) GSR Condo Units owned by Defendant MEI-GSR and/or Gage
7 Village; and (3) GSR Condo Units owned by Individual Condo Unit Owners so as to maximize
8 Defendant MEI-GSR's profits and devalue the GSR Condo Units owned by the Individual Unit
9 Owners.

10 135. Defendant MEI-GSR has rented the Individual Condo Units for as little as \$0.00
11 to \$25.00 a night.

12 136. Yet, MEI-GSR has charged "Daily Use Fees" of approximately \$22.38, resulting
13 in revenue to the Individual Unit Owners as low as \$2.62 per night for the use of their GSR
14 Condo Unit (when the unit was rented for a fee as opposed to being given away).

15 137. By functionally, and in some instances actually, giving away the use of units
16 owned by the Individual Unit Owners, Defendant MEI-GSR has received a benefit because those
17 who rent the Individual Units frequently gamble and purchase food, beverages, merchandise, spa
18 services and entertainment access from Defendant MEI-GSR.

19 138. Defendant MEI-GSR has rented Individual Condo Units to third parties without
20 providing Individual Unit Owners with any notice or compensation for the use of their unit.

21 139. Further, Defendant MEI-GSR has systematically endeavored to place a priority on
22 the rental of Defendant MEI-GSR's hotel rooms, Defendant MEI-GSR's GSR Condo Units, and
23 Defendant Gage Village's Condo Units.

24 140. Such prioritization effectively devalues the units owned by the Individual Unit
25 Owners.

26 141. Defendants MEI-GSR and Gage Village intend to purchase the devalued units at
27 nominal, distressed prices when Individual Unit Owners decide to, or are effectively forced to,
28

1 sell their units because the units fail to generate sufficient revenue to cover expenses and have no
2 prospect of selling their persistently loss-making units to any other buyer.

3 142. Some of the Individual Unit Owners have retained the services of a third party to
4 market and rent their GSR Condo Unit(s).

5 143. Defendant MEI-GSR has systematically thwarted the efforts of any third party to
6 market and rent the GSR Units owned by the Individual Unit Owners.

7 144. Defendant MEI-GSR has breached the Grand Sierra Resort Unit Rental
8 Agreement with Individual Condo Unit Owners by failing to follow its terms, including but not
9 limited to, the failure to implement an equitable Rotational System as referenced in the
10 agreement.

11 145. Defendant MEI-GSR has failed to act in good faith in exercising its duties under
12 the Grand Sierra Resort Unit Rental Agreements with the Individual Unit Owners.

13 **FIRST CLAIM FOR RELIEF**
14 **(Petition for Appointment of Receiver as to**
15 **Defendant Grand Sierra Resort Unit Owners' Association)**

16 146. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
17 143 of this Complaint as though fully stated herein and hereby incorporate them by this reference
18 as if fully set forth below.

19 147. Because Defendant MEI-GSR and/or Gage Village controls more units of
20 ownership than any other person or entity, Defendant MEI-GSR and Gage Village effectively
21 control the Grand Sierra Resort Unit Owners' Association by having the ability to elect
22 Defendant MEI-GSR's chosen representatives to the Board of Directors (the governing body
23 over the GSR Condo Units).

24 148. As a result of Defendant MEI-GSR controlling the Grand Sierra Resort Unit-
25 Owners' Association, Plaintiffs effectively have no input or control over the management of the
26 Unit Owners' Association.

1 149. Defendant MEI-GSR has used, and continues to use, its control over the
2 Defendant Grand Sierra Resort Unit Owners' Association to advance Defendant MEI-GSR's
3 economic objectives to the detriment of Plaintiffs.

4 150. Plaintiffs are entitled to a receiver pursuant to NRS § 32.010.

5 151. Pursuant to NRS § 32.010, the appointment of a receiver is appropriate in this
6 case as a matter of statute and equity.

7 152. Unless a receiver is appointed, Defendant MEI-GSR will continue to control the
8 Unit Owners' Association to advance Defendant MEI-GSR's economic objections to the
9 detriment of Plaintiffs.

10 153. Without the grant of the remedies sought in this Complaint, Plaintiffs have no
11 adequate remedy at law to enforce their rights and Plaintiffs will suffer irreparable harm unless
12 granted the relief as prayed for herein.

13 **WHEREFORE**, Plaintiffs request judgment against the Defendant Grand Sierra Resort
14 Unit Owners' Association, as set forth below.

15 **SECOND CLAIM FOR RELIEF**
16 **(Intentional and/or Negligent Misrepresentation as to Defendant MEI-GSR)**

17 154. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
18 151 of this Complaint as though fully stated herein and hereby incorporate them by this reference
19 as if fully set forth below.

20 155. Defendant MEI-GSR made affirmative representations to Plaintiffs regarding the
21 use, rental and maintenance of the Individual Unit Owners' GSR Condo Units.

22 156. Plaintiffs are now informed and believe, and thereon allege, that these
23 representations were false.

24 157. The Defendant MEI-GSR knew that the affirmative representations were false, in
25 the exercise of reasonable care should have known that they were false, and/or knew or should
26 have known that it lacked a sufficient basis for making said representations.

1 158. The representations were made with the intention of inducing Plaintiffs to
2 contract with Defendant MEI-GSR for the marketing and rental of Plaintiffs' GSR Condo Units
3 and otherwise act, as set out above, in reliance upon the representations.

4 159. Plaintiffs justifiably relied upon the affirmative representations of Defendant
5 MEI-GSR in contracting with Defendant MEI-GSR for the rental of their GSR Condo Units.

6 160. As a direct and proximate result of Defendant MEI-GSR's misrepresentations,
7 Plaintiffs have been, and will continue to be, harmed in the manner herein.

8 161. Plaintiffs are further informed and believe, and thereon allege, that said
9 representations were made by Defendant MEI-GSR with the intent to commit an oppression
10 directed toward Plaintiffs by intentionally devaluing there GSR Condo Units. As a result,
11 Plaintiffs are entitled to an award of exemplary damages against the Defendant, according to
12 proof at the time of trial.

13 162. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's
14 bad faith and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees and
15 thus Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to
16 statute, decisional law, common law and this Court's inherent powers.

17 **WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth
18 below.

19 **THIRD CLAIM FOR RELIEF**
20 **(Breach of Contract as to Defendant MEI-GSR)**

21 163. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
22 160 of this Complaint as though fully stated herein and hereby incorporate them by this reference
23 as if fully set forth below.

24 164. Defendant MEI-GSR has entered into a Grand Sierra Resort Unit Rental
25 Agreement (the "Agreement") with Individual Condo Unit Owners.

26 165. Defendant MEI-GSR has breached the Agreement with Individual Unit Owners
27 by failing to follow its terms, including but not limited to, the failure to implement an equitable
28 Rotational System as referenced in the agreement.

1 166. The Agreement is an enforceable contract between Defendant MEI-GSR and
2 Plaintiffs.

3 167. Plaintiffs have performed all of their obligations and satisfied all of their
4 conditions under the Agreement, and/or their performance and conditions were excused.

5 168. As a direct and proximate result of Defendant MEI-GSR's breaches of the
6 Agreement as alleged herein, Plaintiffs have been, and will continue to be, harmed in the manner
7 herein alleged.

8 169. In addition, as a direct, proximate and necessary result of Defendant's bad faith
9 and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees which they
10 are entitled to recover under the terms of the Agreement.

11 **WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth
12 below.

13 **FOURTH CLAIM FOR RELIEF**
14 **(Quasi-Contract/Equitable Contract/Detrimental Reliance as to Defendant MEI-GSR)**

15 170. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
16 167 of this Complaint as though fully stated herein and hereby incorporate them by this reference
17 as if fully set forth below.

18 171. Defendant MEI-GSR is contractually obligated to Plaintiffs. The contractual
19 obligations are based upon the underlying agreements between Defendant MEI-GSR and
20 Plaintiffs, and principles of equity and representations made by MEI-GSR.

21 172. Plaintiffs relied upon the representations of Defendant MEI-GSR and trusted
22 Defendant MEI-GSR with the marketing and rental of their GSR Condo Units.

23 173. Due to the devaluation of the GSR Condo Units caused by Defendant MEI-GSR's
24 actions, the expenses they have had to incur, and their inability to sell the Property in its current
25 state, Plaintiffs have suffered damages.

26 174. Defendant MEI-GSR was informed of, and in fact knew of, Plaintiffs' reliance
27 upon its representations.

175. Based on these facts, equitable or quasi-contracts existed between Plaintiffs and Defendant MEI-GSR's actions as described hereinabove.

176. Defendant MEI-GSR, however, has failed and refused to perform its obligations.

177. These refusals and failures constitute material breaches of their agreements.

178. Plaintiffs have performed all of their obligations and satisfied all conditions under the contracts, and/or their performance and conditions, under the contracts, were excused.

179. As a direct and proximate result of Defendant MEI-GSR's wrongful conduct as alleged herein, the Plaintiffs have been, and will continue to be, harmed in the manner herein alleged.

180. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees and thus Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to statute, decisional law, common law and this Court's inherent powers.

WHEREFORE, Plaintiffs request judgment against Defendant MEI-GSR, as set forth below.

FIFTH CLAIM FOR RELIEF
(Breach of the Implied Covenant of Good Faith and Fair Dealing as to Defendant MEI-GSR)

181. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through 178 of this Complaint as though fully stated herein and hereby incorporate them by this reference as if fully set forth below.

182. As alleged herein, Plaintiffs entered into one or more contracts with Defendant MEI-GSR, including the Grand Sierra Resort Unit Rental Agreement.

183. Under the terms of their respective agreement(s), Defendant MEI-GSR was obligated to market and rent Plaintiffs' GSR Condo Units.

184. Defendant MEI-GSR has manipulated the rental of: (1) the hotel rooms owned by Defendant MEI-GSR; (2) GSR Condo Units owned by Defendant MEI-GSR and Defendant Gage Village; and (3) GSR Condo Units owned by Plaintiffs so as to maximize Defendant MEI-GSR's profits and devalue the GSR Condo Units owned by Plaintiffs.

1 185. Every contract in Nevada has implied into it, a covenant that the parties thereto
2 will act in the spirit of good faith and fair dealing.

3 186. Defendant MEI-GSR has breached this covenant by intentionally making false
4 and misleading statements to Plaintiffs, and for its other wrongful actions as alleged in this
5 Complaint.

6 187. As a direct and proximate result of Defendant MEI-GSR's breaches of the implied
7 covenant of good faith and fair dealing, Plaintiffs have been, and will continue to be, harmed in
8 the manner herein alleged.

9 188. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's
10 bad faith and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees
11 and thus Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to
12 statute, decisional law, common law and this Court's inherent powers.

13 **WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth
14 below.

15 **SIXTH CLAIM FOR RELIEF**
16 **(Consumer Fraud/Nevada Deceptive Trade Practices Act Against Defendant MEI-GSR)**

17 189. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
18 186 of this Complaint as though fully stated herein and hereby incorporate them by this reference
19 as if fully set forth below.

20 190. NRS § 41.600(1) provides that "[a]n action may be brought by any person who is
21 a victim of consumer fraud."

22 191. NRS § 41.600(2) explains, in part, "'consumer fraud' means . . . [a] deceptive
23 trade practice as defined in NRS §§ 598.0915 to 598.0925, inclusive."

24 192. NRS Chapter 598 identifies certain activities which constitute deceptive trade
25 practices; many of those activities occurred in MEI-GSR's dealings with Plaintiffs.

26 193. Defendant MEI-GSR, in the course of its business or occupation, knowingly made
27 false representations and/or misrepresentations to Plaintiffs.

1 194. Defendant MEI-GSR failed to represent the actual marketing and rental practices
2 implemented by Defendant MEI-GSR, as the Defendant was contractually and legally required
3 to do.

4 195. Defendant MEI-GSR's conduct, as described in this Complaint, constitutes
5 deceptive trade practices and is in violation of, among other statutory provisions and
6 administrative regulations, NRS §§ 598.0915 to 598.0925.

7 196. As a direct and proximate result of Defendant MEI-GSR's deceptive trade
8 practices, Plaintiffs have suffered damages.

9 197. Plaintiffs are also entitled to recover their costs in this action and reasonable
10 attorneys' fees, as allowed by law.

11 **WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth
12 below.

13 **SEVENTH CLAIM FOR RELIEF**
14 **(Declaratory Relief as to Defendant MEI-GSR)**

15 198. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
16 195 of this Complaint as though fully stated herein and hereby incorporate them by this reference
17 as if fully set forth below.

18 199. As alleged hereinabove, an actual controversy has arisen and now exists between
19 Plaintiffs and Defendant MEI-GSR, regarding the extent to which Defendant MEI-GSR has the
20 legal right to control the Grand Sierra Resort Unit-Owners' Association to advance Defendant
21 MEI-GSR's economic objections to the detriment of Plaintiffs.

22 200. The interests of Plaintiffs and Defendant MEI-GSR are completely adverse as to
23 the Plaintiffs.

24 201. Plaintiffs have a legal interest in this dispute as they are the owners of record of
25 certain GSR Condo Units.

26 202. This controversy is ripe for judicial determination in that Plaintiffs have alluded to
27 and raised this issue in this Complaint.

1 203. Accordingly, Plaintiffs seek a judicial declaration that Defendant MEI-GSR
2 cannot control the Grand Sierra Resort Unit-Owners' Association to advance Defendant MEI-
3 GSR's economic objectives to the detriment of Plaintiffs.

4 **WHEREFORE**, the Plaintiffs request judgment against Defendant MEI-GSR, as set
5 forth below.

6 **EIGHTH CLAIM FOR RELIEF**
7 **(Conversion as to Defendant MEI-GSR)**

8 204. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
9 201 of this Complaint as though fully stated herein and hereby incorporate them by this reference
10 as if fully set forth below.

11 205. Defendant MEI-GSR wrongfully committed a distinct act of dominion over the
12 Plaintiffs' property by renting their GSR Condo Units both at unreasonably low rates so as to
13 only benefit Defendant MEI-GSR, and also renting said units without providing any
14 compensation or notice to Plaintiffs.

15 206. Defendant MEI-GSR's acts were in denial of, or inconsistent with, Plaintiffs' title
16 or rights therein.

17 207. Defendant MEI-GSR's acts were in derogation, exclusion, or defiance of the
18 Plaintiffs' title or rights therein.

19 **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set
20 forth below.

21 **NINTH CLAIM FOR RELIEF**
22 **(Demand for Accounting as to Defendant MEI-GSR and Defendant Grand Sierra Unit**
23 **Owners Association)**

24 208. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
25 205 of this Complaint as though fully stated herein and hereby incorporate them by this reference
26 as if fully set forth below.

27 209. The Nevada Revised Statutes impose certain duties and obligations upon trustees,
28 fiduciaries, managers, advisors, and investors.

1 210. Defendant MEI-GSR has not fulfilled its duties and obligations.

2 211. Plaintiffs are informed and believe, and thereon allege, that they are interested
3 parties in the Defendant Grand Sierra Unit Owners Association and Defendant MEI-GSR's
4 endeavors to market, maintain, service and rent Plaintiffs' GSR Condo Units.

5 212. Among their duties, Defendant Grand Sierra Unit Owners Association and
6 Defendant MEI-GSR are required to prepare accountings of their financial affairs as they pertain
7 to Plaintiffs.

8 213. Defendant Grand Sierra Unit Owners Association and Defendant MEI-GSR have
9 failed to properly prepare and distribute said accountings.

10 214. Accordingly, Plaintiffs are entitled to a full and proper accounting.

11 **WHEREFORE**, Plaintiffs request judgment against the Defendants MEI-GSR and the
12 Grand Sierra Unit Owners Association, as set forth below.

13 **TENTH CLAIM FOR RELIEF**
14 **(Specific Performance Pursuant to NRS 116.112, Unconscionable Agreement)**

15 215. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
16 212 of this Complaint as though fully stated herein and hereby incorporate them by this reference
17 as if fully set forth below.

18 216. As alleged herein, Plaintiffs entered into one or more contracts with Defendant
19 MEI-GSR, including the Grand Sierra Resort Unit Rental Agreement and the Unit Maintenance
20 Agreement.

21 217. The Grand Sierra Resort Unit Rental Agreement is unconscionable pursuant to
22 NRS § 116.112 because MEI-GSR has manipulated the rental of the: (1) hotel rooms owned by
23 Defendant MEI-GSR; (2) GSR Condo Units owned or controlled by Defendant MEI-GSR; and
24 (3) GSR Condo Units owned by Individual Unit Owners so as to maximize Defendant MEI-
25 GSR's profits and devalue the GSR Condo Units owned by the Individual Unit Owners.

26 218. The Unit Maintenance Agreement is unconscionable pursuant to NRS § 116.112
27 because of the excessive fees charged and the Individual Unit Owners' inability to reject fee
28 increases.

1 **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set
2 forth below.

3 **ELEVENTH CLAIM FOR RELIEF**
4 **(Unjust Enrichment / Quantum Meruit against Defendant Gage Village**
5 **Development)**

6 219. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
7 216 of this Complaint as though fully stated herein and hereby incorporate them by this reference
8 as if fully set forth below.

9 220. Defendant Gage Village has unjustly benefited from MEI-GSR's devaluation of
10 the GSR Condo Units.

11 221. Defendant Gage Village has unjustly benefited from prioritization of its GSR
12 Condo Units under MEI-GSR's rental scheme to the immediate detriment of the Individual Unit
13 Owners.

14 222. It would be inequitable for the Defendant Gage Village to retain those benefits
15 without full and just compensation to the Individual Unit Owners.

16 **WHEREFORE**, Plaintiffs request judgment against the Defendant Gage Village, as set
17 forth below.

18 **TWELFTH CLAIM FOR RELIEF**
19 **(Tortious Interference with Contract and /or Prospective Business Advantage**
20 **against Defendants MEI-GSR and Gage Development)**

21 223. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through
22 220 of this Complaint as though fully stated herein and hereby incorporate them by this reference
23 as if fully set forth below.

24 224. Individual Unit Owners have contracted with third parties to market and rent their
25 GSR Condo Units.

26 225. Defendant MEI-GSR has systematically thwarted the efforts of those third parties
27 to market and rent the GSR Condo Units owned by the Individual Unit Owners.

28 226. Defendant MEI-GSR has prioritized the rental of GSR Condo Units Owned by
Defendant Gage Village to the economic detriment of the Individual Unit Owners.

227. Defendant Gage Village has worked in concert with Defendant MEI-GSR in its scheme to devalue the GSR Condo Units and repurchase them.

WHEREFORE, Plaintiffs request judgment against the Defendants as follows:

1. For the appointment of a neutral receiver to take over control of Defendant Grand Sierra Unit Owners' Association;
2. For compensatory damages according to proof, in excess of \$10,000.00;
3. For punitive damages according to proof;
4. For attorneys' fees and costs according to proof;
5. For declaratory relief;
6. For specific performance;
7. For an accounting; and
8. For such other and further relief as the Court may deem just and proper.

AFFIRMATION

Pursuant to NRS 239B.030, the undersigned does hereby affirm that this document does not contain the social security number of any person.

RESPECTFULLY SUBMITTED this 26th day of March, 2013.

ROBERTSON, JOHNSON,
MILLER & WILLIAMSON
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By: /s/ Jarrad C. Miller
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EXHIBIT 3

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6 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7 IN AND FOR THE COUNTY OF WASHOE
8 * * *

9 ALBERT THOMAS, individually, et al,

10 Plaintiffs,

Case No: CV12-02222

11 vs.

Dept. No: 10

12 MEI-GSR Holdings, LLC, a Nevada Limited
13 Liability Company, et al,

14 Defendants.
15 _____/

16 **ORDER GRANTING PLAINTIFFS' MOTION FOR CASE-TERMINATING SANCTIONS**

17 ALBERT THOMAS et al. ("the Plaintiffs") filed the PLAINTIFFS' MOTION FOR CASE-
18 TERMINATING SANCTIONS ("the Motion") on January 27, 2014. MEI-GSR Holdings, LLC
19 ("the Defendants") filed the DEFENDANTS' OPPOSITION TO THE PLAINTIFFS' MOTION
20 FOR CASE-TERMINATING SANCTIONS ("the Opposition") on February 25, 2014.¹ The
21 Plaintiffs filed the REPLY IN SUPPORT OF MOTION FOR CASE- TERMINATING
22 SANCTIONS ("the Reply") on March 10, 2014. The Plaintiffs submitted the matter for decision on
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24

25 ¹ Pursuant to a stipulation of the parties, the Court entered the ORDER EXTENDING BRIEFING
26 SCHEDULE on February 13, 2014. That order required the Defendants to file their opposition by
27 the close of business February 24, 2014. This is yet one more example of the Defendants flaunting
28 or disregarding rules of practice in this case. The Court has also had to hold counsel in contempt on
two occasions: (1) continuous untimely filing on May 14, 2014; and (2) being one-half hour late to
the hearing on August 1, 2014.

1 March 11, 2014. The Court held hearings on the Motion on August 1, 2014, and August 11, 2014.

2 The Plaintiffs previously filed a Motion for Case Concluding Sanctions on September 24,
3 2013. The Court held a three-day hearing October 21, 2013 to October 23, 2013 ("October 2013
4 hearing"). The Court struck the Defendants' counterclaims and ordered that the Defendants pay all
5 attorney fees and costs associated with the three-day hearing. The Motion renews the Plaintiffs'
6 request for case terminating sanctions and asks the Court to strike the Defendants' Answer. The
7 Motion asserts that the Defendants' discovery conduct prior to October of 2013 was willful and did
8 severely prejudice the Plaintiffs. The Motion argues that during the October 2013 hearing neither
9 the Court nor the Plaintiffs had a complete understanding of the Defendants' discovery misconduct.
10 The Motion argues that since October of 2013, the Defendants have continued to violate discovery
11 orders and delay discovery.
12

13
14 The Opposition contends that the Defendants have engaged in no conduct warranting the
15 imposition of case concluding sanctions. The Opposition argues the allegations made by the
16 Plaintiffs pre-date the October 2013 hearing. The Opposition argues that no evidence has been lost
17 or fabricated, and that the Defendants have not willfully obstructed the discovery process. The
18 Defendants submit that they have cooperated with the Plaintiffs' effort to locate 224,000 e-mails that
19 contain a word that might relate to the case even though the Defendants believe the vast majority of
20 those e-mails to be irrelevant. The Opposition further argues that the Defendants have cooperated
21 with the Plaintiffs' desire to run a "VB Script" on the Defendants' computer system that may have
22 violated third-party copyrights but which ultimately located no additional e-mails. The Opposition
23 argues that the e-mail production has been expedited but has taken time due to the volume of e-
24 mails. The Opposition contends that the e-mail privilege log that the Defendants submitted
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1 complied with case law of the Ninth Circuit and that they were not required to comply with the
2 Discovery Commissioner's recommendation until the Court adopted the order.²

3 The Nevada Rules of Civil Procedure provide that a party who fails to comply with an order
4 can be sanctioned for that failure. NRCP 37(b). Sanctions against a party are graduated in severity
5 and can include: designation of facts to be taken as established; refusal to allow the disobedient party
6 to support or oppose designated claims or defenses; prohibition of the offending party from
7 introducing designated matters in evidence; an order striking out pleadings or parts thereof or
8 dismissing the action; or rendering a judgment by default against the disobedient party. NRCP
9 37(b)(2). A disobedient party can also be required to pay the reasonable expenses, including
10 attorney fees caused by the failure. NRCP 37(b)(2)(E).
11

12
13 Discovery sanctions are properly analyzed under Young v Johnny Ribeiro Bldg., Inc., 106
14 Nev. 88, 787 P.2d 777 (1990). Young requires "every order of dismissal with prejudice as a
15 discovery sanction be supported by an express, careful and preferably written explanation of the
16 court's analysis of the pertinent factors." Young, 106 Nev. at 93, 787 P.2d at 780. The Young
17 factors are as follows: (1) the degree of willfulness of the offending party; (2) the extent to which the
18 non-offending party would be prejudiced by a lesser sanction; (3) the severity of the sanction of
19 dismissal relative to the severity of the discovery abuse; (4) whether any evidence has been
20 irreparably lost; (5) the feasibility and fairness of less severe sanctions; (6) the policy favoring
21 adjudication on the merits; (7) whether sanctions unfairly operate to penalize a party for the
22 misconduct of his or her attorney; and (8) the need to deter parties and future litigants from similar
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27 ² The Court adopted the Discovery Commissioner's recommendation regarding the privilege log on
28 March 13, 2014. The Court noted that the current discovery situation is a product of the Defendants'
discovery failures. The Court further stated that any lack of time to prepare an adequate privilege
log was a result of the Defendants' inaction and lack of participation in the discovery process.

1 abuses. Id. In discovery abuse situations where possible case-concluding sanctions are warranted,
2 the trial judge has discretion in deciding which factors are to be considered. Bahena v. Goodyear
3 Tire & Rubber Co., 126 Nev. Adv. Op. 57, 245 P.3d 1182 (2010). The Young factor list is not
4 exhaustive and the Court is not required to find that all factors are present prior to making a finding.
5 "Fundamental notions of fairness and due process require that discovery sanctions be just and . . .
6 relate to the specific conduct at issue." GNLV Corp v. Service Control Corp., 111 Nev. 866, 870,
7 900 P.2d 323, 325 (1995).

9 The Court analyzed the Young factors at the October 2013 hearing and found: (1) the
10 Defendants failed to comply with discovery orders and failed to meet the extended production
11 deadlines; (2) the discovery failures were not willful; (3) lesser sanctions could be imposed, and such
12 sanctions would not unduly cause the Plaintiffs prejudice; (4) the severity of the discovery failures
13 did not warrant ending the case in favor of the Plaintiffs; (5) no evidence was presented that
14 evidence had been irreparably lost; (6) any misconduct of the attorneys did not unfairly operate to
15 penalize the Defendants; (7) there were alternatives to the requested case-concluding sanctions that
16 could serve to deter a party from engaging in abusive discovery practices in the future; and (8) non-
17 case concluding sanctions could be used to accomplish both the policy of adjudicating cases on the
18 merits and the policy of deterring discovery abuses.

21 The Defendants have, to date, violated NRCP 33 and NRCP 34 (twice). The Defendants
22 have violated three rulings of the Discovery Commissioner and three confirming orders. The Court
23 is aware of four violations of its own orders. The information that has been provided to the Plaintiffs
24 during discovery has been incomplete, disclosed only with a Court order, and often turned over very
25 late with no legitimate explanation for the delays. The Plaintiffs have written dozens of letters and
26 e-mails to the Defendants' counsel in an effort to facilitate discovery. The Plaintiffs have filed five
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1 motions to compel and five motions for sanctions. The Court held multiple hearings on discovery
2 matters including two extensive, multi-day hearings on case concluding sanctions. The Court is
3 highly concerned about the Defendants' conduct during discovery and the resulting prejudice to the
4 Plaintiffs. Based on the progress of discovery, the Defendants' ongoing discovery conduct, and the
5 Plaintiffs' Motion the Court has chosen to revisit the Young factors and reassess the decision made
6 at the October 2013 hearing.
7

8 The first factor of the Young analysis is willfulness. The Plaintiffs allege that the discovery
9 failures in this case were deliberate and willful. Repeated discovery abuses and failure to comply
10 with district court orders evidences willfulness. Foster v. Dingwall, 126 Nev. Op. 6, 227 P.3d 1042
11 (2010)(citing, Young, 106 Nev. at 93, 787 P.2d at 780). Willfulness may be found when a party fails
12 to provide discovery and such failure is not due to an inability on the offending party's part. Havas v
13 Bank of Nevada, 96 Nev. 567, 570, 613 P.2d 706, 708 (1980). The Nevada Supreme Court has not
14 opined that it is necessary to establish wrongful intent to establish willfulness.
15

16 At the October 2013 hearing, the Defendants argued that they were substantially in
17 compliance with the June 17, 2013, discovery request. The Defendants initially disclosed between
18 200-300 e-mails. The Defendants argued that the discovery dispute was only over a few irrelevant
19 documents. Since the October 2013 hearing, additional e-mail searches have uncovered 224,226 e-
20 mails not previously disclosed to the Plaintiffs. The Court now has serious doubt that the
21 representations made by the Defendants at the October 2013 hearing were accurate and genuine.
22

23 The Defendants designated Caroline Rich, the Defendants' previous Controller, to gather the
24 discovery information with assistance from their internet technology department ("IT"). The Court
25 initially believed that Ms. Rich did her best to produce the discovery information (including e-mails)
26 she felt was relevant. Ms. Rich did not have direct access to the IT system of the Defendants. Nor
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28

1 did she have access to the e-mails of all staff members. For instance, she did not have access to the
2 e-mails of those employees who outranked her. The Plaintiffs have subsequently discovered e-mails
3 where Ms. Rich is a participant in e-mail correspondence that was directly relevant to the search. It
4 would be excusable if Ms. Rich overlooked e-mail sent by other employees or did not have access to
5 her superiors' e-mail accounts. However, it now appears that she did not disclose e-mails in which
6 she was a participant in the correspondence. This calls into question her credibility.
7

8 The Court is further troubled by the representations of the Defendants' counsel, Sean
9 Brohawn, that the volume of subsequent e-mails was going to be inconsequential and it would take
10 minimal time for the Defendants to produce. The Court would have found the information that there
11 were potentially hundreds of thousands of additional e-mails to be critical in reaching its October
12 2013, decision. The discrepancy between the 200-300 e-mails produced in the original discovery
13 and the 224,226 subsequently identified is enormous. The Court cannot attribute this discrepancy to
14 a good faith error. The discrepancy appears at best to be a failure of the Defendants to adequately
15 search their e-mail system in response to the initial discovery requests. At worst, it is a deliberate
16 failure to comply with the discovery rules.
17

18 The Defendants had an obligation to engage in an adequate search of the information
19 requested in discovery, and to designate the appropriate party to testify regarding the discovery
20 production. *See generally*, NRCP 16.1(b); NRCP 26(b); NRCP 26 (e). Defendants' counsel had the
21 responsibility to oversee and supervise the collection of the discovery. *See*, NRCP 16.1(e)(3). Both
22 the Defendants and the Defendants' counsel failed to meet their discovery obligations. That failure
23 led to the Court being provided seriously inaccurate information at the October 2013 hearing.
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1 The Defendants have consistently violated Nevada Rules of Civil Procedure, orders
2 compelling discovery, and the Court's directives. The Defendants have not proffered any legitimate
3 or lawful explanation for their conduct. The Defendants have not objected to or requested
4 clarification of discovery requests. Many times they have simply not responded. Other responses
5 have been incomplete. Often, information was only produced after the Plaintiffs filed motions to
6 compel. At various hearings and conferences the Defendants produced previously undisclosed
7 discovery information that suddenly appeared. The Court reverses its earlier decision and finds that
8 the Defendants discovery failures are in fact willful.
9

10 The Court next considered the second Young factor possible prejudice to the Plaintiffs if a
11 lesser sanction were imposed. The Nevada Supreme Court has upheld entries of default where
12 litigants engage in abusive litigation practices that cause interminable delays. Foster, 126 Nev. Op.
13 6, 227 P.3d at 1048 (citing Young, 106 Nev. at 93, 787 P.2d at 780). Willful and recalcitrant
14 disregard of the judicial process presumably prejudices the non-offending party. Id. The discovery
15 received by the Plaintiffs had to be forced from the Defendants, with multiple motions to compel,
16 which has greatly increased the Plaintiffs' costs. The Plaintiffs have been hindered in developing
17 their causes of action and preparing for trial. In reviewing the possible prejudice to the Plaintiffs, the
18 Court finds that the Plaintiffs have been more prejudiced than was apparent at the time of the
19 October 2013 hearing.
20

21 The Plaintiffs were not provided with 200,000 e-mails at the outset of discovery in
22 accordance with their June 17, 2013, Request for Production. The Plaintiffs conducted their
23 depositions prior to receiving the additional e-mail and financial information. The value of a
24 deposition is significantly diminished if the deposing party does not have all the relevant information
25 they need prior to the deposition. Given the new information, the Plaintiffs may need to re-depose
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1 those individuals. The Plaintiffs discovered additional employees of the Defendants who would
2 potentially have information and require deposition. The Plaintiffs estimated that after review of the
3 e-mails, which was still ongoing at the time of the August hearings, that they would need another six
4 to nine months to prepare the case for trial. That would result in trial almost a year and a half after
5 the original trial date. As additional information has to come light, it has become apparent that the
6 Defendants' discovery conduct has severely prejudiced the Plaintiffs' case.
7

8 Thirdly, the Court compared the severity of dismissal to the severity of the discovery abuse.
9 "The dismissal of a case, based upon a discovery abuse . . . should be used only in extreme
10 situations; if less drastic sanctions are available, they should be utilized." GNLV Corp., 111 Nev. at
11 870, 900 P.2d at 325 (citing Young, 106 Nev. at 92, 787 P.2d at 779-80). The Court is no longer
12 persuaded that the effort of Ms. Rich was in good faith or that the Defendants designated the
13 appropriate party to undertake the production of discovery. Ms. Rich was a relatively new
14 employee, she did not have access to her superiors' e-mail and records, and she did not know the
15 names and positions of other Defendants' employees. The Court is not convinced that the
16 Defendants have properly made discovery disclosures such that the Plaintiffs have had a fair
17 opportunity to develop their litigation plan. The Court is keenly aware that granting the Plaintiffs'
18 motion would effectively end the case, leaving only the issue of damages to be decided. The
19 Defendants have abused and manipulated the discovery rules and case-terminating sanctions is the
20 option available to properly punish the Defendants' conduct.
21

22 In looking at the fourth factor in October 2013, the Court noted that there was no evidence
23 presented at the hearing or raised by the moving papers that evidence had been irreparably lost. The
24 Plaintiffs argue that information has been lost or destroyed. The fact that evidence had not been
25 produced is not the same as the destruction or loss of evidence. There remains no evidence to
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1 indicate that evidence has been lost or destroyed by the Defendants. This factor remains consistent
2 in the reevaluation of the October 2013, decision.

3 Fifth, in October 2013, the Court found that there were many alternatives to the requested
4 case-concluding sanctions that could serve to deter a party from engaging in abusive discovery
5 practices in the future. The Defendants have received four sanctions for their discovery failures.
6 The Defendants' conduct since the October 2013 hearing indicates that the previously imposed
7 sanctions have not been sufficient to modify the Defendants' behavior. Time has shown that there
8 are no effective alternatives to case concluding sanctions.
9

10 The Court considered two major policy factors together. Nevada has a strong policy, and the
11 Court firmly believes, that cases should be adjudicated on their merits. *See, Scrimmer v. Dist. Court*,
12 116 Nev. 507, 516-517, 998 P.2d 1190, 1196 (2000). *See also, Kahn v. Orme*, 108 Nev. 510, 516,
13 835 P.2d 790, 794 (1992). Further, there is a need to deter litigants from abusing the discovery
14 process established by Nevada law. When a party repeatedly and continuously engaged in discovery
15 misconduct the policy of adjudicating cases on the merits is not furthered by a lesser sanction.
16 *Foster*, 126 Nev. Op. 6, 227 P.3d at 1048. In reevaluating the matter, the Court again considered the
17 major policy that cases be adjudicated on their merits. The Court must balance that policy with the
18 need to deter litigants from abusing the discovery process. The information provided at the October
19 2013 hearing was disingenuous. The Defendants' discovery abuse persisted after the October 2013
20 hearing despite the severity of the sanctions imposed. The Court is now convinced that the
21 Defendants' actions warrant the imposition of case concluding sanctions. In light of Defendants'
22 repeated and continued abuses, the policy of adjudicating cases on the merits is not furthered in this
23 case. The ultimate sanctions are necessary to demonstrate to future litigants that they are not free to
24 disregard and disrespect the Court's orders.
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1 Lastly, the Court considered whether striking the Answer would unfairly operate to penalize
2 the Defendants for the misconduct, if any, of their attorneys. As previously stated, there were
3 failures to produce and abuses of discovery on behalf of the Defendants. The Court remains
4 concerned that the attorneys for the Defendants did not adequately supervise discovery and
5 misrepresented the number of e-mails at issue for disclosure. There remains no evidence to show
6 that Defendants' counsel directed their client to hide or destroy evidence. Any misconduct on the
7 part of the attorney does not unfairly operate to punish the Defendants.
8

9 The Nevada Supreme Court offered guidance as to how sanctions are to be imposed.
10 "Fundamental notions of fairness and due process require that discovery sanctions be just and . . .
11 relate to the specific conduct at issue." GNLV Corp., 111 Nev. at 870, 900 P.2d at 325 (*citing*
12 Young, 106 Nev. at 92, 787 P.2d at 779-80). The Court recognizes that discovery sanctions should
13 be related to the specific conduct at issue. The discovery abuse in this case is pervasive and colors
14 the entirety of the case. The previous discovery sanctions have been unsuccessful in deterring the
15 Defendants' behavior. Due to the severity and pattern of the Defendants' conduct there are no lesser
16 sanctions that are suitable.
17

18 Despite the October 2013 hearing sanctions, the Defendants have continued their
19 noncompliant discovery conduct. The stern sanctions which the Court imposed on the Defendants in
20 October 2013, did not have the desired effect of bringing the Defendants' conduct in line with the
21 discovery rules. After the October 2013 hearing, the Court identified that the major outstanding
22 discovery issue between the parties was the Plaintiffs' access to Defendants' e-mail system. The
23 parties were ordered to work together to develop terms to be used in the e-mail search. The
24 Defendants were ordered to review the 224, 226 e-mails identified by November 25, 2013. The
25 Defendants were ordered to deliver a privilege log for those e-mails the Defendants believed should
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1 not be provided to the Plaintiffs. Further, the Defendants were ordered to provide a copy of withheld
2 e-mails to the court with the privilege log for an in-camera review, and e-mail a copy of the privilege
3 log to the Plaintiffs. The Plaintiffs were to be provided access to all the e-mails not designated in the
4 privilege log beginning November 26, 2013. The Defendants failed to produce those e-mails by the
5 Courts' deadline and the Plaintiffs moved for sanctions. The parties were ordered to submit the
6 Defendants' November 25, 2013, privilege log to Discovery Commissioner, Wesley Ayres, with
7 corresponding briefing. Commissioner Ayres determined that the privilege log was legally
8 insufficient. The result was the Defendants waived any right to withhold e-mails identified in their
9 privilege log and the Plaintiffs were entitled to all 78,473 e-mails containing the search term "condo"
10 or "condominium". The Court adopted the recommendation of the Discovery Commissioner finding
11 that the Defendants' objection to the recommendation based on shortage of time to review the
12 privilege log was a result of the Defendants' inaction and lack of participation in the discovery
13 process. The Defendants still did not release the e-mails and the Plaintiffs filed a motion to compel.
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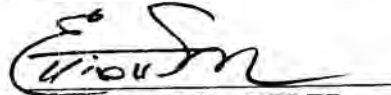
16 Nevada Rule of Civil Procedure 1 indicates that the rules of civil procedure are to be
17 administered to secure the "just, speedy, and inexpensive determination of every action." It appears
18 to the Court that the Defendants' focus in this case has been not to comply with NRCP 1. The
19 Defendants' failures to comply with discovery rules have been numerous and pervasive throughout
20 the case. The trial has been rescheduled multiple times resulting in a delay of over a year. The
21 Defendants' failures have led to additional costs to the Plaintiffs and required the Plaintiffs to seek
22 relief from the Court on multiple occasions. This has placed an undue burden on both the Plaintiffs
23 and the Court. The Court has employed progressive sanctions to address discovery abuses. Those
24 sanctions have not been adequate to curtail the Defendants' improper conduct. The Court has
25 repeatedly warned the Defendants that if it found the information provided at the October 2013
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1 hearing to be disingenuous, or if discovery abuses continued it would grant case terminating
2 sanctions.

3 NOW, THEREFORE IT IS HEREBY ORDERED that the Motion is GRANTED.

4 IT IS FURTHER ORDERED, that the Defendants' Answer is stricken. The Parties are
5 ORDERED to contact the Judicial Assistant for Department 10 within ten days from the date of this
6 order to set a hearing to prove up damages.
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8 DATED this 3 day of October, 2014.

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11 ELLIOTT A. SATTLER
12 District Judge
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CERTIFICATE OF MAILING

I hereby certify that I electronically filed the foregoing with the Clerk of the Court by using the ECF system which served the following parties electronically:

Jonathan Tew, Esq. for Cayenne Trust, et al
Jarrad Miller, Esq. for Cayenne Trust, et al
G. Robertson, Esq. for Cayenne Trust, et al
Sean Brohawn, Esq. for Grand Sierra Resort Unit-Owners Association, et al
Stan H. Johnson, Esq. for Grand Sierra Resort Unit-Owners Association, et al.

DATED this 3 day of October, 2014.


SHEILA MANSFIELD
Judicial Assistant

EXHIBIT 4


IN THE SUPREME COURT OF THE STATE OF NEVADA

IN THE MATTER OF DISCIPLINE OF
SEAN L. BROHAWN, BAR NO. 7618.

No. 72510

FILED

JUN 13 2017

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY 
CHIEF DEPUTY CLERK

ORDER OF SUSPENSION

This is an automatic review of a recommendation of a Northern Nevada Disciplinary Board hearing panel that this court approve, pursuant to SCR 113, a conditional guilty plea agreement in exchange for a stated form of discipline for attorney Sean L. Brohawn.

This disciplinary matter arose when Judith and John Lindberg hired Brohawn to pursue a civil action, the Lindbergs paid Brohawn a retainer and made a \$7,000 loan against which Brohawn would bill for work he performed, but the funds were not deposited into a client trust account and the loan agreement was not memorialized in writing nor were the Lindbergs advised to obtain independent counsel. Thereafter, Brohawn did not perform certain work required by the case. In the meantime, Brohawn had been suspended for non-compliance with his CLE requirements but did not advise the Lindbergs of the suspension. Once the Lindbergs terminated Brohawn's services, he did not return \$4,935 in unearned funds. Further, Brohawn did not respond to the Lindbergs' grievance or the State Bar's disciplinary complaint until after a notice of intent to default had been served.

Under the conditional guilty plea agreement, Brohawn admitted to violating RPC 1.3 (diligence), RPC 1.8(a) (conflict of interest: current clients: specific rules), RPC 1.15 (safekeeping of property), RPC

5.5 (unauthorized practice of law), RPC 8.1(b) (bar admissions and disciplinary matters), and RPC 8.4(d) (misconduct prejudicial to the administration of justice). The agreement provides for a six-month-and-one-day suspension, with the last two months and one day stayed on the following conditions: Brohawn meet regularly with a designated mental health provider and an approved mentor and provide monthly reports to the State Bar, repay the Lindbergs \$4,935, pay the costs of the disciplinary proceedings, and not engage in any further conduct that results in discipline. Additionally, Brohawn's mental health provider and mentor must each provide a report to the State Bar on the ninetieth day of the actual suspension term opining as to his fitness to return to the practice of law, and a failure to report or an adverse finding will be deemed a violation of probation. If Brohawn fails to comply with any of these probationary terms, the remainder of the suspension will be imposed.

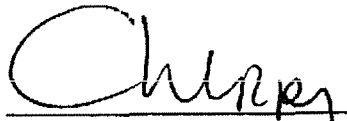
By virtue of the guilty plea agreement, Brohawn has admitted to the facts and violations alleged in the complaint. In determining the appropriate disciplinary sanction, we weigh four factors: "the duty violated, the lawyer's mental state, the potential or actual injury caused by the lawyer's misconduct, and the existence of aggravating or mitigating factors." *In re Discipline of Lerner*, 124 Nev. 1232, 1246, 197 P.3d 1067, 1077 (2008). Considering those factors, we conclude that the guilty plea agreement should be approved. See SCR 113(1). Brohawn's acts implicate his duties owed to his clients and to the legal profession. See ABA Standards for Imposing Lawyer Sanctions, *Compendium of Professional Responsibility Rules and Standards*, Standards 4.1, 4.3, 4.4, 7.0 (Am. Bar Ass'n 2015). The record demonstrates that he knowingly committed the violations and that the Lindbergs were injured by a delay


in the resolution of their case and the failure to protect their retainer funds. The record supports two aggravating circumstances (substantial experience in the practice of law and engaging in conduct involving a selfish motive) and three mitigating factors (no prior disciplinary history, personal problems, and remorse). See SCR 102.5. The length of the suspension along with the probationary terms are tailored to address the circumstances that led to the violations and are sufficient to serve the purpose of attorney discipline in this case. See *State Bar of Nev. v. Claiborne*, 104 Nev. 115, 129, 756 P.2d 464, 473 (1988) (observing that the purpose of attorney discipline is not to punish an attorney but to protect the public and the integrity of the bar).

Accordingly, we suspend Brohawn from the practice of law for six months and one day commencing from the date of this order. The last two months and one day of that term shall be stayed pending Brohawn's compliance with the following terms: (1) Brohawn must meet with a designated mental health provider to address the underlying issues that contributed to his violations and submit to the State Bar monthly reports co-signed or affirmed by the provider; (2) Brohawn must meet bi-weekly with an approved mentor under SCR 105.5 to discuss caseload management, calendaring, and billing, and to review his IOLTA trust account statements and submit to the State Bar monthly reports co-signed or affirmed by the mentor; (3) Brohawn must repay the Lindbergs \$4,935 and provide proof of payment to bar counsel within 120 days from the date of this order; (4) Brohawn must pay \$2,500 as costs of the disciplinary proceeding plus the court reporter or transcript fees within 120 days from the date of this order; (5) Brohawn must not engage in any conduct that results in discipline by a screening panel or the filing of a complaint by the State Bar; and (6) Brohawn's mental health provider and mentor must

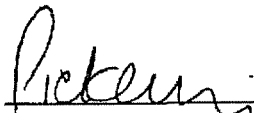
each provide a report to the State Bar on the ninetieth day of the actual suspension term opining as to his fitness to return to the practice of law, and a failure to report or an adverse finding will be deemed a violation of probation. If Brohawn fails to comply with any of these probationary terms during the stayed portion of the suspension, then the remainder of the suspension will be imposed and Brohawn will have to apply for reinstatement under SCR 116. The parties shall comply with SCR 115 and SCR 121.1.

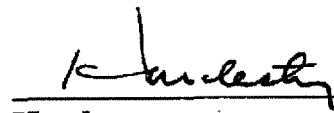
It is so ORDERED.

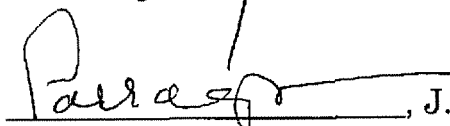

Cherry, C.J.
Cherry

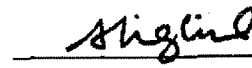

Douglas, J.
Douglas


Gibbons, J.
Gibbons


Pickering, J.
Pickering


Hardesty, J.
Hardesty


Parraguirre, J.
Parraguirre


Stiglich, J.
Stiglich

cc: Chair, Northern Nevada Disciplinary Board
Brohawn Law Firm LLC
C. Stanley Hunterton, Bar Counsel, State Bar of Nevada
Kimberly K. Farmer, Executive Director, State Bar of Nevada
Perry Thompson, Admissions Office, U.S. Supreme Court

EXHIBIT 5

CV12-02222
DC-09900062812-001
ALBERT THOMAS ETAL. VS. MEI 10 Pages
District Court 01/07/2015 10:07 AM
Washoe County
2745
SMANGETE

FILED

JAN - 7 2015

JACQUELINE BRYANT, CLERK
By: *[Signature]*
DEPUTY CLERK

CODE: 3245
Jarrad C. Miller, Esq. (NV Bar No. 7093)
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(775) 329-5600
Attorneys for Plaintiffs

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

ALBERT THOMAS, individually; *et al.*,
Plaintiffs,

vs.

MEI-GSR Holdings, LLC, a Nevada Limited
Liability Company, GRAND SIERRA
RESORT UNIT OWNERS' ASSOCIATION,
a Nevada nonprofit corporation, GAGE
VILLAGE COMMERCIAL
DEVELOPMENT, LLC, a Nevada Limited
Liability Company and DOE DEFENDANTS
1 THROUGH 10, inclusive,
Defendants.

Case No. CV12-02222
Dept. No. 10

ORDER APPOINTING RECEIVER AND DIRECTING DEFENDANTS' COMPLIANCE

This Court having examined Plaintiffs' Motion for Appointment of Receiver ("Motion"), the related opposition and reply, and with *good* cause appearing finds that Plaintiffs have submitted the credentials of a candidate to be appointed as Receiver of the assets, properties, books and records, and other items of Defendants as defined herein below and have advised the Court that this candidate is prepared to assume this responsibility if so ordered by the Court.

IT IS HEREBY ORDERED that, pursuant to this Court's October 3, 2014 Order, and N.R.S. § 32.010(1), (3) and (6), effective as of the date of this Order, James S. Proctor, CPA, CFE, CVA and CFF ("Receiver") shall be and is hereby appointed Receiver over Defendant Grand Sierra Resort Unit Owners' Association, A Nevada Non-Profit Corporation ("GSRUOA").

The Receiver is appointed for the purpose of implementing compliance, among all condominium units, including units owned by any Defendant in this action (collectively, "the

1 Property”), with the Covenants Codes and Restrictions recorded against the condominium units,
2 the Unit Maintenance Agreements and the original Unit Rental Agreements (“Governing
3 Documents”). (See, Exhibits 1, 2 and 3.)

4 The Receiver is charged with accounting for all income and expenses associated with the
5 compliance with the Governing Documents from forty-five (45) days from the date of entry of
6 this Order until discharged.

7 All funds collected and/or exchanged under the Governing Documents, including those
8 collected from Defendants, shall be distributed, utilized, or, held as reserves in accordance with
9 the Governing Documents.

10 **IT IS FURTHER ORDERED** that the Receiver shall conduct itself as a neutral agent,
11 of this court and not as an agent of any party.

12 **IT IS FURTHER ORDERED** that the Receiver is appointed without the need of filing
13 or posting of a bond.

14 **IT IS FURTHER ORDERED** that Defendants MEI-GSR Holdings, LLC and Gage
15 Village Commercial shall cooperate with the Receiver in accomplishing the terms described in
16 this Order.

17 **IT IS FURTHER ORDERED** that, to enforce compliance with the Governing
18 Documents the Receiver shall have the following powers, and responsibilities, and shall be
19 authorized and empowered to:

20 **1. General**

21 **a. To review and/or take control of:**

22 **i. all the records, correspondence, insurance policies, books and accounts of**
23 **or relating to the Property which refer to the Property, any ongoing construction**
24 **and improvements on the Property, the rent or liabilities pertaining to the**
25 **Property.**

26 **ii. all office equipment used by Defendants in connection with development;**
27 **improvement, leasing, sales, marketing and/or conveyance of the Property and the**
28 **buildings thereon; including all computer equipment, all software programs and**

1 passwords, and any other information, data, equipment or items necessary for the
2 operations with respect to the Property, whether in the possession and control of
3 Defendants or its principals, agents, servants or employees; provided, however
4 that such books, records, and office equipment shall be made available for the use
5 of the agents, servants and employees of Defendants in the normal course of the
6 performance of their duties not involving the Property.

7 iii. all deposits relating to the Property, regardless of when received, together
8 with all books, records, deposit books, checks and checkbooks, together with
9 names, addresses, contact names, telephone and facsimile numbers where any and
10 all deposits are held, plus all account numbers.

11 iv. all accounting records, accounting software, computers, laptops,
12 passwords, books of account, general ledgers, accounts receivable records,
13 accounts payable records, cash receipts records, checkbooks, accounts, passbooks,
14 and all other accounting documents relating, to the Property.

15 v. all accounts receivable, payments, rents, including all statements and
16 records of deposits, advances, and prepaid contracts or rents, if applicable,
17 including, any deposits with utilities and/or government entities relating to the
18 Property.

19 vi. all insurance policies relating to the Property.

20 vii. all documents relating to repairs of the Property, including all estimated
21 costs or repair.

22 viii. documents reasonably requested by Receiver.

23 b. To use or collect:

24 i. The Receiver may use any federal taxpayer identification number relating
25 to the Property for any lawful purpose.

26 ii. The Receiver is authorized and directed to collect and; open all mail of
27 GSRUOA relating to the Property.
28

1 c. The Receiver shall not become personally liable for environmental contamination
2 or health and safety violations.

3 d. The Receiver is an officer and master of the Court and, is entitled to effectuate the
4 Receiver's duties conferred by this Order, including the authority to communicate *ex parte* on the
5 record with the Court when in the opinion of the Receiver, emergency judicial action is
6 necessary.

7 e. All persons and entities owing, any money to GSRUOA directly or indirectly
8 relating to the Property shall pay the same directly to the Receiver. Without limiting the
9 generality of the foregoing; upon presentation of a conformed copy of this order, any financial
10 institution holding deposit accounts, funds or property of GSRUOA turnover to the Receiver
11 such funds at the request of the Receiver.

12 **2. Employment**

13 To hire, employ, and retain attorneys, certified public accountants; investigators, security
14 guards, consultants, property management companies, brokers, appraisers, title companies,
15 licensed construction control companies, and any other personnel or employees which the
16 Receiver deems necessary to assist it in the discharge of his duties.

17 **3. Insurance**

18 a. To maintain adequate insurance for the Property to the same extent and, in the
19 same manner as, it has heretofore been insured, or as in the judgment of the Receiver may seem
20 fit and proper, and to request all presently existing policies to be amended by adding the
21 Receiver and the receivership estate as an additional insured within 10-days of the entry of the
22 order appointing the Receiver. If there is inadequate insurance or if there are insufficient funds in
23 the receivership estate to procure adequate insurance, the Receiver is directed to immediately
24 petition the court for instructions. The Receiver may, in his discretion, apply for any bond or
25 insurance providing coverage for the Receiver's conduct and operations of the property, which
26 shall be an expense of the Property, during the period in which the Property is uninsured or
27 underinsured. Receiver shall not be personally responsible for any claims arising therefore.
28

1 b. To pay all necessary insurance premiums for such insurance and all taxes and
2 assessments levied on the Property during the receivership.

3 4. ***Treatment of Contracts***

4 a. To continue in effect any contracts presently existing and not in default relating to
5 the Property.

6 b. To negotiate, enter into and modify contracts affecting any part or all of the
7 Property.

8 c. The Receiver shall not be bound by any contract between Defendants and any
9 third party that the Receiver does not expressly assume in writing, including any portion of any
10 lease that constitutes the personal obligation of Defendants, but which does not affect a tenant's
11 quiet enjoyment of its leasehold estate.

12 d. To notify all local, state and federal governmental agencies, all vendors and
13 suppliers, and any and all others who provide goods or services to the Property of his
14 appointment-as Receiver of GSRUOA.

15 e. No insurance company may cancel its existing current-paid policy as a result of
16 the appointment of the Receiver, without prior order of this Court.

17 5. ***Collection***

18 To demand, collect and receive all dues, fees, reserves, rents and revenues derived from
19 the Property.

20 6. ***Litigation***

21 a. To bring and prosecute all proper actions for (i) the collection of rents or any
22 other income derived from the Property, (ii) the removal from the Property of persons not
23 entitled to entry thereon, (iii) the protection of the Property, (iv) damage caused to the Property;
24 and (v) the recovery of possession of the Property.

25 b. To settle and resolve any actual or potential litigation, whether or not an action
26 has been commenced, in a manner which, in the exercise of the Receiver's judgment is most
27 beneficial to the receivership estate.
28

1 7. ***Reporting***

2 a. The Receiver shall prepare on a monthly basis, commencing the month ending 30
3 days after his appointment, and by the last day of each month thereafter, so long as the Property
4 shall remain in his possession or care, reports listing any Receiver fees (as described herein
5 below), receipts and disbursements, and any other significant operational issues that have
6 occurred during the preceding month. The Receiver is directed to file such reports with this
7 Court. The Receiver shall serve a copy of this report on the attorneys of record for the parties to
8 this action.

9 b. The Receiver shall not be responsible for the preparation and filing of tax returns
10 on behalf of the parties.

11 8. ***Receivership Funds /Payments/ Disbursements***

12 a. To pay and discharge out of the Property's rents and/or GSRUOA monthly dues
13 collections all the reasonable and necessary expenses of the receivership and the costs and
14 expenses of operation and maintenance of the Property, including all of the Receiver's and
15 related fees, taxes, governmental assessments and charges and the nature thereof lawfully
16 imposed upon the Property.

17 b. To expend funds to purchase merchandise, materials, supplies and services as the
18 Receiver deems necessary and advisable to assist him in performing his duties hereunder and to
19 pay therefore the ordinary and usual rates and prices out of the funds that may come into the
20 possession of the Receiver.

21 c. To apply, obtain and pay any reasonable fees for any lawful license permit or
22 other governmental approval relating to the Property or the operation thereof, confirm the
23 existence of and, to the extent, permitted by law, exercise the privilege of any existing license or
24 permit or the operation thereof, and do all things necessary to protect and maintain such licenses,
25 permits and approvals.

26 d. To open and utilize bank accounts for receivership funds.
27
28

1 e. To present for payment any checks, money orders or other forms of payment
2 which constitute the rents and revenues of the Property, endorse same and collect the proceeds
3 thereof.

4 9. ***Administrative Fees and Costs***

5 a. The Receiver shall be compensated at a rate that is commensurate with industry
6 standards. As detailed below, a monthly report will be created by the Receiver describing the fee,
7 and work performed. In addition, the Receiver shall be reimbursed for all expenses incurred by
8 the Receiver on behalf of the Property.

9 b. The Receiver, his consultants, agents, employees, legal counsel, and professionals
10 shall be paid on an interim monthly basis. To be paid on a monthly basis, the Receiver must
11 serve, a statement of account on all parties each month for the time and expense incurred in the
12 preceding calendar month. If no objection thereto is filed with the Court and served on the
13 attorneys of record for the parties to this action on or within ten (10) days following service
14 thereof, such statement of account may be paid by the Receiver. If an objection is timely filed
15 and served, such statement of account shall not be paid absent further order of the Court. In the
16 event objections are timely made to fees and expenses, the portion of the fees and expenses as to
17 which no objection has been interposed may be paid immediately following the expiration of the
18 ten-day objection period: The portion of fees and expenses to which: an objection has been
19 timely interposed may be paid within ten (10) days of an agreement among the parties or entry of
20 a Court order adjudicating the matter.

21 c. Despite the periodic payment of Receiver's fees and administrative expenses, such
22 fees and expenses shall be submitted to the Court for final approval and confirmation in the form
23 of either, a stipulation among the parties or the, Receiver's final account and report.

24 d. To generally do such other things as may be necessary or incidental to the
25 foregoing specific powers directions and general authorities and take actions relating to
26 the Property beyond the scope contemplated by the provisions set forth above, provided the
27 Receiver obtains prior court approval for any actions beyond the scope contemplated herein.
28

1 10. ***Order in Aid of Receiver***

2 **IT IS FURTHER ORDERED** Defendants, and their agents, servants and employees,
3 and those acting in concert with them, and each of them, shall not engage in or perform directly
4 or indirectly, any or all of the following acts:

5 a. Interfering with the Receiver, directly or indirectly; in the management and
6 operation of the Property.

7 b. Transferring, concealing, destroying, defacing or altering any of the instruments,
8 documents, ledger cards, books, records, printouts or other writings relating to the Property, or
9 any portion thereof.

10 c. Doing any act which will, or which will tend to, impair, defeat, divert, prevent or
11 prejudice the preservation of the Property or the interest of Plaintiffs in the Property.

12 d. Filing suit against the Receiver or taking other action against the Receiver without
13 an order of this Court permitting the suit or action; provided, however, that no prior court order
14 is required to file a motion in this action to enforce the provisions of the Order or any other order
15 of this Court in this action.

16 **IT IS FURTHER ORDERED** that Defendants and any other person or entity who may
17 have possession, custody or control of any Property, including any of their agents,
18 representatives, assignees, and employees shall do the following:

19 a. Turn over to the Receiver all documents which constitute or pertain to all
20 licenses, permits or, governmental approvals relating to the Property.

21 b. Turn over to the Receiver all documents which constitute or pertain to insurance
22 policies, whether currently in effect or lapsed which relate to the Property.

23 c. Turn over to the Receiver all contracts, leases and subleases, royalty agreements,
24 licenses, assignments or other agreements of any kind whatsoever, whether currently in effect or
25 lapsed, which relate to any interest in the Property.

26 d. Turn over to the Receiver all documents pertaining to past, present or future
27 construction of any type with respect to all or any part of the Property.
28

1 e. Turn over to the Receiver all rents, dues, reserves and revenues derived from the
2 Property wherever and in whatsoever mode maintained.

3 f. Nothing in the Order shall be intended to, nor shall be construed to, require the
4 Defendants to turn over any documents protected from disclosure by either the attorney-client
5 privilege or the attorney work product privilege.

6 g. Immediately advise the Receiver about the nature and extent of insurance
7 coverage on the Property.

8 h. Immediately name the Receiver as an additional insured on each insurance policy
9 on the Property.

10 i. DO NOT cancel, reduce, or modify the insurance coverage.

11 **IT IS FURTHER ORDERED** that nothing contained herein, nor any powers conferred
12 on the Receiver pursuant to this Order, shall in any manner delegate, confer, empower or grant to
13 the Receiver any interest in the management of the gaming assets of the property, or confer any
14 rights to share in the management or the profit or loss of the casino operations, nor in any
15 manner manage any portion of the Property not specifically included in this order.

16 **IT IS FURTHER ORDERED** that the Receiver shall promptly, if requested to do so,
17 execute any further additional documents reasonably requested by Defendants' lenders or others
18 to confirm that other than as set forth herein, no transference, sale, hypothecation, or other
19 encumbrance has resulted which would create a change in ownership or management of MEI-
20 GSR.

21 DATED this 6 day of Jan, 2015
22 2014.

23 
24 _____
DISTRICT COURT JUDGE

25 Submitted by:

26 /s/ Jarrad C. Miller
27 Jarrad C. Miller, Esq.
28 Attorney for Plaintiffs

EXHIBIT 6

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

* * *

ALBERT THOMAS, individually, et al,

Plaintiffs,

Case No: CV12-02222

vs.

Dept. No: 10

MEI-GSR Holdings, LLC, a Nevada Limited
Liability Company, et al,

Defendants.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND JUDGMENT

This action was commenced on August 27, 2012, with the filing of a COMPLAINT ("the Complaint"). The Complaint alleged twelve causes of action: 1) Petition for Appointment of a Receiver as to Defendant Grand Sierra Resort Unit-Owners' Association; 2) Intentional and/or Negligent Misrepresentation as to Defendant MEI-GSR; 3) Breach of Contract as to Defendant MEI-GSR; 4) Quasi-Contract/Equitable Contract/Detrimental Reliance as to Defendant MEI-GSR; 5) Breach of the Implied Covenant of Good Faith and Fair Dealing as to Defendant MEI-GSR; 6) Consumer Fraud/Nevada Deceptive Trade Practices Act Violations as to Defendant MEI-GSR; 7) Declaratory Relief as to Defendant MEI-GSR; 8) Conversion as to Defendant MEI-GSR; 9) Demand for an Accounting as to Defendant MEI-GSR and Defendant Grand Sierra Unit Owners Association; 10) Specific Performance Pursuant to NRS 116.122, Unconscionable Agreement; 11) Unjust Enrichment/Quantum Meruit against Defendant Gage Village Development; 12) Tortious Interference with Contract and/or Prospective Business Advantage against Defendants MEI-GSR

1 and Gage Development. The Plaintiffs (as more fully described *infra*) were individuals or other
2 entities who had purchased condominiums in the Grand Sierra Resort ("GSR"). A FIRST
3 AMENDED COMPLAINT ("the First Amended Complaint") was filed on September 10, 2012.
4 The First Amended Complaint had the same causes of action as the Complaint.

5 The Defendants (as more fully described *infra*) filed an ANSWER AND COUNTERCLAIM
6 ("the Answer") on November 21, 2012. The Answer denied the twelve causes of action; asserted
7 eleven affirmative defenses; and alleged three Counterclaims. The Counterclaims were for: 1)
8 Breach of Contract; 2) Declaratory Relief; 3) Injunctive Relief.

9 The Plaintiffs filed a SECOND AMENDED COMPLAINT ("the Second Amended
10 Complaint") on March 26, 2013. The Second Amended Complaint had the same causes of action as
11 the Complaint and the First Amended Complaint. The Defendants filed an ANSWER TO SECOND
12 AMENDED COMPLAINT AND COUNTER CLAIM ("the Second Answer") on May 23, 2013.
13 The Second Answer generally denied the allegations in the Second Amended Complaint and
14 contained ten affirmative defenses. The Counterclaims mirrored the Counterclaims in the Answer.

15 The matter has been the subject of extensive motion practice. There were numerous
16 allegations of discovery abuses by the Defendants. The record speaks for itself regarding the
17 protracted nature of these proceedings and the systematic attempts at obfuscation and intentional
18 deception on the part of the Defendants. Further, the Court has repeatedly had to address the
19 lackadaisical and inappropriate approach the Defendants have exhibited toward the Nevada Rules of
20 Civil Procedure, the District Court Rules, the Washoe District Court Rules, and the Court's orders.
21 The Defendants have consistently, and repeatedly, chosen to follow their own course rather than
22 respect the need for orderly process in this case. NRCP 1 states that the rules of civil procedure
23 should be "construed and administered to secure the just, speedy, and inexpensive determination of
24 every action." The Defendants have turned this directive on its head and done everything possible to
25 make the proceedings unjust, dilatory, and costly.

26 The Court twice has addressed a request to impose case concluding sanctions against the
27 Defendants because of their repeated discovery abuses. The Court denied a request for case
28 concluding sanctions in its ORDER REGARDING ORIGINAL MOTION FOR CASE

1 CONCLUDING SANCTIONS filed December 18, 2013 ("the December Order"). The Court found
2 that case concluding sanctions were not appropriate; however, the Court felt that some sanctions
3 were warranted based on the Defendants' repeated discovery violations. The Court struck all of the
4 Defendants' Counterclaims in the December Order and required the Defendants to pay for the costs
5 of the Plaintiffs' representation in litigating that issue.

6 The parties continued to fight over discovery issues after the December Order. The Court
7 was again required to address the issue of case concluding sanctions in January of 2014. It became
8 clear that the Defendants were disingenuous with the Court and Plaintiffs' counsel when the first
9 decision regarding case concluding sanctions was argued and resolved. Further, the Defendants
10 continued to violate the rules of discovery and other court rules even after they had their
11 Counterclaims struck in the December Order. The Court conducted a two day hearing regarding the
12 renewed motion for case concluding sanctions. An ORDER GRANTING PLAINTIFFS' MOTION
13 FOR CASE-TERMINATING SANCTIONS was entered on October 3, 2014 ("the October Order").
14 The Defendants' Answer was stricken in the October Order. A DEFAULT was entered against the
15 Defendants on November 26, 2014.

16 The Court conducted a "prove-up hearing" regarding the issue of damages from March 23
17 through March 25, 2015. The Court entered an ORDER on February 5, 2015 ("the February Order")
18 establishing the framework of the prove-up hearing pursuant to *Foster v. Dingwall*, 126 Nev. Adv.
19 Op. 6, 227 P.3d 1042 (2010). The February Order limited, but did not totally eliminate, the
20 Defendants' ability to participate in the prove-up hearing. The Court heard expert testimony from
21 Craig L. Greene, CPA/CFF, CFE, CCEP, MAFF ("Greene") at the prove-up hearing. Greene
22 calculated the damages owed the Plaintiffs using information collected and provided by the
23 Defendants. The Court finds Greene to be very credible and his methodology to be sound. Further,
24 the Court notes that Greene attempted to be "conservative" in his calculations. Greene used
25 variables and factors that would eliminate highly suspect and/or unreliable data. The Court has also
26 received and reviewed supplemental information provided as a result of an inquiry made by the
27 Court during the prove-up hearing.

28

1 The GSR is a high rise hotel/casino in Reno, Nevada. The GSR has approximately 2000
2 rooms. The Plaintiffs purchased individual rooms in the GSR as condominiums. It appears to the
3 Court that the primary purpose of purchasing a condominium in the GSR would be as an investment
4 and revenue generating proposition. The condominiums were the subject of statutory limitations on
5 the number of days the owners could occupy them during the course of a calendar year. The owners
6 would not be allowed to "live" in the condominium. When the owners were not in the rooms they
7 could either be rented out or they had to remain empty.

8 As noted, *supra*, the Court stripped all of the Defendants general and affirmative defenses in
9 the October Order. The Defendants stand before the Court having involuntarily conceded all of the
10 allegations contained in the Second Amended Complaint. The Court makes the following findings
11 of fact:

12 **I. FINDINGS OF FACT**

13 1. Plaintiff Albert Thomas is a competent adult and is a resident of the State of
14 California.

15 2. Plaintiff Jane Dunlap is a competent adult and is a resident of the State of California.

16 3. Plaintiff John Dunlap is a competent adult and is a resident of the State of California.

17 4. Plaintiff Barry Hay is a competent adult and is a resident of the State of California.

18 5. Plaintiff Marie-Annie Alexander, as Trustee of the Marie-Annie Alexander Living
19 Trust, is a competent adult and is a resident of the State of California.

20 6. Plaintiff Melissa Vagujhelyi, as Co-Trustee of the George Vagujhelyi and Melissa
21 Vagujhelyi 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a
22 resident of the State of Nevada.

23 7. Plaintiff George Vagujhelyi, as Co-Trustee of the George Vagujhelyi and Melissa
24 Vagujhelyi 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a
25 resident of the State of Nevada.

26 8. Plaintiff D'Arcy Nunn is a competent adult and is a resident of the State of California.

27 9. Plaintiff Henry Nunn is a competent adult and is a resident of the State of California.
28

- 1 10. Plaintiff Lee Van Der Bokke is a competent adult and is a resident of the State of
2 California.
- 3 11. Plaintiff Madelyn Van Der Bokke is a competent adult and is a resident of the State of
4 California.
- 5 12. Plaintiff Donald Schreifels is a competent adult and is a resident of the State of
6 Minnesota.
- 7 13. Plaintiff Robert R. Pederson, individually and as Trustee of the Pederson 1990 Trust,
8 is a competent adult and is a resident of the State of California.
- 9 14. Plaintiff Lou Ann Pederson, individually and as Trustee of the Pederson 1990 Trust,
10 is a competent adult and is a resident of the State of California.
- 11 15. Plaintiff Lori Ordoover is a competent adult and is a resident of the State of
12 Connecticut.
- 13 16. Plaintiff William A. Henderson is a competent adult and is a resident of the State of
14 California.
- 15 17. Plaintiff Christine E. Henderson is a competent adult and is a resident of the State of
16 California.
- 17 18. Plaintiff Loren D. Parker is a competent adult and is a resident of the State of
18 Washington.
- 19 19. Plaintiff Suzanne C. Parker is a competent adult and is a resident of the State of
20 Washington.
- 21 20. Plaintiff Michael Izady is a competent adult and is a resident of the State of New
22 York.
- 23 21. Plaintiff Steven Takaki is a competent adult and is a resident of the State of
24 California.
- 25 22. Plaintiff Farad Torabkhan is a competent adult and is a resident of the State of New
26 York.
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- 1 23. Plaintiff Sahar Tavakol is a competent adult and is a resident of the State of New
2 York.
- 3 24. Plaintiff M&Y Holdings is a Nevada Limited Liability Company with its principal
4 place of business in Nevada.
- 5 25. Plaintiff JL&YL Holdings, LLC is a Nevada Limited Liability Company with its
6 principal place of business in Nevada.
- 7 26. Plaintiff Sandi Raines is a competent adult and is a resident of the State of Minnesota.
- 8 27. Plaintiff R. Raghuram is a competent adult and is a resident of the State of California.
- 9 28. Plaintiff Usha Raghuram is a competent adult and is a resident of the State of
10 California.
- 11 29. Plaintiff Lori K. Tokutomi is a competent adult and is a resident of the State of
12 California.
- 13 30. Plaintiff Garrett Tom is a competent adult and is a resident of the State of California.
- 14 31. Plaintiff Anita Tom is a competent adult and is a resident of the State of California.
- 15 32. Plaintiff Ramon Fadrilan is a competent adult and is a resident of the State of
16 California.
- 17 33. Plaintiff Faye Fadrilan is a competent adult and is a resident of the State of California.
- 18 34. Plaintiff Peter K. Lee, as Trustee of the Lee Family 2002 Revocable Trust, is a
19 competent adult and is a resident of the State of California.
- 20 35. Plaintiff Monica L. Lee, as Trustee of the Lee Family 2002 Revocable Trust, is a
21 competent adult and is a resident of the State of California.
- 22 36. Plaintiff Dominic Yin is a competent adult and is a resident of the State of California.
- 23 37. Plaintiff Elias Shamieh is a competent adult and is a resident of the State of
24 California.
- 25 38. Plaintiff Nadine's Real Estate Investments, LLC, is a North Dakota Limited Liability
26 Company.
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- 1 39. Plaintiff Jeffery James Quinn is a competent adult and is a resident of the State of
2 Hawaii.
- 3 40. Plaintiff Barbara Rose Quinn is a competent adult and is a resident of the State of
4 Hawaii.
- 5 41. Plaintiff Kenneth Riche is a competent adult and is a resident of the State of
6 Wisconsin.
- 7 42. Plaintiff Maxine Riche is a competent adult and is a resident of the State of
8 Wisconsin.
- 9 43. Plaintiff Norman Chandler is a competent adult and is a resident of the State of
10 Alabama.
- 11 44. Plaintiff Benton Wan is a competent adult and is a resident of the State of California.
- 12 45. Plaintiff Timothy Kaplan is a competent adult and is a resident of the State of
13 California.
- 14 46. Plaintiff Silkscape Inc. is a California Corporation.
- 15 47. Plaintiff Peter Cheng is a competent adult and is a resident of the State of California.
- 16 48. Plaintiff Elisa Cheng is a competent adult and is a resident of the State of California.
- 17 49. Plaintiff Greg A. Cameron is a competent adult and is a resident of the State of
18 California.
- 19 50. Plaintiff TMI Property Group, LLC is a California Limited Liability Company.
- 20 51. Plaintiff Richard Lutz is a competent adult and is a resident of the State of California.
- 21 52. Plaintiff Sandra Lutz is a competent adult and is a resident of the State of California.
- 22 53. Plaintiff Mary A. Kossick is a competent adult and is a resident of the State of
23 California.
- 24 54. Plaintiff Melvin H. Cheah is a competent adult and is a resident of the State of
25 California.
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- 1 55. Plaintiff Di Shen is a competent adult and is a resident of the State of Texas.
- 2 56. Plaintiff Ajit Gupta is a competent adult and is a resident of the State of California.
- 3 57. Plaintiff Seema Gupta is a competent adult and is a resident of the State of California.
- 4 58. Plaintiff Fredrick Fish is a competent adult and is a resident of the State of Minnesota.
- 5 59. Plaintiff Lisa Fish is a competent adult and is a resident of the State of Minnesota.
- 6 60. Plaintiff Robert A. Williams is a competent adult and is a resident of the State of
- 7 Minnesota.
- 8 61. Plaintiff Jacquelin Pham is a competent adult and is a resident of the State of
- 9 California.
- 10 62. Plaintiff May Ann Hom, as Trustee of the May Ann Hom Trust, is a competent adult
- 11 and is a resident of the State of California.
- 12 63. Plaintiff Michael Hurley is a competent adult and is a resident of the State of
- 13 Minnesota.
- 14 64. Plaintiff Dominic Yin is a competent adult and is a resident of the State of California.
- 15 65. Plaintiff Duane Windhorst is a competent adult and is a resident of the State of
- 16 Minnesota.
- 17 66. Plaintiff Marilyn Windhorst is a competent adult and is a resident of the State of
- 18 Minnesota.
- 19 67. Plaintiff Vinod Bhan is a competent adult and is a resident of the State of California.
- 20 68. Plaintiff Anne Bhan is a competent adult and is a resident of the State of California.
- 21 69. Plaintiff Guy P. Browne is a competent adult and is a resident of the State of
- 22 California.
- 23 70. Plaintiff Garth Williams is a competent adult and is a resident of the State of
- 24 California.
- 25 71. Plaintiff Pamela Y. Aratani is a competent adult and is a resident of the State of
- 26 California.
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- 1 72. Plaintiff Darleen Lindgren is a competent adult and is a resident of the State of
2 Minnesota.
- 3 73. Plaintiff Laverne Roberts is a competent adult and is a resident of the State of
4 Nevada.
- 5 74. Plaintiff Doug Mecham is a competent adult and is a resident of the State of Nevada.
- 6 75. Plaintiff Chrisine Mecham is a competent adult and is a resident of the State of
7 Nevada.
- 8 76. Plaintiff Kwangsoo Son is a competent adult and is a resident of Vancouver, British
9 Columbia.
- 10 77. Plaintiff Soo Yeun Moon is a competent adult and is a resident of Vancouver, British
11 Columbia.
- 12 78. Plaintiff Johnson Akindodunse is a competent adult and is a resident of the State of
13 California.
- 14 79. Plaintiff Irene Weiss, as Trustee of the Weiss Family Trust, is a competent adult and
15 is a resident of the State of Texas.
- 16 80. Plaintiff Pravesh Chopra is a competent adult and is a resident of the State of
17 California.
- 18 81. Plaintiff Terry Pope is a competent adult and is a resident of the State of Nevada.
- 19 82. Plaintiff Nancy Pope is a competent adult and is a resident of the State of Nevada.
- 20 83. Plaintiff James Taylor is a competent adult and is a resident of the State of California.
- 21 84. Plaintiff Ryan Taylor is a competent adult and is a resident of the State of California.
- 22 85. Plaintiff Ki Ham is a competent adult and is a resident of Surry B.C.
- 23 86. Plaintiff Young Ja Choi is a competent adult and is a resident of Coquitlam, B.C.
- 24 87. Plaintiff Sang Dae Sohn is a competent adult and is a resident of Vancouver, B.C.
- 25 88. Plaintiff Kuk Hyung ("Connie") is a competent adult and is a resident of Coquitlam,
26 B.C.
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- 1 89. Plaintiff Sang ("Mike") Yoo is a competent adult and is a resident of Coquitlam, B.C.
- 2 90. Plaintiff Brett Menmuir, as Trustee of the Cayenne Trust, is a competent adult and is
- 3 a resident of the State of Nevada.
- 4 91. Plaintiff William Miner, Jr., is a competent adult and is a resident of the State of
- 5 California.
- 6 92. Plaintiff Chanh Truong is a competent adult and is a resident of the State of
- 7 California.
- 8 93. Plaintiff Elizabeth Anders Mecua is a competent adult and is a resident of the State of
- 9 California.
- 10 94. Plaintiff Shepherd Mountain, LLC is a Texas Limited Liability Company with its
- 11 principal place of business in Texas.
- 12 95. Plaintiff Robert Brunner is a competent adult and is a resident of the State of
- 13 Minnesota.
- 14 96. Plaintiff Amy Brunner is a competent adult and is a resident of the State of
- 15 Minnesota.
- 16 97. Plaintiff Jeff Riopelle is a competent adult and is a resident of the State of California.
- 17 98. Plaintiff Patricia M. Moll is a competent adult and is a resident of the State of Illinois.
- 18 99. Plaintiff Daniel Moll is a competent adult and is a resident of the State of Illinois.
- 19 100. The people and entities listed above represent their own individual interests. They are
- 20 not suing on behalf of any entity including the Grand Sierra Unit Home Owner's Association. The
- 21 people and entities listed above are jointly referred to herein as "the Plaintiffs".
- 22 101. Defendant MEI-GSR Holdings, LLC ("MEI-GSR") is a Nevada Limited Liability
- 23 Company with its principal place of business in Nevada.
- 24 102. Defendant Gage Village Commercial Development, LLC ("Gage Village") is a
- 25 Nevada Limited Liability Company with its principal place of business in Nevada.
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1 103. Gage Village is related to, controlled by, affiliated with, and/or a subsidiary of MEI-
2 GSR.

3 104. Defendant Grand Sierra Resort Unit Owners' Association ("the Unit Owners'
4 Association") is a Nevada nonprofit corporation with its principal place of business in Nevada.

5 105. MEI-GSR transferred interest in one hundred forty-five (145) condominium units to
6 AM-GSR Holdings, LLC ("AM-GSR") on December 22, 2014.

7 106. Defendants acknowledged to the Court on January 13, 2015, that AM-GSR would be
8 added to these proceedings and subject to the same procedural posture as MEI-GSR. Further, the
9 parties stipulated that AM-GSR would be added as a defendant in this action just as if AM-GSR was
10 a named defendant in the Second Amended Complaint. Said stipulation occurring and being ordered
11 on January 21, 2015.

12 107. MEI-GSR, Gage Village and the Unit Owner's Association are jointly referred to
13 herein as "the Defendants".

14 108. The Grand Sierra Resort Condominium Units ("GSR Condo Units") are part of the
15 Grand Sierra Unit Owners Association, which is an apartment style hotel condominium development
16 of 670 units in one 27-story building. The GSR Condo Units occupy floors 17 through 24 of the
17 Grand Sierra Resort and Casino, a large-scale hotel casino, located at 2500 East Second Street,
18 Reno, Nevada.

19 109. All of the Individual Unit Owners: hold an interest in, own, or have owned, one or
20 more GSR Condo Units.

21 110. Gage Village and MEI-GSR own multiple GSR Condo Units.

22 111. MEI-GSR owns the Grand Sierra Resort and Casino.

23 112. Under the Declaration of Covenants, Conditions, Restrictions and Reservations of
24 Easements for Hotel-Condominiums at Grand Sierra Resort ("CC&Rs"), there is one voting member
25 for each unit of ownership (thus, an owner with multiple units has multiple votes).
26
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1 113. Because MEI-GSR and Gage Village control more units of ownership than any other
2 person or entity, they effectively control the Unit Owners' Association by having the ability to elect
3 MEI-GSR's chosen representatives to the Board of Directors (the governing body over the GSR
4 Condo Units).

5 114. As a result of MEI-GSR and Gage Village controlling the Unit Owners' Association,
6 the Individual Unit Owners effectively have no input or control over the management of the Unit
7 Owners' Association.

8 115. MEI-GSR and Gage Village have used, and continue to use, their control over the
9 Unit Owners' Association to advance MEI-GSR and Gage Villages' economic objectives to the
10 detriment of the Individual Unit Owners.

11 116. MEI-GSR and Gage Villages' control of the Unit Owners' Association violates
12 Nevada law as it defeats the purpose of forming and maintaining a homeowners' association.

13 117. Further, the Nevada Division of Real Estate requires a developer to sell off the units
14 within 7 years, exit and turn over the control and management to the owners.

15 118. Under the CC&Rs, the Individual Unit Owners are required to enter into a "Unit
16 Maintenance Agreement" and participate in the "Hotel Unit Maintenance Program," wherein MEI-
17 GSR provides certain services (including, without limitation, reception desk staffing, in-room
18 services, guest processing services, housekeeping services, Hotel Unit inspection, repair and
19 maintenance services, and other services).

20 119. The Unit Owners' Association maintains capital reserve accounts that are funded by
21 the owners of GSR Condo Units. The Unit Owners' Association collects association dues of
22 approximately \$25 per month per unit, with some variation depending on a particular unit's square
23 footage.

24 120. The Individual Unit Owners pay for contracted "Hotel Fees," which include taxes,
25 deep cleaning, capital reserve for the room, capital reserve for the building, routine maintenance,
26 utilities, etc.
27
28

1 121. MEI-GSR has systematically allocated and disproportionately charged capital reserve
2 contributions to the Individual Unit Owners, so as to force the Individual Unit Owners to pay capital
3 reserve contributions in excess of what should have been charged.

4 122. MEI-GSR and Gage Development have failed to pay proportionate capital reserve
5 contribution payments in connection with their Condo Units.

6 123. MEI-GSR has failed to properly account for, or provide an accurate accounting for
7 the collection and allocation of the collected capital reserve contributions.

8 124. The Individual Unit Owners also pay "Daily Use Fees" (a charge for each night a unit
9 is occupied by any guest for housekeeping services, etc.).

10 125. MEI-GSR and Gage Village have failed to pay proportionate Daily Use Fees for the
11 use of Defendants' GSR Condo Units.

12 126. MEI-GSR has failed to properly account for the contracted "Hotel Fees" and "Daily
13 Use Fees."

14 127. Further, the Hotel Fees and Daily Use Fees are not included in the Unit Owners'
15 Association's annual budget with other assessments that provide the Individual Unit Owners' the
16 ability to reject assessment increases and proposed budget ratification.

17 128. MEI-GSR has systematically endeavored to increase the various fees that are charged
18 in connection with the use of the GSR Condo Units in order to devalue the units owned by
19 Individual Unit Owners.

20 129. The Individual Unit Owners' are required to abide by the unilateral demands of MEI-
21 GSR, through its control of the Unit Owners' Association, or risk being considered in default under
22 Section 12 of the Agreement, which provides lien and foreclosure rights pursuant to Section 6.10(f)
23 of the CC&R's.

24 130. Defendants MEI-GSR and/or Gage Village have attempted to purchase, and
25 purchased, units devalued by their own actions, at nominal, distressed prices when Individual Unit
26
27
28

1 Owners decide to, or are effectively forced to, sell their units because the units fail to generate
2 sufficient revenue to cover expenses.

3 131. MEI-GSR and/or Gage Village have, in late 2011 and 2012, purchased such devalued
4 units for \$30,000 less than the amount they purchased units for in March of 2011.

5 132. The Individual Unit Owners effectively pay association dues to fund the Unit
6 Owners' Association, which acts contrary to the best interests of the Individual Unit Owners.

7 133. MEI-GSR's interest in maximizing its profits is in conflict with the interest of the
8 Individual Unit Owners. Accordingly, Defendant MEI-GSR's control of the Unit Owners'
9 Association is a conflict of interest.

10 134. As part of MEI-GSR's Grand Sierra Resort and Casino business operations, it rents:
11 (1) hotel rooms owned by MEI-GSR that are not condominium units; (2) GSR Condo Units owned
12 by MEI-GSR and/or Gage Village; and (3) GSR Condo Units owned by the Individual Condo Unit
13 Owners.
14

15 135. MEI-GSR has entered into a Grand Sierra Resort Unit Rental Agreement with
16 Individual Unit Owners.

17 136. MEI-GSR has manipulated the rental of the: (1) hotel rooms owned by MEI-GSR; (2)
18 GSR Condo Units owned by MEI-GSR and/or Gage Village; and (3) GSR Condo Units owned by
19 Individual Condo Unit Owners so as to maximize MEI-GSR's profits and devalue the GSR Condo
20 Units owned by the Individual Unit Owners.

21 137. MEI-GSR has rented the Individual Condo Units for as little as \$0.00 to \$25.00 a
22 night.

23 138. Yet, MEI-GSR has charged "Daily Use Fees" of approximately \$22.38, resulting in
24 revenue to the Individual Unit Owners as low as \$2.62 per night for the use of their GSR Condo Unit
25 (when the unit was rented for a fee as opposed to being given away).

26 139. By functionally, and in some instances actually, giving away the use of units owned
27 by the Individual Unit Owners, MEI-GSR has received a benefit because those who rent the
28

1 Individual Units frequently gamble and purchase food, beverages, merchandise, spa services and
2 entertainment access from MEI-GSR.

3 140. MEI-GSR has rented Individual Condo Units to third parties without providing
4 Individual Unit Owners with any notice or compensation for the use of their unit.

5 141. Further, MEI-GSR has systematically endeavored to place a priority on the rental of
6 MEI-GSR's hotel rooms, MEI-GSR's GSR Condo Units, and Gage Village's Condo Units.

7 142. Such prioritization effectively devalues the units owned by the Individual Unit
8 Owners.

9 143. MEI-GSR and Gage Village intend to purchase the devalued units at nominal,
10 distressed prices when Individual Unit Owners decide to, or are effectively forced to, sell their units
11 because the units fail to generate sufficient revenue to cover expenses and have no prospect of
12 selling their persistently loss-making units to any other buyer.

13 144. Some of the Individual Unit Owners have retained the services of a third party to
14 market and rent their GSR Condo Unit(s).

15 145. MEI-GSR has systematically thwarted the efforts of any third party to market and
16 rent the GSR Units owned by the Individual Unit Owners.

17 146. MEI-GSR has breached the Grand Sierra Resort Unit Rental Agreement with
18 Individual Condo Unit Owners by failing to follow its terms, including but not limited to, the failure
19 to implement an equitable Rotational System as referenced in the agreement.

20 147. MEI-GSR has failed to act in good faith in exercising its duties under the Grand
21 Sierra Resort Unit Rental Agreements with the Individual Unit Owners.

22 The Court is intimately familiar with all of the allegations in the twelve causes of action
23 contained in the Second Amended Complaint. The Court's familiarity is a result of reviewing all of
24 the pleadings and exhibits in this matter to include the various discovery disputes, the testimony at
25 the numerous hearings conducted to date, and the other documents and exhibits on file. The Court
26 finds that the facts articulated above support the twelve causes of action contained in the Second
27 Amended Complaint.
28

II. CONCLUSIONS OF LAW

- 1
2 A. The Court has jurisdiction over MEI-GSR, Gage Village, the Unit Owner's Association
3 and the Plaintiffs.
- 4 B. The appointment of a receiver is appropriate when: (1) the plaintiff has an interest in
5 the property; (2) there is potential harm to that interest in property; and (3) no other
6 adequate remedies exist to protect the interest. *See generally Bowler v. Leonard*, 70
7 Nev. 370, 269 P.2d 833 (1954). *See also* NRS 32.010. The Court appointed a receiver
8 to oversee the Unit Owner's Association on January 7, 2015. The Court concludes that
9 MEI-GSR and/or Gage Village have operated the Unit Owner's Association in a way
10 inconsistent with the best interests of all of the unit owners. The continued
11 management of the Unit Owner's Association by the receiver is appropriate under the
12 circumstances of this case and will remain in effect absent additional direction from the
13 Court.
- 14 C. Negligent misrepresentation is when "[o]ne who, in the course of his business,
15 profession or employment, or in any other action in which he has a pecuniary interest,
16 supplies false information for the guidance of others in their business transactions, is
17 subject to liability for pecuniary loss caused to them by their justifiable reliance upon
18 the information, if he fails to exercise reasonable care or competence in obtaining or
19 communicating the information." *Barmettler v. Reno Air, Inc.*, 114 Nev. 441, 956 P.2d
20 1382, 1387 (1998) (quoting *Restatement (Second) of Torts* § 552(1) (1976)). Intentional
21 misrepresentation is when "a false representation made with knowledge or belief that it
22 is false or without a sufficient basis of information, intent to induce reliance, and
23 damage resulting from the reliance. *Lubbe v. Barba*, 91 Nev. 596, 599, 540 P.2d 115,
24
25
26
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1 117 (1975).” *Collins v. Burns*, 103 Nev. 394, 397, 741 P.2d 819, 821 (1987). MEI-
2 GSR is liable for intentionally and/or negligent misrepresentation as alleged in the
3 Second Cause of Action.

4
5 D. An enforceable contract requires, “an offer and acceptance, meeting of the minds, and
6 consideration.” *Certified Fire Protection, Inc. v. Precision Construction, Inc.* 128 Nev.
7 Adv. Op. 35, 283 P.3d 250, 255 (2012)(citing *May v. Anderson*, 121 Nev. 668, 672, 119
8 P.3d 1254, 1257 (2005)). There was a contract between the Plaintiffs and MEI-GSR.
9 MEI-GSR has breached the contract and therefore MEI-GSR is liable for breach of
10 contract as alleged in the Third Cause of Action.

11
12 E. MEI-GSR is liable for Quasi-Contract/Equitable Contract/Detrimental Reliance as
13 alleged in the Fourth Cause of Action.

14
15 F. An implied covenant of good faith and fair dealing exists in every contract in Nevada.
16 *Hilton Hotels Corp. v. Butch Lewis Productions, Inc.*, 109 Nev. 1043, 1046, 862 P.2d
17 1207, 1209 (1993). “The duty not to act in bad faith or deal unfairly thus becomes part
18 of the contract, and, as with any other element of the contract, the remedy for its breach
19 generally is on the contract itself.” *Id.* (citing *Wagenseller v. Scottsdale Memorial*
20 *Hospital*, 147 Ariz. 370, 383, 710 P.2d 1025, 1038 (1985)). “It is well established that
21 in contracts cases, compensatory damages ‘are awarded to make the aggrieved party
22 whole and ... should place the plaintiff in the position he would have been in had the
23 contract not been breached.’ This includes awards for lost profits or expectancy
24 damages.” *Road & Highway Builders, LLC v. Northern Nevada Rebar, Inc.*, 128 Nev.
25 Adv. Op. 36, 284 P.3d 377, 382 (2012)(internal citations omitted). “When one party
26 performs a contract in a manner that is unfaithful to the purpose of the contract and the
27
28

1 justified expectations of the other party are thus denied, damages may be awarded
2 against the party who does not act in good faith.” *Perry v. Jordan*, 111 Nev. 943, 948,
3 900 P.2d 335, 338 (1995)(*citation omitted*). “Reasonable expectations are to be
4 ‘determined by the various factors and special circumstances that shape these
5 expectations.’” *Id.* (citing *Butch Lewis*, 107 Nev. at 234, 808 P.2d at 923). MEI-GSR is
6 liable for breach of the covenant of good faith and fair dealing as set forth in the Fifth
7 Cause of Action.
8

- 9
10 G. MEI-GSR has violated NRS 41.600(1) and (2) and NRS 598.0915 through 598.0925,
11 inclusive and is therefore liable for the allegations contained in the Sixth Cause of
12 Action. Specifically, MEI-GSR violated NRS 598.0915(15) and NRS 598.0923(2).
13
14 H. The Plaintiffs are entitled to declaratory relief as more fully described below and
15 prayed for in the Seventh Cause of Action.
16
17 I. MEI-GSR wrongfully committed numerous acts of dominion and control over the
18 property of the Plaintiffs, including but not limited to renting their units at discounted
19 rates, renting their units for no value in contravention of written agreements between
20 the parties, failing to account for monies received by MEI-GSR attributable to specific
21 owners, and renting units of owners who were not even in the rental pool. All of said
22 activities were in derogation, exclusion or defiance of the title and/or rights of the
23 individual unit owners. Said acts constitute conversion as alleged in the Eighth Cause
24 of Action.
25
26 J. The demand for an accounting as requested in Ninth Cause of Action is moot pursuant
27 to the discovery conducted in these proceedings and the appointment of a receiver to
28 oversee the interaction between the parties.
K. The Unit Maintenance Agreement and Unit Rental Agreement proposed by MEI-GSR
and adopted by the Unit Owner’s Association are unconscionable. An unconscionable

1 clause is one where the circumstances existing at the time of the execution of the
2 contract are so one-sided as to oppress or unfairly surprise an innocent party. *Bill*
3 *Stremmel Motors, Inc. v. IDS Leasing Corp.*, 89 Nev. 414, 418, 514 P.2d 654, 657
4 (1973). MEI-GSR controls the Unit Owner's Association based on its majority
5 ownership of the units in question. It is therefore able to propose and pass agreements
6 that affect all of the unit owners. These agreements require unit owners to pay
7 unreasonable Common Expense fees, Hotel Expenses Fees, Shared Facilities Reserves,
8 and Hotel Reserves ("the Fees"). The Fees are not based on reasonable expectation of
9 need. The Fees have been set such that an individual owner may actually *owe* money
10 as a result of having his/her unit rented. They are unnecessarily high and imposed
11 simply to penalize the individual unit owners. Further, MEI-GSR and/or Gage Village
12 have failed to fund their required portion of these funds, while demanding the
13 individual unit owners continue to pay the funds under threat of a lien. MEI-GSR has
14 taken the Fees paid by individual unit owners and placed the funds in its general
15 operating account rather than properly segregating them for the use of the Unit Owner's
16 Association. All of said actions are unconscionable and unenforceable pursuant to NRS
17 116.112(1). The Court will grant the Tenth Cause of Action and not enforce these
18 portions of the agreements.
19

20 L. The legal concept of *quantum meruit* has two applications. The first application is in
21 actions based upon contracts implied-in-fact. The second application is providing
22 restitution for unjust enrichment. *Certified Fire*, at 256. In the second application,
23 "[l]iability in restitution for the market value of goods or services is the remedy
24 traditionally known as quantum meruit. Where unjust enrichment is found, the law
25 implies a quasi-contract which requires the defendant to pay to the plaintiff the value of
26 the benefit conferred. In other words, the defendant makes restitution to the plaintiff in
27 *quantum meruit*." *Id.* at 256-57. Gage Village has been unjustly enriched based on the
28

orchestrated action between it and MEI-GSR to the detriment of the individual unit owners as alleged in the Eleventh Cause of Action.

M. Many of the individual unit owners attempted to rent their units through third-party services rather than through the use of MEI-GSR. MEI-GSR and Gage Village intentionally thwarted, interfered with and/or disrupted these attempts with the goal of forcing the sale of the individual units back to MEI-GSR. All of these actions were to the economic detriment of the individual unit owners as alleged in the Twelfth Cause of Action.

N. The Plaintiffs are entitled to both equitable and legal relief. “As federal courts have recognized, the long-standing distinction between law and equity, though abolished in procedure, continues in substance, *Coca-Cola Co. v. Dixi-Cola Labs.*, 155 F.2d 59, 63 (4th Cir. 1946); 30A C.J.S. *Equity* § 8 (2007). A judgment for damages is a legal remedy, whereas other remedies, such as avoidance or attachment, are equitable remedies. *See* 30A *Equity* § 1 (2007).” *Cadle Co. v. Woods & Erickson, LLP*, 131 Nev. Adv. Op. 15, 345 P.3d 1049, 1053 (2015).

O. “[W]here default is entered as a result of a discovery sanction, the non-offending party ‘need only establish a *prima facie* case in order to obtain the default.’ *Foster*, 227 P.3d at 1049 (*citing Young v. Johnny Ribeiro Building, Inc.*, 106 Nev. 88, 94, 787 P.2d 777, 781 (1990)). “[W]here a district court enters a default, the facts alleged in the pleadings will be deemed admitted. Thus, during a NRCP 55(b)(2) prove-up hearing, the district court shall consider the allegations deemed admitted to determine whether the non-offending party has established a *prima facie* case for liability.” *Foster*, 227 P.3d at 1049-50. A *prima facie* case requires only “sufficiency of evidence in order to send the question to the jury.” *Id.* 227 P.3d at 1050 (*citing Vancheri v. GNLV Corp.*, 105 Nev. 417, 420, 777 P.2d 366, 368 (1989)). The Plaintiffs have met this burden regarding all of their causes of action.

1 P. "Damages need not be determined with mathematical certainty." *Perry*, 111 Nev. at
2 948, 900 P.2d at 338. The party requesting damages must provide an evidentiary basis
3 for determining a "reasonably accurate amount of damages." *Id. See also*,
4 *Countrywide Home Loans, Inc. v. Thitchener*, 124 Nev. 725, 733, 192 P.3d 243, 248
5 (2008) and *Mort Wallin of Lake Tahoe, Inc. v. Commercial Cabinet Co., Inc.*, 105 Nev.
6 855, 857, 784 P.2d 954, 955 (1989).

7 Q. Disgorgement is a remedy designed to dissuade individuals from attempting to profit
8 from their inappropriate behavior. "Disgorgement as a remedy is broader than
9 restitution or restoration of what the plaintiff lost." *American Master Lease LLC v.*
10 *Idanta Partners, Ltd*, 225 Cal. App. 4th 1451, 1482, 171 Cal. Rptr. 3d 548, 572
11 (2014)(*internal citation omitted*). "Where 'a benefit has been received by the defendant
12 but the plaintiff has not suffered a corresponding loss or, in some cases, any loss, but
13 nevertheless the enrichment of the defendant would be unjust . . . the defendant may be
14 under a duty to give to the plaintiff the amount by which [the defendant] has been
15 enriched.'" *Id* 171 Cal. Rptr. 3d at 573 (*internal citations omitted*). *See also Miller v.*
16 *Bank of America, N.A.*, 352 P.3d 1162 (N.M. 2015) and *Cross v. Berg Lumber Co.*, 7
17 P.3d 922 (Wyo. 2000).

18 19 20 **III. JUDGMENT**

21 Judgment is hereby entered against MEI-GSR, Gage Village and the Unit Owner's
22 Association as follows:

23 **Monetary Relief:**

- 24 1. Against MEI-GSR in the amount of \$442,591.83 for underpaid revenues to Unit owners;
- 25 2. Against MEI-GSR in the amount of \$4,152,669.13 for the rental of units of owners who had no
26 rental agreement;
- 27 3. Against MEI-GSR in the amount of \$1,399,630.44 for discounting owner's rooms without
28 credits;

- 1 4. Against MEI-GSR in the amount of \$31,269.44 for discounted rooms with credits;
- 2 5. Against MEI-GSR in the amount of \$96,084.96 for "comp'd" or free rooms;
- 3 6. Against MEI-GSR in the amount of \$411,833.40 for damages associated with the bad faith
- 4 "preferential rotation system";
- 5 7. Against MEI-GSR in the amount of \$1,706,798.04 for improperly calculated and assessed
- 6 contracted hotel fees;
- 7 8. Against MEI-GSR in the amount of \$77,338.31 for improperly collected assessments;
- 8 9. MEI-GSR will fund the FF&E reserve, shared facilities reserve and hotel reserve in the amount of
- 9 \$500,000.00 each. The Court finds that MEI-GSR has failed to fund the reserves for the units it, or
- 10 any of its agents, own. However, the Court has also determined, *supra*, that these fees were
- 11 themselves unconscionable. The Court does not believe that the remedy for MEI-GSR's failure to
- 12 fund the unconscionable amount should be some multiple of that unreasonable sum. Further, the
- 13 Court notes that Plaintiffs are individual owners: not the Unit Owner's Association. Arguably, the
- 14 reserves are an asset of the Unit Owner's Association and the Plaintiffs have no individual interest in
- 15 this sum. The Court believes that the "seed funds" for these accounts are appropriate under the
- 16 circumstances of the case; and
- 17 10. The Court finds that it would be inappropriate to give MEI-GSR any "write downs" or credits
- 18 for sums they may have received had they rented the rooms in accordance with appropriate business
- 19 practices. These sums will be disgorged.

20

21 **Non-Monetary Relief:**

- 22 1. The receiver will remain in place with his current authority until this Court rules otherwise;
- 23 2. The Plaintiffs shall not be required to pay any fees, assessments, or reserves allegedly due or
- 24 accrued prior to the date of this ORDER;
- 25 3. The receiver will determine a reasonable amount of FF&E, shared facilities and hotel reserve fees
- 26 required to fund the needs of these three ledger items. These fees will be determined within 90 days
- 27 of the date of this ORDER. No fees will be required until the implementation of these new

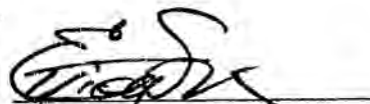
1 amounts. They will be collected from *all* unit owners and properly allocated on the Unit Owner's
2 Association ledgers; and

3 4. The current rotation system will remain in place.

4 **Punitive Damages:**

5 The Court specifically declined to hear argument regarding punitive damages during the
6 prove-up hearing. *See* Transcript of Proceedings 428:6 through 430:1. Where a defendant has been
7 guilty of oppression, fraud, or malice express or implied in an action *not arising from contract*,
8 punitive damages may be appropriate. NRS 42.005(1). Many of the Plaintiff's causes of action
9 sound in contract; therefore, they are not the subject of a punitive damages award. Some of the
10 causes of action may so qualify. The Court requires additional argument on whether punitive
11 damages would be appropriate in the non-contract causes of action. NRS 42.005(3). An appropriate
12 measure of punitive damages is based on the financial position of the defendant, its culpability and
13 blameworthiness, the vulnerability of, and injury suffered by, the offended party, the offensiveness
14 of the punished conduct, and the means necessary to deter further misconduct. *See generally*
15 *Ainsworth v. Combined Insurance Company of America*, 104 Nev. 587, 763 P.2d 673 (1988).
16 Should the Court determine that punitive damages are appropriate it will conduct a hearing to
17 consider all of the stated factors. NRS 42.005(3). The parties shall contact the Judicial Assistant
18 within 10 days of the date of this ORDER to schedule a hearing regarding punitive damages.
19 Counsel will be prepared to discuss all relevant issues and present testimony and/or evidence
20 regarding NRS 42.005 at that subsequent hearing.

21 DATED this 9 day of October, 2015.

22 
23 ELLIOTT A. SATTLER
24 District Judge
25
26
27
28

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing with the Clerk of the Court by using the ECF system which served the following parties electronically:

Jonathan Tew, Esq.

Jarrad Miller, Esq.

Stan Johnson, Esq.

Mark Wray, Esq.

DATED this 9 day of October, 2015.


SHEILA MANSFIELD
Judicial Assistant

EXHIBIT 7

1 CODE: 4050
2 G. David Robertson, Esq. (NV Bar No. 1001)
3 Jarrad C. Miller, Esq. (NV Bar No. 7093)
4 Jonathan Joel Tew, Esq. (NV Bar No. 11874)
5 Robertson, Johnson, Miller & Williamson
6 50 West Liberty Street, Suite 600
7 Reno, Nevada 89501
8 (775) 329-5600
9 Attorneys for Plaintiffs

10 **SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**

11 **IN AND FOR THE COUNTY OF WASHOE**

12 ALBERT THOMAS, individually, *et al.*,

13 Plaintiffs,

14 vs.

Case No. CV12-02222
Dept. No. 10

15 MEI-GSR Holdings, LLC, a Nevada Limited
16 Liability Company, GRAND SIERRA
17 RESORT UNIT OWNERS' ASSOCIATION,
18 a Nevada nonprofit corporation, GAGE
19 VILLAGE COMMERCIAL
20 DEVELOPMENT, LLC, a Nevada Limited
21 Liability Company and DOE DEFENDANTS
22 1 THROUGH 10, inclusive,

23 Defendants.

24 **STIPULATION AND ORDER REGARDING THE COURT'S**
25 **FINDINGS OF FACT, CONCLUSIONS OF LAW AND JUDGMENT**

26 IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned
27 counsel on behalf of their respective clients, that:

- 28
1. The Findings of Fact, Conclusions of Law and Judgment, entered on October 9, 2015, does not constitute a final judgment under NRCP 54(a) because the Court has not resolved whether it will award punitive damages;
 2. The time to appeal a judgment pursuant to NRAP 4(a)(1) is not running;
 3. The Plaintiffs will not seek a writ of execution, writ of attachment, or writ of garnishment until there is a final judgment in the case.

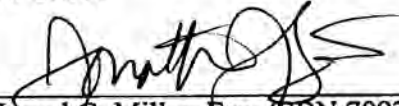
Affirmation

Pursuant to NRS § 239B.030, the undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

DATED: October 16, 2015

ROBERTSON, JOHNSON,
MILLER & WILLIAMSON
50 W. Liberty Street, Suite 600
Reno, NV 89501

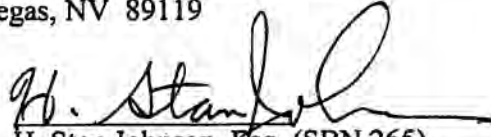
By:


Jarrod C. Miller, Esq. (SBN 7093)
Jonathan Joel Tew, Esq. (SBN 11874)
Attorneys for Plaintiffs

DATED: October 23, 2015

COHEN-JOHNSON, LLC
255 E. Warm Springs Road, Suite 100
Las Vegas, NV 89119

By:


H. Stan Johnson, Esq. (SBN 265)
Steven B. Cohen, Esq. (SBN 2327)
Attorneys for Defendants

ORDER

IT IS SO ORDERED.

DATED this 3 day of November, 2015.


DISTRICT COURT JUDGE

EXHIBIT 8

Hon. Elizabeth Gonzalez (Ret.)
Sr. District Court Judge
PO Box 35054
Las Vegas, NV 89133

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

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada
Limited Liability Company, et al

Defendant.

ORDER

Case#: CV12-02222

Dept. 10 (Senior Judge)¹

Pursuant to WDCR 12(5) the Court after consideration of the Plaintiffs' November 6, 2015 Motion in Support of Punitive Damages Award ("Punitive Damages Motion"), the Defendants' December 1, 2020 opposition ("Opposition"), Plaintiffs' July 30, 2020 Reply in Support of Award of Punitive Damages ("Punitive Damages Reply"), Plaintiffs' July 6, 2022 Punitive Damages Summary, Defendants' July 6, 2022 Trial Summary, the oral argument and evidence submitted by the parties during the hearing on July 8 and 18, 2022, a review of the briefing, exhibits, testimony of the witness, transcripts of the proceedings as well as the evidence in the record, including but not

¹ On January 21, 2021, Chief District Court Judge Scott Freeman, entered an Order Disqualifying All Judicial Officers of the Second Judicial District Court. On September 19, 2022, the Nevada Supreme Court entered a Memorandum of Temporary Assignment, appointing the undersigned Senior Judge.

1 limited to, evidence submitted during the underlying hearing on compensatory damages, and being
2 fully informed rules on the Punitive Damages Motion²:

3 The Court conducted a prove up hearing on March 23-25, 2015³ after striking the Defendants
4 answer for discovery abuses and entering a default. This resulted in an admission as true all
5 allegations contained in the Second Amended Complaint. An order awarding damages and making
6 factual findings was entered on October 9, 2015. The Court at that time requested further briefing
7 on the issue of punitive damages and ordered the parties to contact chambers to schedule a hearing.
8 Defendants have argued the Unit Maintenance Agreement and Unit Rental Agreement prohibit an
9 award of punitive damages and limit an award of compensatory damages. These arguments were
10 already raised and rejected when the Court issued its October 9, 2015 Order.
11
12

13 The economic loss doctrine does not apply to limit Plaintiffs' recovery for intentional torts.⁴
14
15

16 ² Although no written order finding that punitive damages were warranted was entered after the July 8, 2022 hearing and
17 prior to the commencement of the July 18, 2022 hearing, it appears that all involved agreed that the July 18 hearing
18 would not be necessary if Senior Justice Saitta found that punitive damages should not be awarded. The motion was
19 granted orally during the July 18, 2022 hearing. 7/18/2022 Transcript, p. 10, l. 1-2. The findings stated on the record
20 were:

21 There were five tort claims set forth by the plaintiffs in an earlier hearing. Number 1, we have a tortious interference
22 with contract; we have fraud; we have conversion; we have deceptive trade practices -- it appears as if I'm missing one --
23 oh, tortious breach of the covenant of good faith and fair dealing; fraud and intentional misrepresentation -- let me be
24 clear on that one -- violation of the Deceptive Trade Practices Act. And I believe that that contains all the necessary
25 findings that need to be made for us to proceed in our hearing today.

26 7/18/2022 Transcript, p. 10; l. 8-18.

27 ³ Regardless of what an earlier Judge called the proceeding, the March 2015 evidentiary hearing was a bench trial. The
28 Court has determined that this is a bench trial based upon the USJR definitions.

According to the definitions in the data dictionary, a bench trial is held when a trial begins and evidence is taken or witnesses are sworn. Accordingly, if you have indicated that the bench trial was held, then a corresponding bench trial disposition should be used to dispose of the case.

See https://nvcourts.gov/AOC/Programs_and_Services/Research_and_Statistics/FAQs/#civil1. The length of time between the first portion of the trial and the conclusion of the trial is one which is unacceptable in the administration of justice in Nevada.

⁴ *Halcrow, Inc. v. Eighth Jud. Dist. Ct.*, 129 Nev. 394, 402 fn. 2 (2013).

1 The Nevada Legislature has limited the recovery of punitive damages in NRS 42.005.⁵

2 The Court in the October 9, 2015 Order found that the Defendants had made intentional
3 misrepresentations(fraud), breached the covenant of good faith and fair dealing, and converted the
4 property of the Plaintiffs.

5
6 The Court is tasked, in part, with determining which causes of action support the punitive damages
7 claim and warrant the award of punitive damages, if any.

8 While it is unclear whether the breach of the implied covenant finding in the October 9, 2015 Order
9 is sufficient to support a punitive damages award, the conduct related to the conversion and
10 intentional misrepresentation/fraud claims clearly warrant consideration of such damages.

11 Defendants' officers, including Kent Vaughan, Defendants' Senior Vice President of Operations,
12 admitted to the tortious scheme.⁶
13

14
15 ⁵ That statute provides in pertinent part:

16 1. Except as otherwise provided in [NRS 42.007](#), in an action for the breach of an obligation not arising from
17 contract, where it is proven by clear and convincing evidence that the defendant has been guilty of oppression, fraud or
18 malice, express or implied, the plaintiff, in addition to the compensatory damages, may recover damages for the sake of
19 example and by way of punishing the defendant. Except as otherwise provided in this section or by specific statute, an
award of exemplary or punitive damages made pursuant to this section may not exceed:

(a) Three times the amount of compensatory damages awarded to the plaintiff if the amount of compensatory
damages is \$100,000 or more; or

20 * * *

21 3. If punitive damages are claimed pursuant to this section, the trier of fact shall make a finding of whether such
22 damages will be assessed. If such damages are to be assessed, a subsequent proceeding must be conducted before the
same trier of fact to determine the amount of such damages to be assessed. The trier of fact shall make a finding of the
amount to be assessed according to the provisions of this section...

23 ⁶ Vaughn testified in deposition on August 26, 2013. Relevant portions of the transcript show the conscious decision by
24 an officer of Defendants.

25 Q. How did you first come to know in July of 2011 that the Grand Sierra was taking in income for units that
were not in the unit rental program?

26 A. I authorized the front desk to use non-rental units due to demand, consumer demand.

27 Q. And when you authorized the front desk in was it July of 2011 –

A. Yes.

28 Q. -- to use units that were not in the unit rental program, did you or anyone else that you know of who
represents the Grand Sierra, contact the Grand Sierra Resort unit rental owners who were not in the program,
to advise them of this policy?

1 The Court finds the given the prior striking of Defendant's answer, Vaughn's testimony alone is
2 sufficient to meet the burden of proof of clear and convincing evidence to prove malice, oppression
3 or fraud related to the tortious scheme.

4 The damages awarded in the October 9, 2015 Order are based in part on contract claims. Damages
5 for the tort claims were based upon the same calculations and testimony provided by Plaintiffs' sole
6 witness. This crossover does not preclude an award of punitive damages related to the tort damages
7 but limits a double recovery.
8

9 A plaintiff may assert several claims for relief and be awarded damages on different theories.
10 It is not uncommon to see a plaintiff assert a contractual claim and also a cause of action
11 asserting fraud based on the facts surrounding the contract's execution and performance. See
12 Amoroso Constr. v. Lazovich and Lazovich, 107 Nev. 294, 810 P.2d 775 (1991). The
13 measure of damages on claims of fraud and contract are often the same. However, Marsh is
14 not permitted to recover more than her total loss plus any punitive damages assessed. She
15 can execute on the assets of any of the five parties to the extent of the judgments entered
16 against them until she recovers her full damages.

17 Topaz Mutual Co. v. Marsh, 108 Nev. 845, (1992) at pages 851- 852.

18 After review of all of the available evidence the Court concludes that two categories of damages
19 from the October 2015 Order warrant and support an award of punitive damages:
20

21 Damages awarded for underpaid revenues \$442,591.83 fall within the conversion claim⁷ and
22 intentional misrepresentation/fraud⁸;

23 A. No.

24 Q. Why?

25 A. I didn't have authorization to rent them.

26 Q. So it was a conscious decision to rent them without authorization?

27 A. Yes.

28 Vaughan Transcript, Ex. 1 to Reply, at p. 29 l. 3-21.

⁷ October 9, 2015 Order, Conclusion of Law C, at p. 16 l. 16 to p. 17 l. 4.

⁸ October 9, 2015 Order, Conclusion of Law I, at p. 18 l. 15 to l. 22.

1 Damages awarded for the rental of units of owners who had no rental agreements

2 \$4,152,669.13 falls within the conversion claim⁹ and intentional misrepresentation/fraud¹⁰;

3 The award of punitive damages on these claims would not act as a double recovery for Plaintiffs.

4 The Court finds that the remaining damages awarded in the October 9, 2015 Order are based on
5 contract claims rather than tort claims and not appropriate for consideration of punitive damages.
6

7 Given Defendants' tortious scheme and the intentional misconduct of Defendants, punitive
8 damages in this case are appropriate to set an example.

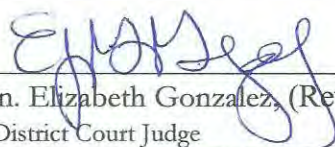
9 The amount of these damages serve to punish and will not destroy Defendants.¹¹

10 While the Court recognizes that there is a spectrum of percentages which have been awarded in
11 various Nevada punitive damages cases, given the nature of the conduct and procedural history of
12 this case, the Court concludes the appropriate multiplier in this matter is two (2) times the
13 compensatory award for the conversion claim and intentional misrepresentation/fraud claim.
14

15 Accordingly based on the compensatory damages for which punitive damages are appropriate
16 totaling \$4,595,260.96 the Court awards punitive damages in the total amount of \$9,190,521.92
17

18 Plaintiffs counsel is directed to submit a final judgment consistent with the October 9, 2015 Order
19 and this Order.
20

21 Dated this 17th day of January 2023.

22
23 
24 Hon. Elizabeth Gonzalez, (Ret.)
25 Sr. District Court Judge

26 ⁹ October 9, 2015 Order, Conclusion of Law C, at p. 16 l. 16 to p. 17 l. 4.

27 ¹⁰ October 9, 2015 Order, Conclusion of Law I, at p. 18 l. 15 to l. 22.

28 ¹¹ See July 18, 2022 transcript (sealed), p. 100 l. 2 to p. 101 l. 5.

CERTIFICATE OF SERVICE

I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT;
that on the 17th day of January, 2023, I electronically filed the foregoing with the Clerk
of the Court system which will send a notice of electronic filing to the following:

DALE KOTCHKA-ALANES

DANIEL POLSENBERG, ESQ.

DAVID MCELHINNEY, ESQ.

BRIANA COLLINGS, ESQ.

ABRAN VIGIL, ESQ.

JONATHAN TEW, ESQ.

JARRAD MILLER, ESQ.

TODD ALEXANDER, ESQ.

F. SHARP, ESQ.

STEPHANIE SHARP, ESQ.

G. DAVID ROBERTSON, ESQ.

ROBERT EISENBERG, ESQ.

JENNIFER HOSTETLER, ESQ.



EXHIBIT 9

Hon. Elizabeth Gonzalez (Ret.)
Sr. District Court Judge
PO Box 35054
Las Vegas, NV 89133

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

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada
Limited Liability Company, et al

Defendant.

) ORDER

) Case#: CV12-02222

) Dept. 10 (Senior Judge)

Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being fully informed rules on the:

RECEIVER'S MOTION FOR ORDERS & INSTRUCTIONS filed 12/1/23.¹ This motion is granted.

The Order Appointing Receiver was entered on January 17, 2015 (the "Appointment Order"). The Appointment Order appointed the Receiver over Grand Sierra Resort Unit Owners Association ("GSRUOA") including units owned by Defendants. The units owned by Defendants are

¹ The Court has also reviewed the Defendants' Opposition filed on 12/14/2022, Plaintiffs' Opposition filed on 12/14/2022, and the Receiver's Omnibus Reply filed 12/19/2022.

specifically included in the definition of “the Property” and fall within the scope of the Receiver’s responsibilities. Appointment Order at page 1, line 27 to page 2, line 9.

The Appointment Order and its interpretation has been subject to motion practice as part of the tortured history of this matter. Pursuant to a Court order, the Receiver acts in place of the Board. Section 8a of the Appointment Order unambiguously provides the Receiver with the power to “pay and discharge out of the Property’s rents and/or GSRUOA monthly dues collections all the reasonable and necessary expenses of the receivership . . . including all of the Receiver’s and related fees”.

Central to answering the inquiries posed by the Receiver is the scope of the Receiver’s authority. Despite the arguments made by the Defendants, the Receiver is responsible over the entire GSRUOA. The GSRUOA includes not only units owned by Plaintiffs but also units owned by Defendants (collectively the “Parties”). While the Receiver is not to collect rent from the units of those who are not Parties to this action, the rent from the units owned by the Parties are to be paid to the Receiver and utilized for the purposes identified in the Appointment Order including payment of the Receiver’s expenses. These expenses can only be paid from the rents which are earned by the units owned by the Parties to the action, i.e. the Plaintiffs and the Defendants units.

As such the Court responds to the inquiries posed by the Receiver as follows:

The Receiver’s calculated Daily Use Fee (DUF), Shared Facilities Unit Expenses (SFUE), and Hotel Expense (HE) fees apply to both the Plaintiffs owned units and Defendants owned units. The rental income to be collected by the Receiver relates to units owned both by the Plaintiffs and Defendants. The Court confirms that, “in accordance with the Governing Documents”, including the “Findings of Fact, Conclusions of Law and Judgment, Filed October 9, 2015” that the Receiver has the authority to direct, audit, oversee, and implement the reserve study for all 670 condominium units.

1 Consistent with the Order entered on December 5, 2022 the Defendants are prevented from
2 foreclosing upon any other units owned by Plaintiffs until further order of the Court. Defendants
3 have indicated in their Opposition that they are in compliance with this Order.

4 The Receiver has not been paid. This is a result of the disagreements between the Parties as to the
5 allocation of expenses and the inability, without clarification, for the Receiver to calculate the
6 permissible expenses for Defendants to deduct from the revenue of the Parties units. The Court has
7 recognized this as an issue which must be resolved and has addressed it in the Order entered on
8 December 5, 2022.²

9
10 Attached as Exhibit 1 to the Receiver's Omnibus Reply is a spreadsheet with calculations based
11 upon the various orders of the Court. The Court notes these calculations appear to include only
12 units owned by Plaintiffs. If either Plaintiffs or Defendants object to the calculations contained in
13 Exhibit 1, a written objection shall be filed within 15 judicial days of entry of this Order. If an
14 objection is filed, the Receiver may file a response to the objection within 15 days of the filing of the
15 objection. If no objection is filed, the Defendants shall make the deposits of rent listed in the
16 column on the far right of each page of Exhibit 1 in the total amount of \$1,103,950.99 into the
17 Receiver's bank account within 25 judicial days of entry of this Order. Prior to making any
18 disbursements, the Receiver shall file a motion with the Court outlining the funds received and the
19
20
21
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23

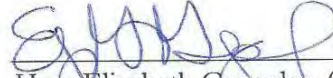
24 ² The language in the Order provides in part:

25 IT IS FURTHER ORDERED that prior to a sale of the Property as a whole, the Court shall enter an Order on motion
26 to terminate and or modify the Receivership that addresses the issues of payment to the Receiver and his counsel, the
27 scope of the wind up process of the GSRUOA to be overseen by the Receiver, as well as the responsibility for any
28 amounts which are awarded as a result of the pending Applications for OSC.

Order dated December 5, 2022, p. 7 at line 13-18.

1 proposed distributions for the Receiver's fees and expenses as well as amounts set aside for reserve
2 and any proposed distributions to the Parties.

3 Dated this 26th day January, 2023.

4
5 

6 Hon. Elizabeth Gonzalez, (Ret.)
7 Sr. District Court Judge
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CERTIFICATE OF SERVICE

I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT;
that on the 26th day of January, 2023, I electronically filed the foregoing with the Clerk
of the Court system which will send a notice of electronic filing to the following:

DALE KOTCHKA-ALANES

DANIEL POLSENBERG, ESQ.

DAVID MCELHINNEY, ESQ.

BRIANA COLLINGS, ESQ.

ABRAN VIGIL, ESQ.

JONATHAN TEW, ESQ.

JARRAD MILLER, ESQ.

TODD ALEXANDER, ESQ.

F. SHARP, ESQ.

STEPHANIE SHARP, ESQ.

G. DAVID ROBERTSON, ESQ.

ROBERT EISENBERG, ESQ.

JENNIFER HOSTETLER, ESQ.

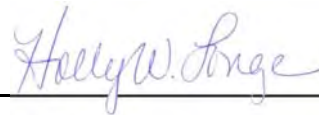


EXHIBIT 10

Hon. Elizabeth Gonzalez (Ret.)
Sr. District Court Judge
PO Box 35054
Las Vegas, NV 89133

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

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada
Limited Liability Company, et al

Defendant.

) ORDER

) Case#: CV12-02222

) Dept. 10 (Senior Judge)

Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being fully informed rules on DEFENDANTS' OBJECTION TO RECEIVER'S CALCULATIONS CONTAINED IN EXHIBIT 1 ATTACHED TO RECEIVER'S OMNIBUS REPLY TO PARTIES OPPOSITIONS TO THE RECEIVER'S MOTION FOR ORDERS & INSTRUCTIONS ("Objection").¹ After consideration of the briefing, the Court overrules the objection.

While the Court appreciates the arguments that are made in the Objection, these are the arguments which have been rejected by the Court and in large part will be addressed as part of the contempt hearing beginning on April 3, 2023. Defendant shall comply with the Order entered on January 26,

¹ The court has also reviewed the Receiver's response filed on February 24, 2023.

2023, including the deposits as directed in that Order within five (5) judicial days of entry of this
Order.

Dated this 27th day March, 2023.



Hon. Elizabeth Gonzalez, (Ret.)
Sr. District Court Judge

CERTIFICATE OF SERVICE

I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT; that on the 27th day of March, 2023, I electronically filed the foregoing with the Clerk of the Court system which will send a notice of electronic filing to the following:

DALE KOTCHKA-ALANES
DANIEL POLSENBERG, ESQ.
DAVID MCELHINNEY, ESQ.
BRIANA COLLINGS, ESQ.
ABRAN VIGIL, ESQ.
JONATHAN TEW, ESQ.
JARRAD MILLER, ESQ.
TODD ALEXANDER, ESQ.
F. DEARMOND SHARP, ESQ.
STEPHANIE SHARP, ESQ.
G.DAVID ROBERTSON, ESQ.
ROBERT EISENBERG, ESQ.
JENNIFER HOSTETLER, ESQ.
ANN HALL, ESQ.
JAMES PROCTOR, ESQ.
JORDAN SMITH, ESQ.




EXHIBIT 11

1 **Code:**

2
3
4
5 **IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**
6 **IN AND FOR THE COUNTY OF WASHOE**
7

8 **Albert Thomas, et. al.,**

9 **Plaintiff(s),**

Case No. CV12-02222

10 **vs.**

Dept. No. OJ41

11 **MEI-GSR HOLDINGS, LLC.et. al.,**

12 **Defendant(s).**
13 _____/

14
15 **SUPERSEDEAS BOND ON APPEAL**

16
17 The following was received at the Second Judicial District Court Filing office on April
18 4, 2023.

19
20 Affirmation pursuant to NRS 239B.030 / 603A.040: The undersigned hereby affirms that this document does not contain
the personal information of any person.

21
22 Dated April 4, 2023.

23
24 /s//s/ T. Britton

25 Deputy Clerk
26
27
28

APPX0096

DISTRICT COURT
WASHOE COUNTY,
NEVADA

BOND # 9423045

Albert Thomas, et al.

Plaintiffs,

vs.

MEI-GSR Holdings, LLC et al.

Defendants.

SUPERSEDEAS BOND ON APPEAL

Case No. CV12-02222

KNOW ALL MEN BY THESE PRESENTS:

That we, MEI-GSR Holdings, LLC, AM-GSR, LLC, Gage Village Commercial Development, LLC, as Principal, and Fidelity and Deposit Company of Maryland, a corporation duly organized and existing under and by virtue of the laws of the State of Illinois and fully authorized to transact business in the State of Nevada, as Surety, are held and firmly bound unto Albert Thomas, et al. in the full sum of One Million One Hundred Three Thousand Nine

Hundred Fifty and 99/100

DOLLARS (\$ 1,103,950.99

) in lawful money of the United States of America to be paid to the said Principal, their heirs, executors, administrators, successors and assigns for the payment of which well and truly to be made, the said principal and surety hereby bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT

WHEREAS order was rendered by the District Court of the State of Nevada, in the above entitled cause, in favor of Plaintiffs against the Defendants.

WHEREAS, the Defendants intend to appeal to the Supreme Court from the above mentioned order and the whole thereof, and said Defendants desires to suspend the execution of the Order above described pending appeal;

NOW THEREFORE, if the Order against the Defendants is affirmed, the order shall be satisfied, together with costs on the appeal, interest, in such amount however as shall not exceed the amount of this Bond, but if the Defendants shall prosecute his appeal with effect, this bond shall be of no force and effect.

IN WITNESS WHERE, the said Principal has signed these presents and the Surety has likewise signed and executed these presents this 31st day of March, 2023

MEI-GSR Holdings, LLC, AM-GSR, LLC,
Gage Village Commercial Development, LLC

Fidelity and Deposit Company of Maryland

BY: _____

BY: Heather Saltarelli

Attorney-in-Fact

Heather Saltarelli

NEVADA RESIDENT AGENT:

BY: Rachelle Castro Rheault

Rachelle Castro Rheault, Non-Resident Agent
License No. 626067

APPX0097

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

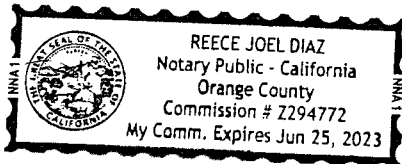
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Orange)
 On MAR 31 2023 before me, Reece Joel Diaz, Notary Public,
 Date Here Insert Name and Title of the Officer
 personally appeared Heather Saltarelli
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☒ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

ACKNOWLEDGMENT

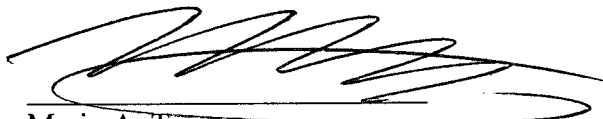
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Los Angeles)

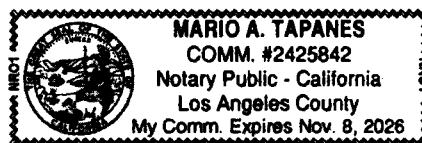
On **MARCH 31, 2023**, before me, **MARIO A. TAPANES**, a Notary Public, personally appeared **ALEX MERUELO** and **LUIS A. ARMONA**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Mario A. Tapanes
Notary Public



Notary Commission No. : 2425842
Commission Expires: 11/08/2026
Notary Phone: (562) 745-2355

The data below is not required by law and is for identification purposes only. The Notary does not attest to its truthfulness, accuracy, or validity. The failure to include any information below does not affect the validity of this certificate. Furthermore, the Notary Public completing this certificate does not verify the truthfulness, accuracy, or validity of the information below.

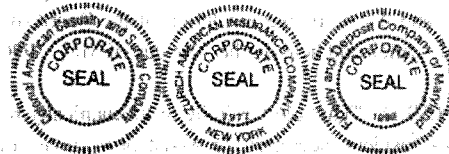
Signer Capacity:	Principals
Signer is Representing:	Doty Bros. Equipment Company
Title/Type of Document:	Certification Affidavit
Date of Document:	March 31, 2023
Number of Pages:	Two (2) excluding this Page and any other similar ones
Other Signers:	None

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"); by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint James A. SCHALLER, Heather SALTARELLI, Mike PARIZINO, Rachelle RHEAULT, Rhonda C. ABEL, Kim LUU, Jeri APODACA, Janice R. MARTIN, Leigh MCDONOUGH, Reece Joel DIAZ of **Irvine, California**, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 16th day of March, A.D. 2022.



ATTEST:
**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: *Robert D. Murray*
Vice President

By: *Dawn E. Brown*
Secretary

**State of Maryland
County of Baltimore**

On this 16th day of March, A.D. 2022, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2023

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this _____ day of **MAR 31 2023**.



MJ Pethick
By: **Mary Jean Pethick**
Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056
Ph: 800-626-4577

If your jurisdiction allows for electronic reporting of surety claims, please submit to:
reportsfclaims@zurichna.com

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

APPX0101

EXHIBIT 12

Jordan T. Smith, Esq., Bar No. 12097

JTS@pisanellibice.com

PISANELLI BICE PLLC

400 South 7th Street, Suite 300

Las Vegas, Nevada 89101

Telephone: 702.214.2100

Facsimile: 702.214.2101

Abran Vigil, Esq., Bar No. 7548

abran.vigil@meruelogroup.com

Ann Hall, Esq., Bar No. 5447

ann.hall@meruelogroup.com

David C. McElhinney, Esq., Bar No. 0033

david.mcelhinney@meruelogroup.com

MERUELO GROUP, LLC

Legal Services Department

5th Floor Executive Offices

2535 Las Vegas Boulevard South

Las Vegas, NV 89109

Tel: (562) 454-9786

Attorneys for Defendants

MEI-GSR Holdings, LLC;

Gage Village Commercial Development, LLC;

and AM-GSR Holdings, LLC

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

ALBERT THOMAS, individually; JANE
DUNLAP, individually; JOHN DUNLAP,
individually; BARRY HAY, individually;
MARIE-ANNE ALEXANDER, as Trustee of
the MARIE-ANNIE ALEXANDER LIVING
TRUST; MELISSA VAGUJHELYI and
GEORGE VAGUJHELYI, as Trustees of the
GEORGE VAGUJHELYI AND MELISSA
VAGUJHELYI 2001 FAMILY TRUST
AGREEMENT, U/T/A APRIL 13, 2001; D'
ARCY NUNN, individually; HENRY NUNN,
individually; MADELYN VAN DER BOKKE,
individually; LEE VAN DER BOKKE,
individually; DONALD SCHREIFELS,
individually; ROBERT R. PEDERSON,
individually and as Trustee of the PEDERSON
1990 TRUST; LOU ANN PEDERSON,
individually and as Trustee of the PEDERSON
1990 TRUST; LORI ORDOVER, individually;
WILLIAM A. HENDERSON, individually;
CHRISTINE E. HENDERSON, individually;
LOREN D. PARKER, individually; SUZANNE
C. PARKER, individually; MICHAEL IZADY,
individually; STEVEN TAKAKI, individually;

Case No.: CV12-0222
Dept. No.: 10 (Senior Judge)

FINAL JUDGMENT

1 FARAD TORABKHAN, individually; SAHAR
2 TAVAKOL, individually; M&Y HOLDINGS,
3 LLC; JL&YL HOLDINGS, LLC; SANDI
4 RAINES, individually; R. RAGHURAM,
5 individually; USHA RAGHURAM,
6 individually; LORI K. TOKUTOMI,
7 individually; GARRET TOM, individually;
8 ANITA TOM, individually; RAMON
9 FADRILAN, individually; FAYE FADRILAN,
10 individually; PETER K. LEE and MONICA L.
11 LEE, as Trustees of the LEE FAMILY 2002
12 REVOCABLE TRUST; DOMINIC YIN,
13 individually; ELIAS SHAMIEH, individually;
14 JEFFREY QUINN individually; BARBARA
15 ROSE QUINN individually; KENNETH
16 RICHE, individually; MAXINE RICHE,
17 individually; NORMAN CHANDLER,
18 individually; BENTON WAN, individually;
19 TIMOTHY D. KAPLAN, individually;
20 SILKSCAPE INC.; PETER CHENG,
21 individually; ELISA CHENG, individually;
22 GREG A. CAMERON, individually; TMI
23 PROPERTY GROUP, LLC; RICHARD LUTZ,
24 individually; SANDRA LUTZ, individually;
25 MARY A. KOSSICK, individually; MELVIN
26 CHEAH, individually; DI SHEN, individually;
27 NADINE'S REAL ESTATE INVESTMENTS,
28 LLC; AJIT GUPTA, individually; SEEMA
GUPTA, individually; FREDRICK FISH,
individually; LISA FISH, individually;
ROBERT A. WILLIAMS, individually;
JACQUELIN PHAM, individually; MAY ANN
HOM, as Trustee of the MAY ANN HOM
TRUST; MICHAEL HURLEY, individually;
DOMINIC YIN, individually; DUANE
WINDHORST, individually; MARILYN
WINDHORST, individually; VINOD BHAN,
individually; ANNE BHAN, individually; GUY
P. BROWNE, individually; GARTH A.
WILLIAMS, individually; PAMELA Y.
ARATANI, individually; DARLENE
LINDGREN, individually; LAVERNE
ROBERTS, individually; DOUG MECHAM,
individually; CHRISINE MECHAM,
individually; KWANGSOO SON, individually;
SOO YEUN MOON, individually; JOHNSON
AKINDODUNSE, individually; IRENE
WEISS, as Trustee of the WEISS FAMILY
TRUST; PRAVESH CHOPRA, individually;
TERRY POPE, individually; NANCY POPE,
individually; JAMES TAYLOR, individually;
RYAN TAYLOR, individually; KI HAM,
individually; YOUNG JA CHOI, individually;
SANG DAE SOHN, individually; KUK
HYUNG (CONNIE), individually; SANG

(MIKE) YOO, individually; BRETT
MENMUIR, as Trustee of the CAYENNE
TRUST; WILLIAM MINER, JR., individually;
CHANH TRUONG, individually; ELIZABETH
ANDERS MECUA, individually; SHEPHERD
MOUNTAIN, LLC; ROBERT BRUNNER,
individually; AMY BRUNNER, individually;
JEFF RIOPELLE, individually; PATRICIA M.
MOLL, individually; DANIEL MOLL,
individually; and DOE PLAINTIFFS 1
THROUGH 10, inclusive ,

Plaintiff(s),

v.

MEI-GSR HOLDINGS, LLC, a Nevada
Limited Liability Company, AM-GSR
HOLDINGS, LLC, a Nevada Limited Liability
Company, GRAND SIERRA RESORT UNIT
OWNERS' ASSOCIATION, a Nevada
Nonprofit Corporation, GAGE VILLAGE
COMMERCIAL DEVELOPMENT, LLC., a
Nevada Limited Liability Company, and DOES
I-X inclusive,

Defendant(s).

This matter having come before the Court for a default prove-up hearing from March 23, 2015 to March 25, 2015, with Findings of Fact and Conclusions of Law and Judgment entered October 9, 2015, and again before the Court on July 8, 2022 and July 18, 2022 on Plaintiffs' November 6, 2015 Motion in Support of Punitive Damages Award, with an Order entered on January 17, 2023,

IT IS HEREBY ORDERED AND ADJUDGED that judgment is entered in favor of Plaintiffs and against Defendants as follows:

1. Against MEI-GSR in the amount of \$442,591.83 for underpaid revenues to Unit owners;
2. Against MEI-GSR in the amount of \$4,152,669.13 for the rental of units of owners who had no rental agreement;
3. Against MEI-GSR in the amount of \$1,399,630.44 for discounting owner's rooms without credits;
4. Against MEI-GSR in the amount of \$31,269.44 for discounted rooms with credits;
5. Against MEI-GSR in the amount of \$96,084.96 for "comp'd" or free rooms;

1 6. Against MEI-GSR in the amount of \$411,833.40 for damages associated with the bad
2 faith "preferential rotation system";

3 7. Against MEI-GSR in the amount of \$1,706,798.04 for improperly calculated and
4 assessed contracted hotel fees;

5 8. Against MEI-GSR in the amount of \$77,338.31 for improperly collected assessments;

6 **TOTAL COMPENSATORY DAMAGES.....\$8,318,215.54**

7 IT IS FURTHER ORDERED AND ADJUDGED that Plaintiffs be given and granted
8 punitive damages against Defendants in the total amount of **\$9,190,521.92**.

9 This Judgment shall accrue pre- and post-judgment at the applicable legal rate as provided
10 by Nevada law until fully satisfied. No pre-judgment interest shall accrue on the punitive damages
11 award.

12 IT IS FURTHER ORDERED AND ADJUDGED that Defendants shall take nothing by
13 way of their counterclaims which were previously stricken by the Court.

14
15 Dated this 2nd day of February, 2023

16
17 
18 THE HONORABLE ELIZABETH G. GONZALEZ
(RET.)

19 Respectfully submitted by:

20 PISANELLI BICE PLLC

21
22 By: /s/ Jordan T. Smith
23 Jordan T. Smith, Esq., #12097
24 400 South 7th Street, Suite 300
25 Las Vegas, Nevada 89101

26 *Attorneys for Defendants/Appellants*
27 *MEI-GSR Holdings, LLC;*
28 *Gage Village Commercial Development, LLC;*
and AM-GSR Holdings, LLC

EXHIBIT 13

Hon. Elizabeth Gonzalez (Ret.)
Sr. District Court Judge
PO Box 35054
Las Vegas, NV 89133

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

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada
Limited Liability Company, et al

Defendant.

) ORDER

) Case#: CV12-02222

) Dept. 10 (Senior Judge)

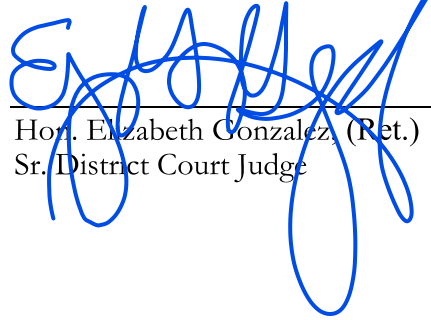
Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being fully informed rules on Plaintiffs' Motion to Alter or Amend Judgment ("Motion").¹ After consideration of the briefing, the Court grants the Motion in part.

Consistent with the Order Granting in Part and Denying in Part Plaintiffs' Motion to Alter or Amend Judgment, filed March 7, 2019 the Final Judgment will be amended to recognize the joint liability of Defendants AM-GSR Holdings, LLC and Gage Village Development, LLC for compensatory damages, only.

¹ The court has also reviewed the Opposition filed March 1, 2023 and the Reply filed on March 8, 2023..

1 Plaintiffs' counsel to prepare and submit an amended judgment.

2 Dated this 27th day March, 2023.

3 
4 _____
5 Hon. Elizabeth Gonzalez (Ret.)
6 Sr. District Court Judge
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CERTIFICATE OF SERVICE

I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT; that on the 27th day of March, 2023, I electronically filed the foregoing with the Clerk of the Court system which will send a notice of electronic filing to the following:

DALE KOTCHKA-ALANES
DANIEL POLSENBERG, ESQ.
DAVID MCELHINNEY, ESQ.
BRIANA COLLINGS, ESQ.
ABRAN VIGIL, ESQ.
JONATHAN TEW, ESQ.
JARRAD MILLER, ESQ.
TODD ALEXANDER, ESQ.
F. DEARMOND SHARP, ESQ.
STEPHANIE SHARP, ESQ.
G.DAVID ROBERTSON, ESQ.
ROBERT EISENBERG, ESQ.
JENNIFER HOSTETLER, ESQ.
ANN HALL, ESQ.
JAMES PROCTOR, ESQ.
JORDAN SMITH, ESQ.




EXHIBIT 14

Hon. Elizabeth Gonzalez (Ret.)
Sr. District Court Judge
PO Box 35054
Las Vegas, NV 89133

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

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada
Limited Liability Company, et al

Defendant.

) ORDER

) Case#: CV12-02222

) Dept. 10 (Senior Judge)

) AMENDED FINAL JUDGMENT

This matter having come before the Court for a default prove-up hearing from March 23, 2015 to March 25, 2015, with Findings of Fact and Conclusions of Law and Judgment entered October 9, 2015, and again before the Court on July 8, 2022 and July 18, 2022 on Plaintiffs' November 6, 2015 Motion in Support of Punitive Damages Award, with an Order entered on January 17, 2023,
IT IS HEREBY ORDERED AND ADJUDGED that judgment is entered in favor of Plaintiffs and against Defendants as follows:

1. Against MEI-GSR Holdings, LLC ("MEI-GSR") and AM-GSR Holdings, LLC ("AM-GSR") in the amount of \$442,591.83 for underpaid revenues to Unit owners;

2. Against MEI-GSR, AM-GSR, and Gage Village Development, LLC in the amount of \$4,152,669.13 for the rental of units of owners who had no rental agreement;

1 3. Against MEI-GSR and AM-GSR in the amount of \$1,399,630.44 for discounting owner's rooms
2 without credits;

3 4. Against MEI-GSR and AM-GSR in the amount of \$31,269.44 for discounted rooms with credits;

4 5. Against MEI-GSR and AM-GSR in the amount of \$96,084.96 for "comp'd" or free rooms;

5 6. Against MEI-GSR and AM-GSR in the amount of \$411,833.40 for damages associated with the
6 bad faith "preferential rotation system";

7 7. Against MEI-GSR and AM-GSR in the amount of \$1,706,798.04 for improperly calculated and
8 assessed contracted hotel fees;

9 8. Against MEI-GSR and AM-GSR in the amount of \$77,338.31 for improperly collected
10 assessments;

11 TOTAL COMPENSATORY DAMAGES \$8,318,215.54

12 IT IS FURTHER ORDERED AND ADJUDGED that Defendant AM-GSR Holdings, LLC is
13 jointly and severally liable with MEI-GSR, for these compensatory damages, only.

14 IT IS FURTHER ORDERED AND ADJUDGED that Defendant Gage Village Development is
15 jointly and severally liable with MEI-GSR for the sum of \$4,152,669.13 in compensatory damages,
16 only.

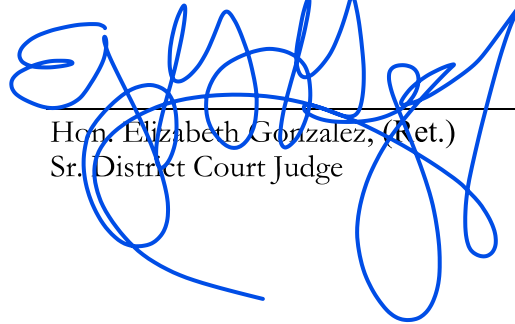
17 IT IS FURTHER ORDERED AND ADJUDGED that Plaintiffs be given and granted punitive
18 damages against Defendants MEI-GSR in the total amount of \$9,190,521.92.

19 This Judgment shall accrue pre- and post-judgment interest at the applicable legal rate as provided
20 by Nevada law until fully satisfied. No pre-judgment interest shall accrue on the punitive damages
21 award.

1 IT IS FURTHER ORDERED AND ADJUDGED that Defendants shall take nothing by way of
2 their counterclaims which were previously stricken by the Court.

3 Dated this 10th day April, 2023.

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Hon. Elizabeth Gonzalez, (Ret.)
Sr. District Court Judge

CERTIFICATE OF SERVICE

I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT;
that on the 10th day of April, 2023, I electronically filed the foregoing with the
Clerk of the Court system which will send a notice of electronic filing to the following:

DALE KOTCHKA-ALANES
DANIEL POLSENBERG, ESQ.
DAVID MCELHINNEY, ESQ.
BRIANA COLLINGS, ESQ.
ABRAN VIGIL, ESQ.
JONATHAN TEW, ESQ.
JARRAD MILLER, ESQ.
TODD ALEXANDER, ESQ.
F. DEARMOND SHARP, ESQ.
STEPHANIE SHARP, ESQ.
G.DAVID ROBERTSON, ESQ.
ROBERT EISENBERG, ESQ.
JENNIFER HOSTETLER, ESQ.
ANN HALL, ESQ.
JAMES PROCTOR, ESQ.
JORDAN SMITH, ESQ.

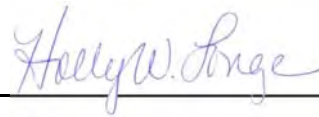


EXHIBIT 15

DISTRICT COURT
WASHOE COUNTY,
NEVADA

FILED
Electronically
CV12-02222
2023-03-13 10:48:10 AM
Alicia L. Lerud
Clerk of the Court
Transaction # 9554707

BOND # 9423025

Albert Thomas, individually, et al.)
)
Plaintiffs,)
)
vs.)
MEI-GSR Holdings, LLC, Grand Sierra)
Resort Owners Association, Gage Village)
Commercial Development, LLC, AM-GSR)
Holdings, LLC Defendants)
)

SUPERSEDEAS BOND ON APPEAL

Case No. CV12-02222

KNOW ALL MEN BY THESE PRESENTS:

That we, MEI-GSR Holdings, LLC, Gage Village Commercial Development, LLC, and AM-GSR Holdings, LLC, as Principal, and Fidelity and Deposit Company of Maryland / Zurich American Insurance Company, a corporation duly organized and existing under and by virtue of the laws of the State of Illinois / New York and fully authorized to transact business in the State of Nevada, as Surety, are held and firmly bound unto Plaintiffs Albert Thomas, et al. in the full sum of Twenty Nine Million Four Hundred Forty Four Thousand

Three Hundred Thirty Eight and 79/100 DOLLARS (\$ 29,444,338.79) in lawful money of the United States of American to be paid to the said Principal, their heirs, executors, administrators, successors and assigns for the payment of which well and truly to be made, the said principal and surety hereby bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT

WHEREAS judgment was rendered by the District Court of the State of Nevada, in the above entitled cause, in favor of Plaintiff's against the Defendants.

WHEREAS, the Defendants has appealed to the District Court, Washoe County, Nevada from the above mentioned judgment and the whole thereof, and said Defendants desires to suspend the execution of the judgment above described pending appeal;

NOW THEREFORE, if the judgment against the Defendants is affirmed, the judgment shall be satisfied, together with costs on the appeal, inter est, in such amount however as shall not exceed the amount of this Bond, but if the Defendants shall prosecute his appeal with effect, this bond shall be of no force and effect.

IN WITNESS WHERE, the said Principal has signed these presents and the Surety has likewise signed and executed these presents this 9th day of March, 2023.

MEI-GSR Holdings, LLC
Gage Village Commercial Development, LLC
AM-GSR Holdings, LLC

BY: _____

Fidelity and Deposit Company of Maryland /
Zurich American Insurance Company

BY: Heather Saltarelli

Attorney-in-Fact

Heather Saltarelli, Attorney-in-Fact

NEVADA RESIDENT AGENT:

BY: Rachelle Castro Rheault

Rachelle Castro Rheault, Non-Resident Agent
License No. 626067

APPX0113

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

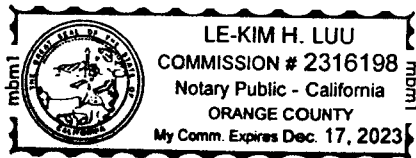
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On MAR 09 2023 before me, Le-Kim H. Luu, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Heather Saltarelli
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
Individual ☒ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8. of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint James A. SCHALLER, Heather SALTARELLI, Mike PARIZINO, Rachelle RHEAULT, Rhonda C. ABEL, Kim LUU, Jeri APODACA, Janice R. MARTIN, Leigh MCDONOUGH, Reece Joel DIAZ of **Irvine, California**, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 16th day of March, A.D. 2022.



ATTEST:
**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: **Robert D. Murray**
Vice President

By: **Dawn E. Brown**
Secretary

**State of Maryland
County of Baltimore**

On this 16th day of March, A.D. 2022, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2023

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

APPX0115

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this _____ day of MAR 09 2023.



MJ Pethick
By: Mary Jean Pethick
Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056
Ph: 800-626-4577

If your jurisdiction allows for electronic reporting of surety claims, please submit to:
reportsfclaims@zurichna.com

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

APPX0116

ACKNOWLEDGMENT

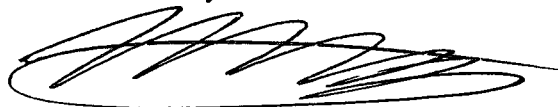
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Los Angeles)

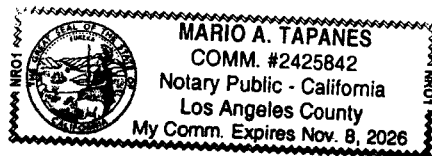
On **MARCH 10, 2023**, before me, **MARIO A. TAPANES**, a Notary Public, personally appeared **ALEX MERUELO**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Mario A. Tapanes
Notary Public



Notary Commission No. : 2425842
Commission Expires: 11/08/2026
Notary Phone: (562) 745-2355

The data below is not required by law and is for identification purposes only. The Notary does not attest to its truthfulness, accuracy, or validity. The failure to include any information below does not affect the validity of this certificate. Furthermore, the Notary Public completing this certificate does not verify the truthfulness, accuracy, or validity of the information below.

Signer is Representing: MEI-GSR Holdings, LLC; Gage Village Commercial Development , LLC;
AM-GSR Holdings, LLC

Title/Type of Document: Supersedeas Bond on Appeal; Bond #9423025; Washoe County District
Court Case No. CV12-02222

Date of Document: March 9, 2023

Other Signers: Fidelity and Deposit Company of Maryland / Zurich American Insurance
Co by Healthier Salterelli, Attorney-in-Fact

1
2 SECOND JUDICIAL DISTRICT COURT
3 COUNTY OF WASHOE, STATE OF NEVADA

4 AFFIRMATION
5 Pursuant to NRS 239B.030 and 603A.040

6 The undersigned does hereby affirm that the preceding document, (title of document)

7 Supersedeas Bond on Appeal
8 file in case number: CV 12-02222

9
10 (☒ mark one)

11 ☒ Document does not contain the personal information of any person.

12
13 ☐ Document contains the social security number of a person as required by: (☒ mark one)

14 ☐ A specific state or federal law, to wit: (write the specific state or federal law)

15 _____
16 ☐ For the administration of a public program

17 ☐ For the administration for a federal or state grant

18 ☐ Confidential Family Court Information Sheet (NRS 125.130, NRS 125.230, and
19 NRS 125B.055)

20
21
22 DATED this (day) 13th day of (month) March, 2023

23
24 Submitted By: (Your signature) David C. McElhenny

25 (Print your name) David C. McElhenny

26 (Attorney for) Defendants

EXHIBIT 16

DISTRICT COURT
WASHOE COUNTY,
NEVADA

BOND # 9428110

Albert Thomas, individually, et al.)
)
 Plaintiffs,)
)
 vs.)
 MEI-GSR Holdings, LLC, Grand Sierra)
 Resort Owners Association, Gage Village)
 Commercial Development, LLC, AM-GSR)
 Holdings, LLC Defendants.)

SUPERSEDEAS BOND ON APPEAL

Case No. CV12-02222

KNOW ALL MEN BY THESE PRESENTS:

That we, MEI-GSR Holdings, LLC, Gage Village Commercial Development, LLC, and AM-GSR Holdings, LLC, as Principal, and Fidelity and Deposit Company of Maryland, a corporation duly organized and existing under and by virtue of the laws of the State of Illinois and fully authorized to transact business in the State of Nevada, as Surety, are held and firmly bound unto Plaintiffs Albert Thomas, et al. in the full sum of Forty Six Thousand Five Hundred Seventy

One and 00/100 DOLLARS (\$ 46,571.00) in lawful money of the United States of American to be paid to the said Principal, their heirs, executors, administrators, successors and assigns for the payment of which well and truly to be made, the said principal and surety hereby bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT

WHEREAS An order was rendered by the District Court of the State of Nevada, in the above entitled cause, in favor of Plaintiff's against the Defendants.

WHEREAS, the Defendants has appealed to the District Court, Washoe County, Nevada from the above mentioned order and the whole thereof, and said Defendants desires to suspend the execution of the Order above described pending appeal;

NOW THEREFORE, if the order against the Defendants is affirmed, the order shall be satisfied, together with costs on the appeal, interest, in such amount however as shall not exceed the amount of this Bond, but if the Defendants shall prosecute his appeal with effect, this bond shall be of no force and effect.

IN WITNESS WHERE, the said Principal has signed these presents and the Surety has likewise signed and executed these presents this 17th day of April, 2023.

MEI-GSR Holdings, LLC
Gage Village Commercial Development, LLC
AM-GSR Holdings, LLC

BY: _____

Fidelity and Deposit Company of Maryland

BY: Heather Saltarelli
Attorney-in-Fact

Heather Saltarelli, Attorney-in-Fact

NEVADA RESIDENT AGENT:

BY: Rachelle Castro Rheault
Rachelle Castro Rheault, Non-Resident Agent
License No. 626067

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

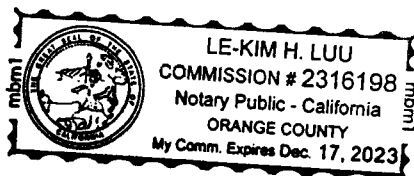
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Orange)
 On APR 17 2023 before me, Le-Kim H. Luu, Notary Public
Date Here Insert Name and Title of the Officer
 personally appeared Heather Saltarelli
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
Corporate Officer — Title(s): _____	Corporate Officer — Title(s): _____
Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General	Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
Individual <input checked="" type="checkbox"/> Attorney in Fact	Individual <input type="checkbox"/> Attorney in Fact
Trustee <input type="checkbox"/> Guardian or Conservator	Trustee <input type="checkbox"/> Guardian or Conservator
Other: _____	Other: _____
Signer Is Representing: _____	Signer Is Representing: _____

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Los Angeles)

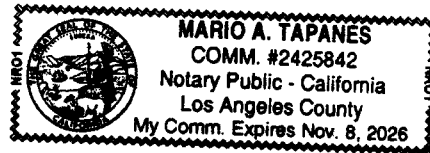
On **APRIL 18, 2023**, before me, **MARIO A. TAPANES**, a Notary Public, personally appeared **ALEX MERUELO**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Mario A. Tapanes
Notary Public



Notary Commission No. : 2425842
Commission Expires: 11/08/2026
Notary Phone: (562) 745-2355

The data below is not required by law and is for identification purposes only. The Notary does not attest to its truthfulness, accuracy, or validity. The failure to include any information below does not affect the validity of this certificate. Furthermore, the Notary Public completing this certificate does not verify the truthfulness, accuracy, or validity of the information below.

Signer is Representing: MEI-GSR Holdings LLC; Gage Village Commercial Development LLC;
 AM-GSR Holdings LLC

Title/Type of Document: Supersedeas Bond on Appeal

Date of Document: April 17, 2023

Other Signers: Healther Saltarelli, Attorney-in-Fact

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint James A. SCHALLER, Heather SALTARELLI, Mike PARIZINO, Rachelle RHEAULT, Rhonda C. ABEL, Kim LUU, Jeri APODACA, Janice R. MARTIN, Leigh MCDONOUGH, Reece Joel DIAZ **of Irvine, California**, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 16th day of March, A.D. 2022.



ATTEST:
**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: *Robert D. Murray*
Vice President

By: *Dawn E. Brown*
Secretary

**State of Maryland
County of Baltimore**

On this 16th day of March, A.D. 2022, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2023

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

APPX0122

1
2 SECOND JUDICIAL DISTRICT COURT
3 COUNTY OF WASHOE, STATE OF NEVADA

4 AFFIRMATION
5 Pursuant to NRS 239B.030 and 603A.040

6 The undersigned does hereby affirm that the preceding document, *(title of document)*

7
8 file in case number: CV12-02222

9
10 (☒ mark one)

11 ☒ Document does not contain the personal information of any person.

12
13 ☐ Document contains the social security number of a person as required by: (☒ mark one)


14 ☐ A specific state or federal law, to wit: *(write the specific state or federal law)*

15
16 ☐ For the administration of a public program

17 ☐ For the administration for a federal or state grant

18 ☐ Confidential Family Court Information Sheet (NRS 125.130, NRS 125.230, and
19 NRS 125B.055)

20
21
22 DATED this (day) 19th day of (month) April, 2023

23
24 Submitted By: (Your signature) 

25 (Print your name) ANN O. HALL

26 (Attorney for) _____
27
28

EXHIBIT 17

Hon. Elizabeth Gonzalez (Ret.)
Sr. District Court Judge
PO Box 35054
Las Vegas, NV 89133

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

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada
Limited Liability Company, et al

Defendant.

) ORDER

) Case#: CV12-02222

) Dept. 10 (Senior Judge)

Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being fully informed rules on both of DEFENDANTS' MOTIONS TO RETAX COSTS ("Motions to Retax").¹ The Motions to Retax are granted in part² and denied in part.

The early filing of a memorandum of costs and disbursements is not fatal to an award under NRS 18.110(1).

¹ The Court has reviewed the Verified Memorandum of Costs and Disbursements, filed October 16, 2015; Defendants Motion to Retax, filed October 22, 2015; Plaintiffs Opposition, filed November 9, 2015; Defendants Reply, filed November 23, 2015; Plaintiffs' Supplemental Verified Memorandum of Costs, filed January 20, 2023; Defendants Motion to Retax Costs, filed on January 23, 2023; Plaintiffs' Opposition to Defendants' Motion to Retax Costs filed on February 13, 2023; and, Defendants Reply in Support of Defendants' Motion to Retax Costs filed on March 1, 2023. The original motion was deferred by written order entered on December 17, 2015. The Court notes Plaintiffs have voluntarily withdrawn their request for the outside paralegal costs as these were awarded as part of the motion for attorneys' fees.

² The Court grants the Motions to Retax as to Fed Ex shipments, hand deliveries, and mileage for hand deliveries and working lunches and dinners (not related to deposition travel) as these are not specifically included in the statute and given the local nature of these proceedings, not in the Court's estimation recoverable.

1 NRS 18.020 requires an award of costs to the prevailing party. The costs included in both
2 memoranda of costs and disbursements are reasonable in amount, sufficiently documented, and
3 appear to have been necessary for the prosecution of the action.

4 *Excess expert expenses*

5
6 NRS 18.005(5) limits expert expenses to \$1500. Plaintiffs seek recovery of excess fees for two
7 experts – a forensic accountant and an ESI/ forensic analyst. Both of these experts testified in
8 judicial proceedings in this matter. Each of these experts are in specialized disciplines that were
9 necessary to prosecute this matter and provided information that was relied upon by the Court.³
10
11 There are several factors that favor granting Plaintiffs their entire request for both experts. Both
12 expert's opinions (represented by statements made in court) aided the judicial officers in deciding the
13 case. Neither expert was cumulative to other witnesses. The work performed by both experts was
14 necessary given the posture of the case.

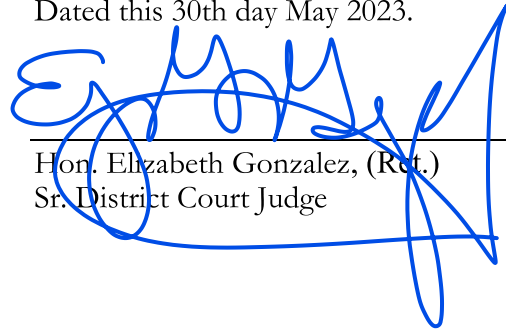
15 With respect to Mr. Mare, the ESI/forensic analyst, the long-standing discovery disputes between
16 the Plaintiffs and Defendants are well documented and necessitated specialized expertise to discover
17 electronically stored information which had not previously been produced. The rates and expenses
18 related to this are reasonable and consistent with other Nevada practitioners in this area. Using
19 someone outside of Reno was not unreasonable under the circumstances here.

20
21 Mr. Greene's testimony was critical to both Plaintiffs' liability and damages case. The complex
22 forensic accounting work done related to the unit rental program and associated expenses assessed
23 by Defendants was crucial to the Court's determination on compensatory damages. The
24 categorization of damages among the causes of action allowed the current Senior Judge to make an
25

26
27 ³ This matter has endured significant judicial turnover and related delays. After the initial judge was defeated in a
28 contested election, the entire Second Judicial District recused itself from this matter. (Affidavit of Bias, filed December
28, 2020; Order Disqualifying All Judicial Officers of the Second Judicial District Court, filed January 21, 2021.) The
matter was then assigned to three successive Senior Judges.

1 appropriate award of punitive damages without reconvening the trial. Greene's expenses are
2 comparable to those of other forensic accountants in the Reno area.
3 Plaintiffs' counsel is directed to prepare an amended judgment consistent with this order including
4 updated calculations by category for each of the Motions to Retax. After review and comment by
5 opposing counsel, Plaintiffs' counsel is directed to submit the amended judgment for review and
6 signature.
7

8 Dated this 30th day May 2023.

9
10 A handwritten signature in blue ink, appearing to read 'Elizabeth Gonzalez', is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke extending to the right.
11 Hon. Elizabeth Gonzalez, (Ret.)
12 Sr. District Court Judge
13
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1 **CERTIFICATE OF SERVICE**

2 I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT;
3 that on the 30th day of May, 2023, I electronically filed the foregoing with the Clerk of
4 the Court system which will send a notice of electronic filing to the following:

5 DALE KOTCHKA-ALANES
6 DANIEL POLSENBERG, ESQ.
7 DAVID MCELHINNEY, ESQ.
8 BRIANA COLLINGS, ESQ.
9 ABRAN VIGIL, ESQ.
10 JONATHAN TEW, ESQ.
11 JARRAD MILLER, ESQ.
12 TODD ALEXANDER, ESQ.
13 F. DEARMOND SHARP, ESQ.
14 STEPHANIE SHARP, ESQ.
15 G. DAVID ROBERTSON, ESQ.
16 ROBERT EISENBERG, ESQ.
17 JENNIFER HOSTETLER, ESQ.
18 ANN HALL, ESQ.
19 JAMES PROCTOR, ESQ.
20 JORDAN SMITH, ESQ.

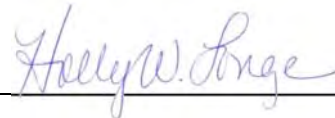
21
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EXHIBIT 18

*** ROUGH DRAFT ***

1 RENO, NEVADA, FRIDAY, JUNE 9, 2023, 3:00 P.M.

2 -o0o-

3

4 THE COURT: Thank you. So let me get through the
5 whole thing, and then if you want to ask questions or ask me
6 for clarification, please do. But I want to get through the
7 whole thing and I have been typing on it all week, so it's
8 four pages long single spaced.

9 Okay. Counsel, I want to thank all of you for the
10 professional and competent way in which you have all
11 participated in this difficult proceeding. As we all know,
12 I am the most recent in a long succession of Judicial
13 Officers assigned or making decisions in this matter. Those
14 include Discovery Commissioner Ayers, Judge Sattler,
15 Judge Sigurdson, Chief Judge Freeman, Senior Judge Kosach,
16 Senior Judge Maddox, Senior Justice Saitta, and Chief Judge
17 Simons.

18 I am not in a position to second-guess the
19 decisions of the Judicial Officers who have made decisions
20 before my assignment or to modify the decision that those
21 Officers have made.

22 Senior Judges assigned to a case under the Senior
23 Judge Program do not have a dedicated staff to rely upon to

APPX0128

16 \$274,679.44.

17 Given the ambiguity in the orders, the Court
18 concludes that these failures do not rise to the level of
19 contempt for four of the seven applications for OSC.
20 Defendants are to prepare an order reflecting this decision
21 on the applications filed September 27, 2021, November 19th,
22 2021, April 25th, 2022, and December 28th, 2022.

23 With respect to the May 23rd, 2023, Application
24 for Order to Show Cause, the Court recognizes the concerns

5

*** ROUGH DRAFT ***

↑

1 expressed by all parties and the Receiver about his ability
2 to rent the units during the period of the implementation of
3 the dissolution plan. As such, the Court declines to hold
4 the Defendants in contempt for failure to rent the units
5 during the limited period which is the subject of that
6 motion.

7 The Court modifies its March 14th, 2023, Order
8 filed at 12:42 p.m. to accommodate those issues. As those
9 units are now being rented through Defendants, the Court
10 orders that, one, Defendants will rent the units in a fair
11 rotation; two, rather than providing the gross rents or
12 revenue for the 95 units beneficially owned by the
13 Plaintiffs and 560 units beneficially owned by entities

14 affiliated with any of the Defendants as outlined in the
15 Appointment Order, GSR will pay its pro rata share of all
16 expenses of the receivership on a monthly basis as submitted
17 by the Receiver.

18 The amount of gross rents or revenue for the
19 95 units beneficially owned by the Plaintiffs will be
20 provided to the Receiver on a monthly basis after the
21 internal accounting controls by Defendants' Finance
22 Department have been completed.

23 Within 10 business days of receipt, the Receiver
24 will calculate the estimated expenses previously approved by

6

*** ROUGH DRAFT ***

↑

1 the Court as set forth in the January 26, 2023, order filed
2 at 8:31 a.m. and the pro rata share of expenses of the
3 receivership for the 95 units beneficially owned by the
4 Plaintiffs to be deducted from the gross rents and forward a
5 spreadsheet to all counsel by electronic mail calculating
6 the net rents to be paid to each unit owner, including those
7 entities affiliated with the Defendants.

8 Any objection to the calculation of the net rents
9 to be paid to each unit owner shall be filed within three
10 business days with an Application for Order Shortening Time
11 concurrently submitted to the Court. If no objection is

10 ordered that Defendants and any other person or entity who
11 may have possession, custody or control of any property,
12 including any of their agents, representatives, assignees,
13 and employees shall do the following: Turn over to the
14 Receiver all rents, dues, reserves and revenues derived from
15 the Property wherever and in whatsoever mode maintained."

16 This language is clear and unambiguous. While the
17 Receiver has testified that he initially chose to monitor
18 the existing reserve accounts rather than opening new
19 accounts, this did not change the entity who was in control
20 of those funds.

21 On September 15th, 2021, a request was renewed by
22 Receiver's counsel to transfer the funds, including the
23 reserve funds, regardless of the account the reserve funds
24 were in. Since the appointment of the Receiver, the reserve



1 funds have been under the control of the Receiver pursuant
2 to the Appointment Order.

3 Neither the Court nor the Receiver authorized any
4 withdrawal of funds from the reserve account. Although the
5 Defendants filed motions with the Court to approve certain
6 capital expenditures, they did not obtain a decision.

7 The Court finds by clear and convincing evidence

8 that Defendants willfully violated the Appointment Order by
9 withdrawing \$3,562,441.28 in 2021 and \$12,892,660.18 in 2022
10 from the reserve accounts without approval by the Receiver
11 or the Court. These funds have not been returned to the
12 reserve accounts.

13 Defendants claim those amounts were largely for
14 prepayment of expenses for the remodel of the condominiums.
15 Less than 300 units have been remodeled, most owned by
16 entities affiliated with the Defendants. As the Association
17 has been dissolved at the request of Defendants prior to
18 completing the remodel, this wrongful conduct is magnified.

19 Despite the willful misappropriation of the
20 reserve funds by Defendants, the Court is limited to the
21 penalties in NRS 22.100. The Court orders the following:
22 Within 30 days of the entry of the written order, Defendants
23 are to return the \$16,455,101.46 misappropriated from the
24 reserve fund along with interest that would have been earned



1 in the reserve account, or statutory interest, whichever is
2 higher, from the date of the withdrawals.

3 Within 45 days of the entry of the written order,
4 transfer all of the reserve funds to a separate interest
5 bearing account designated by the Receiver. Fines will be