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	1	NOAS	CLERK OF THE COURT
	2	TODD E. KENNEDY, ESQ. Nevada Bar No. 6014	Den S. Line
		KENNEDY & COUVILLIER	
	3	3271 E. Warm Springs Rd.	
	4	Las Vegas, Nevada 89120 702-605-3440	Electronically Filed
	5	Tkennedy@kclawnv.com	Apr 20 2023 01:31 PM
	6	Attorneys for Movant CLA Properties, LLC	Elizabeth A. Brown Clerk of Supreme Court
	7	_	
	8	DISTI	RICT COURT
	9	CLARK CO	DUNTY, NEVADA
	10	CLA Properties, LLC, a California limited Liability company,) Case No: A-22-854413-B) Dept.: 31
	11	Movant (Respondent in)
	12	Arbitration)	<i>)</i>)
	13	v.	NOTICE OF APPEAL
	14))
5		SHAWN BIDSAL, an individual)
i awi	15	Respondent (Claimant in	<i>)</i>)
N. W.	16	Arbitration).)
3	17)
	18	PLEASE TAKE NOTICE that CL	A Properties, LLC, movant below, appeals to the
	19	Supreme Court of Nevada from the Ord	er Granting Bidsal's Countermotion To Confirm
	20	Arbitration and Denying CLA Properties, L	LC's Motion To Vacate Arbitration Award, entered
	21	by the Honorable Joanna S. Kishner, Distri	et Court Judge, on March 20, 2023. A copy of the
	22	0.4	
	23	Order appealed from is attached.	
			VENNEDY & COLIVILLIED DILIC
	24		KENNEDY & COUVILLIER, PLLC
	25		/s/ Todd E. Vonnady, Egg
	26		/s/ Todd E. Kennedy, Esq. TODD E. KENNEDY, ESQ.
	27		Nevada Bar No. 6014
	28		KENNEDY & COUVILLIER 3271 E. Warm Springs Rd.
	20		Las Vegas, Nevada 89120
			702-605-3440

Docket 86438 Document 2023-12359

KENNEDY & COUVILLIER, PLLC

Ph. (702) 605-3440 🕭 FAX: (702) 625-6367

www.kclawnv.com

Tkennedy@kclawnv.com

Attorneys for Movant CLA Properties, LLC

CERTIFICATE OF SERVICE

I certify that I caused to be served the above Notice of Appeal on all counsel of record who have appeared in this matter using the Court's electronic filing and service facility April 17, 2023.

/s/ Todd E. Kennedy

An employee of Kennedy & Couvillier

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1	ORDR	
2	TODD E. KENNEDY, ESQ.	
2	Nevada Bar No. 6014	
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6	Attorneys for Movant CLA Properties, LLC	
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8	DIST	RICT COURT
9	CLARK C	OUNTY, NEVADA
10	CLA Properties, LLC, a California limited Liability company,) Case No: A-22-854413-B) Dept.: 31
11	, ,)
12	Movant (Respondent in)
12	Arbitration)) Date: February 7, 2023 Time: 9:15 a.m.
13	v.)
14	avv. va v Brader e de el el)
	SHAWN BIDSAL, an individual)
15	Respondent (Claimant in)
16	Arbitration).)
	Í	,

ORDER GRANTING BIDSAL'S COUNTERMOTION TO CONFIRM ARBITRATION AWARD AND DENYING CLA PROPERTIES, LLC'S MOTION TO VACATE ARBITRATION AWARD

THIS MATTER came on before the Court on CLA PROPERTIES, LLC's ("<u>CLA</u>" or "<u>Movant</u>") Motion to Vacate Arbitration Award (NRS 38.241) and for Entry of Judgment (the "<u>Motion</u>") and on SHAWN BIDSAL's ("<u>Bidsal"</u>" or "<u>Respondent"</u>") Countermotion to Confirm Arbitration (the "<u>Countermotion</u>") on February 7, 2023. Respondent appeared by and through his attorneys of record, SMITH & SHAPIRO, PLLC and Movant appeared through its attorneys of record, REISMAN SOROKAC and KENNEDY & COUVILLIER.

The Court having entertained arguments of counsel, having held a hearing on the matters, having reviewed the papers and pleadings on file herein, the Court being fully advised in the premises, and good cause appearing:

Page 1 of 9 A-22-854413-B; ORDER DENYING MOTION TO VACATE AND GRANTING COUNTERMOTION TO CONFIRM

Case Number: A-22-854413-B

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PROCEDURAL AND RELEVANT FACTUAL BACKGROUND

A. The First Arbitration

This is the second proceeding in the Eighth Judicial District Court arising out of arbitrations between the parties in connection with a Buy-Sell provision in the Operating Agreement in a company for which CLA and Bidsal were the sole members, Green Valley Commerce, LLC ("<u>GVC</u>" or "<u>Company</u>"), a Nevada limited liability company, which owns and manages real property.

The first arbitration ("Arbitration 1") arose from the activation by Bidsal of Article V, Section 4 of the Operating Agreement permitting one member to initiate a purchase of the other member's interest ("*Buy-Sell Provision*) Arbitration 1 concluded with a Final Award issued by the Hon. Stephen E. Haberfeld on April 5, 2019.

CLA commenced an action to confirm that first arbitration award, and Bidsal responded opposing confirmation and counter-moving to vacate the award. The Court, in Case No. A-19-795188-P, confirmed the award on December 6, 2019, ordering that Bidsal perform within 14 days of this Court's confirmation order, allowing an additional four (4) days more than the ten (10) days Judge Haberfeld allowed for Bidsal to consummate the transaction. Bidsal appealed and sought and obtained a stay of the Court's order pending that appeal. The Supreme Court affirmed on March 17, 2022

B. The Second Arbitration

After confirmation by this Court of Arbitration 1 (but before any determination on appeal to the Supreme Court) Bidsal commenced a second arbitration, assigned to the Hon. David Wall (Ret.), on February 7, 2020 (JAMS Ref No. 1260005736) ("Arbitration 2"). That Arbitration 2 involved, among other things not pertinent to this Court's determination of the issues before it, a determination of what numbers should be plugged into the formula for calculation of a final sale price to be paid by CLA to Bidsal for his 50% ownership interest as ordered by Judge Haberfeld, assuming that award and the court's confirmation were affirmed on appeal by the Nevada Supreme Court and CLA's contention that the ultimate purchase consideration should be reduced

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or CLA awarded damages for profit distributions to Bidsal after what CLA contended was the date the Buy-Sell transaction should have closed under the Operating Agreement (30 days from the CLA election to buy rather than sell) in the amount of \$500,500.00 as of the time of Judge Wall issuing the final award based on CLA's argument that the required closing date of the transaction under the Operating Agreement was required to be September 3, 2017.

Judge Wall issued his final award in the second arbitration on March 12, 2022. In addition to determining the formula purchase price consideration to be paid to Bidsal by CLA to be \$1,889,010.50, the final award determined that the "effective date" of the agreement had not yet occurred because of the intervening litigation and the purchase price had not yet been paid and the transaction closed and, as a consequence, Bidsal remained a full member of the Company and entitled to the \$500,500.00 in profit distributions he had paid himself after September 3, 2017 (the date CLA contended that Bidsal's ownership interest should have transferred under the Operating Agreement and CLA would have been entitled to all of the distributions), rejecting CLA's contention that it receive a credit against the purchase price for that amount or repayment of those funds. Judge Wall's final award in the second arbitration also found Bidsal to be the prevailing party and awarded \$455,644.84 in fees and costs.

C. **Proceedings In This Action**

On June 17, 2022, CLA filed its Motion to Vacate which only challenges two aspects of Judge Wall's Arbitration 2 Final Award and is actually a motion only for partial vacation. The Motion only seeks an order vacating the determination in the final award that the "effective date" of sale did not occur until Bidsal's appeal was concluded and the purchase price as determined in Arbitration 2 actually paid to Bidsal, and that Bidsal was entitled to distributions paid to him from the Company after September 3, 2017, the date CLA contends the transaction was contractually required to close and CLA was entitled to the benefit of its bargain. CLA's Motion to (partially) Vacate also argues that if the Court grants the relief and vacates that portion of the

¹ Judge Wall did not discuss or award interest on the attorneys' fees award, nor did Bidsal raise that issue or request interest on that attorneys' fees award as part of its Counter-Motion to Confirm.

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final award, the award of attorneys' fees and costs should also be vacated because that would make CLA, not Bidsal the prevailing party.²

CLA's Motion to (partially) Vacate does not challenge any other aspect of Judge Wall's Arbitration 2 Final Award. Further, in its Opposition to Bidsal's Counter-Motion to confirm, CLA only raised the limited challenges articulated in its Motion to (partially) Vacate. discussing the procedural and factual background and the issue for determination, the Court has accordingly limited the discussion to those issues and facts relevant to the actual issue before the Court—the merits of the Motion to (partially) Vacate as the determination of CLA's Motion to (partially) Vacate necessarily determines the counter-motion.

ANALYSIS AND DECISION

The question before the Court for decision today is whether Judge Wall's arbitration award meets the standards in which the court should vacate or partially vacate the award. The Court finds that he did not and that it is appropriate to confirm the arbitration award as an order and deny the Motion to (partially) Vacate.

Both parties agreed on inquiry by the Court that the Operating Agreement provides that the arbitration shall proceed under the FAA but that outcome is the same whether analyzed under the Federal Arbitration Act or Nevada state law standards. A motion to partially vacate an arbitration award is allowable and properly before the court pursuant to Comedy Club, Inc. v. *Improv. W. Assocs.*, 553 F3d 1277, 1293 (9th Cir. 2009).

Each Arbitration Act recognizes a ground for vacating or partially vacating an arbitration award where the arbitrator exceeds his or her powers and provides various excesses for their definition of those excesses, including the arbitrator's award being completely irrational or a manifest disregard of the law. Kyocera Corp. v. Prudential-Bache Trade Servs., 341 F.3d 987, 997 (9th Cir. 2003). Additionally, review is not limited to statutory grounds. Graber v. Comstock Bank, 111 Nev. 1421, 1426, 905 P.2d 1112, 1115 (1995).

The transaction in fact closed shortly after the Supreme Court affirmed the Court's confirmation of Arbitration 1, with the purchase price paid to Bidsal by CLA in the amount determined by Judge Wall in Arbitration 2.

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As Judge Wall noted in his award, there were certain aspects, such as tender, that were outside of his scope of authority, and Judge Wall was looking at the issues specifically before him. Whether one phrases the term as "effective date" or applying back to when the letter putting into play the triggering of the sale of the membership interest under Operating Agreement Section 4.2 that date being in 2017, or some other date, the Court must look to the underlying issues presented and decided in the two arbitration awards and the underlying agreement between the parties.

Considering the underlying award by Judge Haberfeld in Arbitration 1, the Court notes that the reference by CLA to his statement of a closing within 30 days on page 11 of his award was under the section specifically entitled "'Core' Arbitration Issues" commencing on page 4 and continuing to paragraph C on page 11, which is a subparagraph of paragraph 20 which commenced on page 10 of Judge Haberfeld's award. Section C states:

C. There was no contractual residual protection available to Mr. Bidsal as to appraisal and/ or price of his Membership Interest --- which, under Section 4.2, upon Mr. Bidsal's "triggering" of the same, became "the Membership interest" which Mr. Bidsal put in play. Put another way ---although CLA put up about 70% of Green Valley's capital --- CLA and Mr. Bidsal, by agreement, each had a 50% Membership Interest in the Green Valley LLC --- so that, at that point, CLA had the election under the "buy-sell" whether to buy or sell "the" 50% Membership Interest in Green Valley put in play by Mr. Bidsal. If CLA elected to buy, rather than sell, CLA had the contractual option to compel Mr. Bidsal to sell his 50% Membership Interest to CLA at a purchase price computed via the Section 4.2 formula, based either on Mr. Bidsal's \$5 million valuation of the LLC in his July 7, 2017 Section 4.2 offer. If CLA elected to sell, rather than buy, CLA had the election to have the purchase price, via formula, set in accordance with Mr. Bidsal's offering valuation of \$5 million or a (presumably greater) valuation set via contractual third-party appraisal, also under Section 4.2, if Mr. Golshani thought an appraised valuation for purposes of sale of its 50% Membership Interest to Mr. Bidsal would be more favorable to CLA. Thus, Mr. Bidsal had no right to demand an appraisal, and under Section 4.2 Mr. Bidsal was obligated to close escrow and sell his 50% Membership Interest to CLA within 30 days after CLA elected to buy, i.e. by September 3, 2017.

That paragraph is discussing specifically the appraisal provision of Section 4.2 and the background in regards to the appraisal provision. The Court does not view that discussion and the discussion of a September 3, 2017, closing to be an affirmative ruling by Judge Haberfeld that the date for calculating damages would be September 3, 2017. Indeed, in Section V "Relief

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Granted and Denied," in paragraph 1, the specific relief provided states:

Within ten (10) days of the issuance of this Final Award, Respondent Sharam Bidsal also known as Shawn Bidsal ("Mr. Bidsal") shall (A) transfer his fifty percent (50%) Membership Interest in Green Valley Commerce, LLC ("Green Valley"), free and clear of all liens and encumbrances, to Claimant CLA Properties, LLC, at a price computed in accordance with the contractual formula set forth in Section 4.2 of the Green Valley Operating Agreement with the "FMV" portion of the formula fixed as Five Million Dollars and No Cents (\$5,000,000.00) and further, (B) execute any and all documents necessary to effectuate such sale and transfer.

Paragraph 2 of that sections states that Mr. Bidsal shall take nothing by his Counterclaim. When the Court looks at what was actually the relief granted, it was prospective, to be done within 10 days at a price to be computed by the formula in Section 4.2 of the Operating Agreement, but not actually determining the price. If it was the intention of Judge Haberfeld to have this calculation done at the 2017 price and that formula price had already been calculated, that would have been in the award. Accordingly, the actual relief awarded is what this Court confirmed in the prior arbitration and the Supreme Court affirmed, and it was not confirming any specific date for performance or calculation of damages in 2017.

Turning to the Second Arbitration Final Award, attached to the Motion To Vacate and also included in the Appendix, the analysis with regards to distributions commences at page 10. Judge Wall discussed the language of Exhibit B to the Operating Agreement regarding preferred allocations and other allocations, then he moves to 2017 onward, quoting the correct ambiguous contractual provisions which an arbitrator can do being fair and reasonable, and cites to Mohr Park Manor, Inc. v. Mohr, 83 Nev. 107, 424 P.2d 101 (1967) and Williston on Contracts for the pertinent legal authority. At Paragraph D, commencing on page 22, Judge Wall addresses the Effective Date of Sale. The Court recognizes that "Effective Date" is not a defined term or term of art within the Operating Agreement that the parties agreed to, it is a term that arose during the Second Arbitration and wasn't utilized in the First Arbitration because the fixing of a date in

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2017 or otherwise for the triggering of any damages was not addressed by Judge Haberfeld in the First Arbitration. In his determination, Judge Wall made the following determination:

In addition to the purchase price under the formula in Section 4.2 of the OA, it is necessary to determine an effective date of the sale of Bidsal's interest in GVC. Respondent avers that the effective date of sale is September of 2017, the time when Respondent contends his counteroffer transaction should have been consummated. This contention is without merit.[] The transaction has never been completed. Judge Haberfeld, in his award in April of 2019, directed that the transaction take place forthwith. He did not find an effective date of the transaction to have occurred over a year earlier. The OA provides for a procedure for completing a sale of a membership interest, which procedure has not yet been completed. Claimant has continued to act as a member (and manager) of GVC since September of 2017, and Respondent cannot now divest Claimant of his membership interest because it has not yet paid him for his interest pursuant to the OA. Bidsal has appropriately received distributions since 2017, and since he remains a member of GVC, he cannot be required to divest himself of those distributions. He has also been treated as a member for GVC for tax purposes since 2017 and paid taxes on the distributions that Respondent now seeks to claw back. Additionally, treating the sale as having an effective date of September of 2017 would require Respondent to compensate Bidsal for his services a property manager over the past four years.

It is the determination of the Arbitrator, based upon all of the relevant evidence in this matter, that the effective date of the purchase of Bidsal's interest has not yet come to pass. Pursuant to Judge Haberfeld's final award, the transfer is to take place ten days of the effective issuance thereof. As that award (through Judge Kishner's denial of Bidsal's Motion to Vacate and Order Confirming Award) has been stayed pending the appeal to the Nevada Supreme Court, enforcement Judge Haberfeld's award requiring the sale is effectively postponed. The instant Award is essentially declaratory in nature. Should the stay be lifted, Judge Haberfeld's award directing that the sale take place becomes effective and the instant Final Award has now used a reasonable interpretation of the formula in Section 4.2 to arrive at purchase price.

At footnote 12, Judge wall notes that his analysis "presumes, of course, that Judge Kishner's Order Confirming Award is upheld by the appellate court. This presumption is not based on any consideration of the merit of such an appeal, but any other presumption effectively makes this Award moot." Judge Wall further determined at the top of page 24 of the Arbitration 2 Final Award:

In closing argument, counsel for Claimant has requested interest be awarded from September of 2017 forward on the purchase price, arguing that Bidsal has lost the right to use those funds over the last four years based on CLA's failure to perform. It is the determination of the Arbitrator that Bidsal is not entitled to recover interest on funds he would've received for a transaction which has not yet occurred. Judge Haberfeld did not rule that Respondents inappropriately utilized

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the arbitration provision in the OA to determine that Bidsal must sell his interest in GVC. Similarly, the undersigned Arbitrator does not find that Bidsal inappropriately utilized the arbitration provision in the OA to institute this proceeding to arrive at a purchase price and an effective date of the sale.

The Court concludes that Judge Wall's Effective Date determination does not fall within the standards under federal or state law for vacating or partially vacating an arbitration award for exceeding his authority. The Court does not substitute its judgment for that of the arbitrator. What Judge Wall determined on this point was a well-reasoned explanation, looking at the opinions by the arbitrator/judge in the First Arbitration and whether or not that issue was directly attended, finding that the use of the dispute resolution process was not an abuse of the arbitration provision, finding that Judge Haberfeld did not rule the respondent (Bidsal) inappropriately used the arbitration provision to determine that Bidsal must sell his interest in the entity and therefore and because of the proper use of the arbitration provision for Arbitration 1, there had to be determinations made by Judge Haberfeld in Arbitration 1 whose rulings were confirmed by this Court and affirmed by the Nevada Supreme Court that the transaction would take place once there was a calculation of the formula in Section 4.2.

While the Court is appreciative that CLA contends that the formula was always there and nobody believed that was an issue, Judge Haberfeld stated there still must be a formula calculation. Therefore the date cannot be retroactive back to 2017 because there still needs to have a formula. Realistically, if the parties thought the formula was so clean and clear, it could have been part of Arbitration 1. While the Court is not stating it should have or should not have been part of Arbitration 1, that arbitrations final award said the transaction was to take place in 10 days and the parties were to use the formula which was a prospective aspect of the award.

Then the issue arose, determined Arbitration 2, concerning to what was the elements and how to do the formula. Hence, considering the totality, the analysis provided by Judge Wall, the case authority cited by Judge Wall, the reliance of Judge Wall on Judge Haberfeld, Judge

1 Kishner and the Nevada Supreme Court, this Court cannot find that the standards for vacating an 2 award under NRS 38.241 or 9 USC §9 have been met. 3 Accordingly, cause appearing, 4 IT IS HEREBY ORDERED: 5 1. 6 2. 7 8 9 CONFIRMED. 10 11 12 13 Prepared and Submitted by: 14 KENNEDY & COUVILLIER www.kclawnv.com 15 /s/ Todd E. Kennedy Todd E. Kennedy, Esq. 16 Nevada Bar No. 6014 3271 E. Warm Springs Rd. 17 Las Vegas, Nevada 89120 (702) 605-3440 18 Attorneys for CLA PROPERTIES, LLC 19 Approved as to Form: 20 21 SMITH & SHAPIRO, PLLC 22 **COMPETING ORDER** James E. Shapiro, Esq. 23 Nevada Bar No. 7907 3333 E. Serene Ave., Suite 130 24 Henderson, Nevada 89074 Attorneys for SHAWN BIDSAL 25 26 27

The Motion to Partially Vacate the Award (Doc. 1) by CLA is DENIED, and The Counter-Motion by Respondent Bidsal to Confirm the Final Award is GRANTED and the Final Award issued on March 12, 2022 in JAMS Ref. No. 1260005736 is Dated this 20th day of March, 2023 anno & Kishner 30B 6E8 86E9 AB1C Joanna S. Kishner **District Court Judge**

Page 9 of 9 A-22-854413-B; ORDER DENYING MOTION TO VACATE AND GRANTING COUNTERMOTION TO CONFIRM

1 **CSERV** 2 DISTRICT COURT 3 CLARK COUNTY, NEVADA 4 5 CLA Properties, LLC, CASE NO: A-22-854413-B 6 Petitioner(s) DEPT. NO. Department 31 7 VS. 8 Shawn Bidsal, Respondent(s) 9 10 **AUTOMATED CERTIFICATE OF SERVICE** 11 This automated certificate of service was generated by the Eighth Judicial District 12 Court. The foregoing Order Granting was served via the court's electronic eFile system to all 13 recipients registered for e-Service on the above entitled case as listed below: 14 Service Date: 3/20/2023 15 James Shapiro jshapiro@smithshapiro.com 16 Jennifer Bidwell jbidwell@smithshapiro.com 17 Todd Kennedy tkennedy@kclawnv.com 18 Aimee Cannon acannon@smithshapiro.com 19 20 America Gomez-Oropeza aoropeza@smithshapiro.com 21 Melanie Bruner mbruner@rsnvlaw.com 22 Louis Garfinkel lgarfinkel@rsnvlaw.com 23 24 25 26 27

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Case Number: A-22-854413-B

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5. Counsel for the parties:

CLA Properties, LLC:

- a. Robert L. Eisenberg, Esq. (Bar #950) Lemons, Grundy & Eisenberg 6005 Plumas Street, Third Floor Reno, Nevada 89519 T: 775-786-6868 F: 775-786-9716
- b. Todd E. Kennedy, Esq. (Bar #6014) Kennedy & Couvillier, PLLC 3271 E. Warm Springs Road Las Vegas, Nevada 89120 T: 702-608-7931 F: 702-625-6367

Shawn Bidsal:

- a. James E. Shapiro, Esq. (Bar #7907) Smith & Shapiro, PLLC 3333 E. Serene Ave, Suite 130 Henderson, Nevada 89074 T: 702-318-5033 F: 702-318-5034
- 6. Appellant was represented by retained counsel in the District Court proceedings.
- 7. Appellant is represented by retained counsel on appeal.
- 8. Appellant has not been granted leave to proceed in forma pauperis.
- 9. The District Court proceedings were commenced on June 17, 2022 (Case No. A-22-854413-B).
- 10. Nature of Action: Proceedings pertaining to a motion to vacate in part and countermotion to confirm a second arbitration award pertaining to a dispute between the parties on a buy/sell provision in a limited liability company operating agreement providing for the buyout of one member by another. The district court denied the motion to partially vacate and granted the countermotion to confirm. The prior arbitration, which proceeded before a different arbitrator, was confirmed by the district court (Case No. A-19-795188-P) and affirmed by the Supreme Court (Supreme Court Case No. 80427).

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	11.	This	central	dispute	has	been	the	subject	of a	prior	appeal	arising	out	of the
distric	t court's	confi	irmation	n of a f	inal a	ward	of a	prior a	rbitra	tion b	efore a	different	arb	itrator
Case N	No. 8042	27, In 1	Re: Peti	tion of	CLA	Prope	rties	, LLC.						

- 12. This appeal does not involve child custody or visitation.
- 13. Appellant believes settlement is not possible in this matter.

KENNEDY & COUVILLIER, PLLC

/s/ Todd E. Kennedy, Esq.
TODD E. KENNEDY, ESQ.
Nevada Bar No. 6014
KENNEDY & COUVILLIER
3271 E. Warm Springs Rd.
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702-605-3440
Tkennedy@kclawnv.com

Attorneys for Movant CLA Properties, LLC

CERTIFICATE OF SERVICE

I certify that I caused to be served the above Case Appeal Statement on all counsel of record who have appeared in this matter using the Court's electronic filing and service facility April 17, 2023.

/s/ Todd E. Kennedy
An employee of Kennedy & Couvillier

www.kclawnv.com

Electronically Filed 4/18/2023 4:04 PM Steven D. Grierson CLERK OF THE COURT

CLA Properties, LLC, a California limited Liability company,) Case No: A-22-854413-B) Dept.: 31
Movant (Respondent in Arbitration) v.)))) NOTICE OF CLA PROPERTIES) POSTING OF COST BOND
SHAWN BIDSAL, an individual)
Respondent (Claimant in Arbitration).)))

Appellant/Movant Below CLA Properties, LLC hereby gives notice that a cash bond in

Attorneys for Movant CLA Properties, LLC

KENNEDY & COUVILLIER, PLLC

www.kclawnv.com

CERTIFICATE OF SERVICE

I certify that I caused to be served the above Notice of Posting Bond For Costs on all counsel of record who have appeared in this matter using the Court's electronic filing and service facility April 18, 2023.

/s/ Todd E. Kennedy

An employee of Kennedy & Couvillier

OFFICIAL RECEIPT

District Court Clerk of the Court 200 Lewis Ave, 3rd Floor Las Vegas, NV 89101

Payor Kennedy & Couvillier Receipt No.

2023-24542-CCCLK

Transaction Date 04/18/2023

0.00

Description	Amount Paid
On Behalf Of CLA Properties, LLC A-22-854413-B CLA Properties, LLC, Petitioner(s) vs. Shawn Bidsal, Respondent(s)	
Appeal Bond Appeal Bond SUBTOTAL	500.00 500.00

PAYMENT TOTAL 500.00

Check (Ref #1369) Tendered 500.00 Total Tendered 500.00

Change

Appeal Bond- Kennedy & Couvillier PLLC on Behalf of CLA Properties LLC

04/18/2023

03:04 PM

Audit Station LE02 38394279

OFFICIAL RECEIPT

CASE SUMMARY CASE NO. A-22-854413-B

§ §

§ §

CLA Properties, LLC, Petitioner(s) vs.
Shawn Bidsal, Respondent(s)

Location: Department 31
Judicial Officer: Kishner, Joanna S.
Filed on: 06/17/2022

Case Number History:

Cross-Reference Case A854413

Number:

CASE INFORMATION

Case Type: Purchase/Sale of Stock, Assets,

or Real Estate

Case Status: 06

06/17/2022 Open

DATE CASE ASSIGNMENT

Current Case Assignment

Case Number A-22-854413-B
Court Department 31
Date Assigned 08/11/2022
Judicial Officer Kishner, Joanna S.

PARTY INFORMATION

Petitioner CLA Properties, LLC Lead Attorneys
Garfinkel,

Garfinkel, Louis E. Retained 702-727-6258(W)

Respondent Bidsal, Shawn Shapiro, James E.

Retained

702-318-5033(W)

DATE EVENTS & ORDERS OF THE COURT INDEX

EVENTS

06/17/2022 Motion

Filed By: Petitioner CLA Properties, LLC

[1] Motion to Vacate Arbitration Award (NRS 38.241) and For Entry of Judgment

06/17/2022 Initial Appearance Fee Disclosure

Filed By: Petitioner CLA Properties, LLC

[2] CLA' Properties, LLC's Initial Appearance Fee Disclosure

06/17/2022 Summons Electronically Issued - Service Pending

Party: Petitioner CLA Properties, LLC

[3] Summons

Filed By: Petitioner CLA Properties, LLC

[4] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS)

38.241) and for Entry of Judgment (Volume 1 of 18)

Filed By: Petitioner CLA Properties, LLC

[5] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS)

CASE SUMMARY CASE No. A-22-854413-B

38.241) and for Entry of Judgment (Volume 2 of 18) 06/22/2022 Appendix Filed By: Petitioner CLA Properties, LLC [6] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 3 of 18) 06/22/2022 🔼 Appendix Filed By: Petitioner CLA Properties, LLC [7] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 4 of 18) 06/22/2022 Appendix Filed By: Petitioner CLA Properties, LLC [8] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 5 of 18) 06/22/2022 Appendix Filed By: Petitioner CLA Properties, LLC [9] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 6 of 18) 06/22/2022 🔼 Appendix [10] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 7 of 18) 06/22/2022 🔼 Appendix Filed By: Petitioner CLA Properties, LLC [11] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 8 of 18) 06/22/2022 Appendix Filed By: Petitioner CLA Properties, LLC [12] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 9 of 18) 06/22/2022 Appendix Filed By: Petitioner CLA Properties, LLC [13] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 10 of 18) 06/22/2022 Appendix Filed By: Petitioner CLA Properties, LLC [14] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 11 of 18) 06/22/2022 Appendix Filed By: Petitioner CLA Properties, LLC [15] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 12 of 18) 06/22/2022 Appendix Filed By: Petitioner CLA Properties, LLC [16] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 13 of 18)

CASE SUMMARY CASE No. A-22-854413-B

	CASE NO. A-22-034413-D
06/22/2022	Appendix Filed By: Petitioner CLA Properties, LLC [17] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 14 of 18)
06/22/2022	Appendix Filed By: Petitioner CLA Properties, LLC [18] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 15 of 18)
06/22/2022	Appendix Filed By: Petitioner CLA Properties, LLC [19] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 18 of 18)
06/22/2022	Appendix Filed By: Petitioner CLA Properties, LLC [20] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 16 of 18)
06/22/2022	Appendix Filed By: Petitioner CLA Properties, LLC [21] Appendix to Movant CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS) 38.241) and for Entry of Judgment (Volume 17 of 18)
06/24/2022	Clerk's Notice of Hearing [22] Notice of Hearing
07/18/2022	Acceptance of Service Filed By: Petitioner CLA Properties, LLC [23] Acceptance of Service
08/02/2022	Audiovisual Transmission Equipment Appearance Request [24] Audiovisual Transmission Equipment Appearance Request
08/10/2022	Request to Transfer to Business Court [25] Request for Business Court Designation
08/10/2022	Initial Appearance Fee Disclosure [26] Initial Appearance Fee Disclosure
08/11/2022	Notice of Department Reassignment [27] Notice of Department Reassignment
08/11/2022	Notice of Department Reassignment [28] Amended Notice of Department Reassignment
09/01/2022	Opposition [29] Bidsal's Opposition to CLA Properties, LLC's Motion to Vacate Arbitration Award (NRS 38.241) and for Entry of Judgment and Bidsal's Countermotion to Confirm Arbitration Award
09/20/2022	Stipulation and Order Filed by: Respondent Bidsal, Shawn [30] Stipulation and Order Regarding Briefing Schedule

CASE SUMMARY CASE No. A-22-854413-B

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09/20/2022	Notice of Entry of Stipulation and Order [31] Notice of Entry of Stipulation and Order Re: Briefing Schedule
10/07/2022	Reply in Support Filed By: Petitioner CLA Properties, LLC [32] CLA's Reply in Support of Motion to Vacate [Partially] Arbitration Award
10/07/2022	Opposition Filed By: Petitioner CLA Properties, LLC [33] CLA's Opposition to Shawn Bidsal's Countermotion to Confirm Arbitration Award
10/31/2022	Reply [34] Bidsal's Reply In Support of Bidsal's Countermotion to Confirm Arbitration Award
11/04/2022	Audiovisual Transmission Equipment Appearance Request Party: Petitioner CLA Properties, LLC [35] Audiovisual Transmission Equipment Appearance Request
11/04/2022	Audiovisual Transmission Equipment Appearance Consent Party: Petitioner CLA Properties, LLC [36] Audiovisual Transmission Equipment Appearance Consent
11/07/2022	Memorandum [37] Court's Memo RE: Remote Appearance Information for NOVEMBER 9, 2022, Hearing **PLEASE REVIEW IN ITS ENTIRETY**
11/07/2022	Audiovisual Transmission Equipment Appearance Request [38] Audiovisual Transmission Appearance Request
11/08/2022	Audiovisual Transmission Equipment Appearance Request Party: Petitioner CLA Properties, LLC [39] Audiovisual Transmission Equipment Appearance Request
11/08/2022	Audiovisual Transmission Equipment Appearance Consent Party: Petitioner CLA Properties, LLC [40] Audiovisual Transmission Equipment Appearance Consent
12/13/2022	Memorandum [41] Court's Memo RE: Remote Appearance Information for DECEMBER 15, 2022, Hearing **PLEASE REVIEW IN ITS ENTIRETY**
12/15/2022	Memorandum [42] Court's Memo RE: Remote Appearance Information for DECEMBER 19, 2022, Hearing **PLEASE REVIEW IN ITS ENTIRETY**
02/03/2023	Memorandum [43] Court's Memo RE: Remote Appearance Information for FEBRUARY 7, 2023, Hearing **PLEASE REVIEW IN ITS ENTIRETY**
02/03/2023	Notice of Appearance Party: Petitioner CLA Properties, LLC [44] Notice of Appearance of Counsel

CASE SUMMARY CASE No. A-22-854413-B

	CASE NO. A-22-854413-B
02/24/2023	Court Recorders Invoice for Transcript [45] CD/Recording Fee 2/7/23
03/07/2023	Substitution of Attorney Filed by: Petitioner CLA Properties, LLC [46] Substitution of Counsel for CLA Properties, LLC
03/20/2023	Order Granting [47] Order Granting Bidsal's Countermotion to Confirm Arbitration Award and Denying CLA Properties, LLC's Motion to Vacate Arbitration Award
03/21/2023	Notice of Entry Filed By: Petitioner CLA Properties, LLC [48] Notice of Entry of Order
04/04/2023	Motion to Reduce Filed By: Respondent Bidsal, Shawn [49] Bidsal's Motion To Reduce Award To Judgment And For An Award For Attorney Fees And Costs
04/05/2023	Clerk's Notice of Hearing [50] Notice of Hearing
04/11/2023	Recorders Transcript of Hearing [51] Transcript of Proceedings: Motion to Vacate Arbitration Award (NRS 38.241) and for Entry of Judgment 2-7-23
04/17/2023	Notice of Appeal Filed By: Petitioner CLA Properties, LLC [52] NOTICE OF APPEAL
04/17/2023	Case Appeal Statement Filed By: Petitioner CLA Properties, LLC [53] CASE APPEAL STATEMENT
04/18/2023	Cost on Appeal Bond Filed By: Petitioner CLA Properties, LLC [54] NOTICE OF CLA PROPERTIES POSTING OF COST BOND
07/15/2022	HEARINGS Minute Order (8:00 AM) (Judicial Officer: Lilly-Spells, Jasmin) Minute Order - No Hearing Held; Journal Entry Details: The court having received a request from the movant to continue the Motion to Vacate Arbitration Award (NRS 38.241) and Entry of Judgement, hereby continues the matter 30 days, August 16, 2022 at 9:30 am. 08/16/2022 9:30 AM MOTION TO VACATE ARBITRATION ARWARD and ENTRY OF JUDGEMENT CLERK S NOTE: This Minute Order was electronically served to all registered parties for Odyssey File & Serve. 7/15/22khm;
02/07/2023	Motion (9:30 AM) (Judicial Officer: Kishner, Joanna S.) Motion to Vacate Arbitration Award (NRS 38.241) and For Entry of Judgment Court approved - see minute order 7-15-22 Pursuant to correspondence from counsel requesting matter be continued Pursuant to correspondence from counsel requesting matter be continued

CASE SUMMARY CASE NO. A-22-854413-B

Matter to be reset - due to current trial schedule -- upon - agreement of new date To select new date

Counsel agreed-upon new hearing date

Hearing to be reset at request of the parties

Continued to select new hearing date

Pursuant to correspondence from counsel with agreed-upon date 1/10/22

Denied;

Journal Entry Details:

Upon the Court's inquiry, Petitioner stated the procedural history of this matter, starting with Respondent's 2017 offer to buy-out Petitioner's membership interest at a \$5 million dollar valuation of the subject properties, which was alleged to be below the market value at the time of offer. The offer to purchase the membership interest triggered section four (4) of the operating agreement. Petitioner exercised its right under the operating agreement to purchase Respondent's membership interest. Petitioner stated that per the operating agreement the sale was to close within 30- days of any offer. Respondent disagreed with the \$5 million dollar valuation and the parties entered into the first arbitration with Judge Stephen E. Haberfeld (Ret.). Judge Haberfeld issued an arbitration award in favor of the Petitioner on April 5, 2019. This court confirmed the arbitration award on December 6, 2019. Respondent appealed the arbitration award to the Nevada Supreme Court and the arbitration award was stayed. During the stay, Respondent initiated a second arbitration to determine the purchase price of the membership interest if the appeal was unsuccessful. The second arbitration was held with Judge David Wall (Ret.), who issued an arbitration award on March 12, 2022, which set the purchase price. Respondent s appeal was unsuccessful and the sale was finalized. The Court inquired on what is left for the court to do, Petitioner responded that Respondent breached the contract by not selling within 30- days back in 2017 as outlined in the operating agreement and the Respondent should not be awarded for this breach. Furthermore, Respondent s delay afforded him the opportunity to distribute funds to himself from the profits of the joint venture which he would not have been entitled to if the sale had occurred in 2017. Court noted that this distribution of funds was not an issue until the second arbitration. Petitioner noted that distribution of funds was not a part of the initial arbitration demand, therefore, Judge Haberfeld would not address it. Petitioner argued that Judge Wall disregarded the 30- day provision in the operating agreement and Judge Wall ruled that the effective date was when the sale was consummated which awarded the Respondent for the four and a half year delay. Respondent responded that the Petitioner is trying to re-litigate this case and the instant Motion fails to meet the legal standards as set forth in 9 U.S. Code 10. Court inquiry on whether the parties wanted to the Court to consider Federal or State statutes in regards to the instant motion. Both parties agreed that either authority would lead to the same conclusion. Respondent continued to argue that Judge Wall s arbitration award was within his authority and Petitioner's motion does not meet any of the four standards set forth in the U.S. Code to vacate an arbitration award. Respondent further argued that Petitioner is attempting to backdate the date of closing even though Nevada law states a cash sale can only occur when payment is made. The Petitioner did not attempt to open escrow or provide payment to the Respondent. Respondent further argued that the Petitioner failed to identify the purchase price or indicate that the money was available. Petitioner maintained possession of the purchase money for five years while benefiting from the membership and noting that there was no effective date in the document. Judge Haberfeld's arbitration award directed Respondent to sell within 10 days. The arbitration award was confirmed by this Court which allowed an additional four (4) days. The transaction closed within the time allotted factoring in the stay because of the pending appeal. The sale was consummated within fourteen (14) days of the Supreme Court's ruling. The order was complied with. The Petitioner states no duty with identifying the purchase price, as soon as the purchase price was identified, the sale was consummated. At the second arbitration, the parties presented competing experts to determine the purchase price. The Petitioner did not tender a penny so there was no expectancy to the membership share until the purchase price was paid. Respondent argues that if Petitioner s motion is granted, it would necessitate a third arbitration. Judge Wall spent days to come to this ruling and Petitioner wants to take out one paragraph of the arbitration award in an attempt to re-litigate. Court inquiry on what relief Respondent is seeking in its countermotion, Respondent stated its request for an order confirming Judge Wall s arbitration order to be a final order. Further arguments by Petitioner and Respondent regarding the merits of and opposition to the motion and countermotion. Court stated its findings. Petitioner s motion did not meet the standards of Federal or State statutes to vacate the arbitration award, therefore, COURT ORDERS Petitioner's Motion to Vacate Arbitration Award (NRS 38.241) and for Entry of Judgment is DENIED. COURT DIRECTED Respondent to prepare the Order with detailed Findings of Fact and Conclusions of Law, circulate to opposing counsel, and submit to the Court pursuant to EDCR 7.21 and the current Administrative Orders. Colloquy with counsel regarding the time necessary to prepare the order, Court directs counsel to submit

CASE SUMMARY CASE NO. A-22-854413-B

	order within twenty-eight (28) days and provided clarification on how to submit competing orders for consideration.;
05/09/2023	Motion to Reduce (8:30 AM) (Judicial Officer: Kishner, Joanna S.) Bidsal's Motion To Reduce Award To Judgment And For An Award For Attorney Fees And Costs

	Costs	
DATE	FINANCIAL INFORMATION	
	Petitioner CLA Properties, LLC Total Charges Total Payments and Credits Balance Due as of 4/19/2023	416.00 416.00 0.00
	Respondent Bidsal, Shawn Total Charges Total Payments and Credits Balance Due as of 4/19/2023	1,507.50 1,507.50 0.00
	Petitioner CLA Properties, LLC Appeal Bond Balance as of 4/19/2023	500.00

DISTRICT COURT CIVIL COVER SHEET

County, Nevada County, Nevada Case No. (Assigned by Clerk's Office)

CASE NO: A-22-854413-J Department 23

I. Party Information (provide both ho	me and mailing addresses if different)					
Plaintiff(s) (name/address/phone):		Defenda	Defendant(s) (name/address/phone):			
CLA PROPERTIES, LLC, a Califor	rnia limited liability company.	SHAWN BIDSAL, an individual				
Attorney (name/address/phone):			Attorney (name/address/phone):			
Louis E. Garfinkel, Esq./N	evada Bar No. 3416	James E. Shapiro, Esq./Nevada Bar No. 007907				
Reisman So	orokac		Smith & Shapiro, PLLC			
8965 S. Eastern Ave, Suite 38	2, Las Vegas, NV 89123	3333 E	3333 E. Serene Ave., Suite 130, Henderson, NV 89074			
(702) 727-	6258		(702) 318-5033			
II. Nature of Controversy (please so	elect the one most applicable filing type	below)				
Civil Case Filing Types						
Real Property		Torts				
Landlord/Tenant	Negligence		Other Torts			
Unlawful Detainer	Auto		Product Liability			
Other Landlord/Tenant	Premises Liability		Intentional Misconduct			
Title to Property	Other Negligence		Employment Tort			
Judicial Foreclosure	Malpractice		Insurance Tort			
Other Title to Property	Medical/Dental		Other Tort			
Other Real Property	Legal					
Condemnation/Eminent Domain	Accounting					
Other Real Property	Other Malpractice					
Probate	Construction Defect & Contract		Judicial Review/Appeal			
Probate (select case type and estate value)	Construction Defect		Judicial Review			
Summary Administration	Chapter 40		Foreclosure Mediation Case			
General Administration	Other Construction Defect		Petition to Seal Records			
Special Administration	Contract Case		Mental Competency			
Set Aside	Uniform Commercial Code		Nevada State Agency Appeal			
Trust/Conservatorship	Building and Construction		Department of Motor Vehicle			
Other Probate	Insurance Carrier		Worker's Compensation			
Estate Value	Commercial Instrument		Other Nevada State Agency			
Over \$200,000	Collection of Accounts		Appeal Other			
Between \$100,000 and \$200,000	Employment Contract		Appeal from Lower Court			
Under \$100,000 or Unknown	Other Contract		Other Judicial Review/Appeal			
Under \$2,500	outer contract		Other Sudicial Review/Applear			
Civil Writ			Other Civil Filing			
Civil Writ			Other Civil Filing			
Writ of Habeas Corpus Writ of Prohibition			Compromise of Minor's Claim			
Writ of Mandamus	Other Civil Writ		Foreign Judgment			
Writ of Quo Warrant			Other Civil Matters			
	ourt Glings should be Gled voice de	Rupinas				
	ourt filings should be filed using the	Dusines:	S Court civil coversheel. Some 5. Bl			
6/17/22	_					
Date		Signa	ture of initiating party or representative			

See other side for family-related case filings.

BUSINESS COURT CIVIL COVER SHEET

County, Nevada

	Case No. (Assigned by Clerk's O	County, No	evada	CASE NO: A-22-854413 Department	
I Danty Information		jjice)			
I. Party Information (provide both ho Plaintiff(s) (name/address/phone):	ome and mailing addresses if different)	Defendant	(e) (name /adı	ress /nhone)	
tainen(s) (hame/ address/ phone).		Defendant(s) (name/address/phone):			
CLA DRODEDTIES LLC a Califa	raia limitad liability aamaany	CHAMAL BIDGAL are individual			
CLA, PROPERTIES, LLC, a Califo	ornia ilmited liability company,		SHAW	/N BIDSAL, an individual	
Attorney (name/address/phone):		Attorney (name/address/phone):			
	D : 0 1		F 01		
Louis Garfinkel, Esq. /		James E. Shapiro, Esq. / Smith & Shapiro, PLLC			
8965 South eastern Ave., Ste. 382		3333 E. Serene Ave., Ste. 130, Henderson, Nevada 89074			
702-727-6258 / Igarfinl		702-318-5033 / jshapiro@smithshapiro.com			
II. Nature of Controversy (Please c	heck the applicable boxes for both the civ	il case type	and business	court case type)	
Arbitration Requested					
Civil Case	Filing Types		1	Business Court Filing Types	
Real Property	Torts			ARK COUNTY BUSINESS COURT	
Landlord/Tenant	Negligence		□NRS C	hapters 78-89	
Unlawful Detainer	Auto			odities (NRS 91)	
Other Landlord/Tenant	Premises Liability			ies (NRS 90)	
Title to Property	Other Negligence			rs (NRS 92A)	
Judicial Foreclosure	Malpractice			m Commercial Code (NRS 104)	
Foreclosure Mediation Assistance	Medical/Dental			se/Sale of Stock, Assets, or Real Estate	
Other Title to Property	Legal			nark or Trade Name (NRS 600)	
Other Real Property	Accounting			eed Case Management	
Condemnation/Eminent Domain	Other Malpractice			Business Court Matters	
Other Real Property					
Construction Defect & Contract	Other Torts	H	WAS	SHOE COUNTY BUSINESS COURT	
Construction Defect	Product Liability		NRS C	hapters 78-88	
Chapter 40	Intentional Misconduct		Comm	odities (NRS 91)	
Other Construction Defect	Employment Tort	Securitie		ies (NRS 90)	
Contract Case	Insurance Tort	Insurance Tort Investr		nents (NRS 104 Art.8)	
Uniform Commercial Code	Other Tort	Deceptive Trade Practices (NRS 598)		ive Trade Practices (NRS 598)	
Building and Construction	Civil Writs		Traden	nark/Trade Name (NRS 600)	
Insurance Carrier	Writ of Habeas Corpus		Trade S	Secrets (NRS 600A)	
Commercial Instrument	Writ of Mandamus		Enhanc	ced Case Management	
Collection of Accounts	Writ of Quo Warrant		Other I	Business Court Matters	
Employment Contract	Writ of Prohibition				
Other Contract	Other Civil Writ				
Judicial Review/Ap	peal/Other Civil Filing				
Appeal Other	Other Civil Filing				
Appeal from Lower Court Foreign Judgment					
	Other Civil Matters				
				. (
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Date		Signat	or initiat	harry or representative	

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Electronically Filed 03/20/2023 10:43 AM	_
CLERK OF THE COURT	

ORDR
TODD E. KENNEDY, ESQ.
Nevada Bar No. 6014
KENNEDY & COUVILLIER
3271 E. Warm Springs Rd.
Las Vegas, Nevada 89120
702-605-3440
Tkennedy@kclawnv.com

Attorneys for Movant CLA Properties, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

) Case No: A-22-854413-B
) Dept.: 31
)) Date: February 7, 2023) Time: 9:15 a.m.
)
)
)))

ORDER GRANTING BIDSAL'S COUNTERMOTION TO CONFIRM ARBITRATION AWARD AND DENYING CLA PROPERTIES, LLC'S MOTION TO VACATE ARBITRATION AWARD

THIS MATTER came on before the Court on CLA PROPERTIES, LLC's ("<u>CLA</u>" or "<u>Movant</u>") Motion to Vacate Arbitration Award (NRS 38.241) and for Entry of Judgment (the "<u>Motion</u>") and on SHAWN BIDSAL's ("<u>Bidsal</u>" or "<u>Respondent</u>") Countermotion to Confirm Arbitration (the "<u>Countermotion</u>") on February 7, 2023. Respondent appeared by and through his attorneys of record, SMITH & SHAPIRO, PLLC and Movant appeared through its attorneys of record, REISMAN SOROKAC and KENNEDY & COUVILLIER.

The Court having entertained arguments of counsel, having held a hearing on the matters, having reviewed the papers and pleadings on file herein, the Court being fully advised in the premises, and good cause appearing:

Page 1 of 9 A-22-854413-B; ORDER DENYING MOTION TO VACATE AND GRANTING COUNTERMOTION TO CONFIRM www.kclawnv.com

PROCEDURAL AND RELEVANT FACTUAL BACKGROUND

A. The First Arbitration

This is the second proceeding in the Eighth Judicial District Court arising out of arbitrations between the parties in connection with a Buy-Sell provision in the Operating Agreement in a company for which CLA and Bidsal were the sole members, Green Valley Commerce, LLC ("<u>GVC</u>" or "<u>Company</u>"), a Nevada limited liability company, which owns and manages real property.

The first arbitration ("Arbitration 1") arose from the activation by Bidsal of Article V, Section 4 of the Operating Agreement permitting one member to initiate a purchase of the other member's interest ("*Buy-Sell Provision*) Arbitration 1 concluded with a Final Award issued by the Hon. Stephen E. Haberfeld on April 5, 2019.

CLA commenced an action to confirm that first arbitration award, and Bidsal responded opposing confirmation and counter-moving to vacate the award. The Court, in Case No. A-19-795188-P, confirmed the award on December 6, 2019, ordering that Bidsal perform within 14 days of this Court's confirmation order, allowing an additional four (4) days more than the ten (10) days Judge Haberfeld allowed for Bidsal to consummate the transaction. Bidsal appealed and sought and obtained a stay of the Court's order pending that appeal. The Supreme Court affirmed on March 17, 2022

B. The Second Arbitration

After confirmation by this Court of Arbitration 1 (but before any determination on appeal to the Supreme Court) Bidsal commenced a second arbitration, assigned to the Hon. David Wall (Ret.), on February 7, 2020 (JAMS Ref No. 1260005736) ("Arbitration 2"). That Arbitration 2 involved, among other things not pertinent to this Court's determination of the issues before it, a determination of what numbers should be plugged into the formula for calculation of a final sale price to be paid by CLA to Bidsal for his 50% ownership interest as ordered by Judge Haberfeld, assuming that award and the court's confirmation were affirmed on appeal by the Nevada Supreme Court and CLA's contention that the ultimate purchase consideration should be reduced

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or CLA awarded damages for profit distributions to Bidsal after what CLA contended was the date the Buy-Sell transaction should have closed under the Operating Agreement (30 days from the CLA election to buy rather than sell) in the amount of \$500,500.00 as of the time of Judge Wall issuing the final award based on CLA's argument that the required closing date of the transaction under the Operating Agreement was required to be September 3, 2017.

Judge Wall issued his final award in the second arbitration on March 12, 2022. In addition to determining the formula purchase price consideration to be paid to Bidsal by CLA to be \$1,889,010.50, the final award determined that the "effective date" of the agreement had not yet occurred because of the intervening litigation and the purchase price had not yet been paid and the transaction closed and, as a consequence, Bidsal remained a full member of the Company and entitled to the \$500,500.00 in profit distributions he had paid himself after September 3, 2017 (the date CLA contended that Bidsal's ownership interest should have transferred under the Operating Agreement and CLA would have been entitled to all of the distributions), rejecting CLA's contention that it receive a credit against the purchase price for that amount or repayment of those funds. Judge Wall's final award in the second arbitration also found Bidsal to be the prevailing party and awarded \$455,644.84 in fees and costs.

C. **Proceedings In This Action**

On June 17, 2022, CLA filed its Motion to Vacate which only challenges two aspects of Judge Wall's Arbitration 2 Final Award and is actually a motion only for partial vacation. The Motion only seeks an order vacating the determination in the final award that the "effective date" of sale did not occur until Bidsal's appeal was concluded and the purchase price as determined in Arbitration 2 actually paid to Bidsal, and that Bidsal was entitled to distributions paid to him from the Company after September 3, 2017, the date CLA contends the transaction was contractually required to close and CLA was entitled to the benefit of its bargain. CLA's Motion to (partially) Vacate also argues that if the Court grants the relief and vacates that portion of the

¹ Judge Wall did not discuss or award interest on the attorneys' fees award, nor did Bidsal raise that issue or request interest on that attorneys' fees award as part of its Counter-Motion to Confirm.

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final award, the award of attorneys' fees and costs should also be vacated because that would make CLA, not Bidsal the prevailing party.²

CLA's Motion to (partially) Vacate does not challenge any other aspect of Judge Wall's Arbitration 2 Final Award. Further, in its Opposition to Bidsal's Counter-Motion to confirm, CLA only raised the limited challenges articulated in its Motion to (partially) Vacate. discussing the procedural and factual background and the issue for determination, the Court has accordingly limited the discussion to those issues and facts relevant to the actual issue before the Court—the merits of the Motion to (partially) Vacate as the determination of CLA's Motion to (partially) Vacate necessarily determines the counter-motion.

ANALYSIS AND DECISION

The question before the Court for decision today is whether Judge Wall's arbitration award meets the standards in which the court should vacate or partially vacate the award. The Court finds that he did not and that it is appropriate to confirm the arbitration award as an order and deny the Motion to (partially) Vacate.

Both parties agreed on inquiry by the Court that the Operating Agreement provides that the arbitration shall proceed under the FAA but that outcome is the same whether analyzed under the Federal Arbitration Act or Nevada state law standards. A motion to partially vacate an arbitration award is allowable and properly before the court pursuant to Comedy Club, Inc. v. *Improv. W. Assocs.*, 553 F3d 1277, 1293 (9th Cir. 2009).

Each Arbitration Act recognizes a ground for vacating or partially vacating an arbitration award where the arbitrator exceeds his or her powers and provides various excesses for their definition of those excesses, including the arbitrator's award being completely irrational or a manifest disregard of the law. Kyocera Corp. v. Prudential-Bache Trade Servs., 341 F.3d 987, 997 (9th Cir. 2003). Additionally, review is not limited to statutory grounds. Graber v. Comstock Bank, 111 Nev. 1421, 1426, 905 P.2d 1112, 1115 (1995).

COUNTERMOTION TO CONFIRM

The transaction in fact closed shortly after the Supreme Court affirmed the Court's confirmation of Arbitration 1, with the purchase price paid to Bidsal by CLA in the amount determined by Judge Wall in Arbitration 2.

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As Judge Wall noted in his award, there were certain aspects, such as tender, that were outside of his scope of authority, and Judge Wall was looking at the issues specifically before him. Whether one phrases the term as "effective date" or applying back to when the letter putting into play the triggering of the sale of the membership interest under Operating Agreement Section 4.2 that date being in 2017, or some other date, the Court must look to the underlying issues presented and decided in the two arbitration awards and the underlying agreement between the parties.

Considering the underlying award by Judge Haberfeld in Arbitration 1, the Court notes that the reference by CLA to his statement of a closing within 30 days on page 11 of his award was under the section specifically entitled "'Core' Arbitration Issues" commencing on page 4 and continuing to paragraph C on page 11, which is a subparagraph of paragraph 20 which commenced on page 10 of Judge Haberfeld's award. Section C states:

C. There was no contractual residual protection available to Mr. Bidsal as to appraisal and/ or price of his Membership Interest --- which, under Section 4.2, upon Mr. Bidsal's "triggering" of the same, became "the Membership interest" which Mr. Bidsal put in play. Put another way ---although CLA put up about 70% of Green Valley's capital --- CLA and Mr. Bidsal, by agreement, each had a 50% Membership Interest in the Green Valley LLC --- so that, at that point, CLA had the election under the "buy-sell" whether to buy or sell "the" 50% Membership Interest in Green Valley put in play by Mr. Bidsal. If CLA elected to buy, rather than sell, CLA had the contractual option to compel Mr. Bidsal to sell his 50% Membership Interest to CLA at a purchase price computed via the Section 4.2 formula, based either on Mr. Bidsal's \$5 million valuation of the LLC in his July 7, 2017 Section 4.2 offer. If CLA elected to sell, rather than buy, CLA had the election to have the purchase price, via formula, set in accordance with Mr. Bidsal's offering valuation of \$5 million or a (presumably greater) valuation set via contractual third-party appraisal, also under Section 4.2, if Mr. Golshani thought an appraised valuation for purposes of sale of its 50% Membership Interest to Mr. Bidsal would be more favorable to CLA. Thus, Mr. Bidsal had no right to demand an appraisal, and under Section 4.2 Mr. Bidsal was obligated to close escrow and sell his 50% Membership Interest to CLA within 30 days after CLA elected to buy, i.e. by September 3, 2017.

That paragraph is discussing specifically the appraisal provision of Section 4.2 and the background in regards to the appraisal provision. The Court does not view that discussion and the discussion of a September 3, 2017, closing to be an affirmative ruling by Judge Haberfeld that the date for calculating damages would be September 3, 2017. Indeed, in Section V "Relief

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Granted and Denied," in paragraph 1, the specific relief provided states:

Within ten (10) days of the issuance of this Final Award, Respondent Sharam Bidsal also known as Shawn Bidsal ("Mr. Bidsal") shall (A) transfer his fifty percent (50%) Membership Interest in Green Valley Commerce, LLC ("Green Valley"), free and clear of all liens and encumbrances, to Claimant CLA Properties, LLC, at a price computed in accordance with the contractual formula set forth in Section 4.2 of the Green Valley Operating Agreement with the "FMV" portion of the formula fixed as Five Million Dollars and No Cents (\$5,000,000.00) and further, (B) execute any and all documents necessary to effectuate such sale and transfer.

Paragraph 2 of that sections states that Mr. Bidsal shall take nothing by his Counterclaim. When the Court looks at what was actually the relief granted, it was prospective, to be done within 10 days at a price to be computed by the formula in Section 4.2 of the Operating Agreement, but not actually determining the price. If it was the intention of Judge Haberfeld to have this calculation done at the 2017 price and that formula price had already been calculated, that would have been in the award. Accordingly, the actual relief awarded is what this Court confirmed in the prior arbitration and the Supreme Court affirmed, and it was not confirming any specific date for performance or calculation of damages in 2017.

Turning to the Second Arbitration Final Award, attached to the Motion To Vacate and also included in the Appendix, the analysis with regards to distributions commences at page 10. Judge Wall discussed the language of Exhibit B to the Operating Agreement regarding preferred allocations and other allocations, then he moves to 2017 onward, quoting the correct ambiguous contractual provisions which an arbitrator can do being fair and reasonable, and cites to Mohr Park Manor, Inc. v. Mohr, 83 Nev. 107, 424 P.2d 101 (1967) and Williston on Contracts for the pertinent legal authority. At Paragraph D, commencing on page 22, Judge Wall addresses the Effective Date of Sale. The Court recognizes that "Effective Date" is not a defined term or term of art within the Operating Agreement that the parties agreed to, it is a term that arose during the Second Arbitration and wasn't utilized in the First Arbitration because the fixing of a date in

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It is the determination of the Arbitrator, based upon all of the relevant evidence in this matter, that the effective date of the purchase of Bidsal's interest has not yet come to pass. Pursuant to Judge Haberfeld's final award, the transfer is to take place ten days of the effective issuance thereof. As that award (through Judge Kishner's denial of Bidsal's Motion to Vacate and Order Confirming Award) has been stayed pending the appeal to the Nevada Supreme Court, enforcement Judge Haberfeld's award requiring the sale is effectively postponed. The instant Award is essentially declaratory in nature. Should the stay be lifted, Judge Haberfeld's award directing that the sale take place becomes effective and the instant Final Award has now used a reasonable interpretation of the formula in Section 4.2 to arrive at purchase price.

At footnote 12, Judge wall notes that his analysis "presumes, of course, that Judge Kishner's Order Confirming Award is upheld by the appellate court. This presumption is not based on any consideration of the merit of such an appeal, but any other presumption effectively makes this Award moot." Judge Wall further determined at the top of page 24 of the Arbitration 2 Final Award:

In closing argument, counsel for Claimant has requested interest be awarded from September of 2017 forward on the purchase price, arguing that Bidsal has lost the right to use those funds over the last four years based on CLA's failure to perform. It is the determination of the Arbitrator that Bidsal is not entitled to recover interest on funds he would've received for a transaction which has not yet occurred. Judge Haberfeld did not rule that Respondents inappropriately utilized

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the arbitration provision in the OA to determine that Bidsal must sell his interest in GVC. Similarly, the undersigned Arbitrator does not find that Bidsal inappropriately utilized the arbitration provision in the OA to institute this proceeding to arrive at a purchase price and an effective date of the sale.

The Court concludes that Judge Wall's Effective Date determination does not fall within the standards under federal or state law for vacating or partially vacating an arbitration award for exceeding his authority. The Court does not substitute its judgment for that of the arbitrator. What Judge Wall determined on this point was a well-reasoned explanation, looking at the opinions by the arbitrator/judge in the First Arbitration and whether or not that issue was directly attended, finding that the use of the dispute resolution process was not an abuse of the arbitration provision, finding that Judge Haberfeld did not rule the respondent (Bidsal) inappropriately used the arbitration provision to determine that Bidsal must sell his interest in the entity and therefore and because of the proper use of the arbitration provision for Arbitration 1, there had to be determinations made by Judge Haberfeld in Arbitration 1 whose rulings were confirmed by this Court and affirmed by the Nevada Supreme Court that the transaction would take place once there was a calculation of the formula in Section 4.2.

While the Court is appreciative that CLA contends that the formula was always there and nobody believed that was an issue, Judge Haberfeld stated there still must be a formula calculation. Therefore the date cannot be retroactive back to 2017 because there still needs to have a formula. Realistically, if the parties thought the formula was so clean and clear, it could have been part of Arbitration 1. While the Court is not stating it should have or should not have been part of Arbitration 1, that arbitrations final award said the transaction was to take place in 10 days and the parties were to use the formula which was a prospective aspect of the award.

Then the issue arose, determined Arbitration 2, concerning to what was the elements and how to do the formula. Hence, considering the totality, the analysis provided by Judge Wall, the case authority cited by Judge Wall, the reliance of Judge Wall on Judge Haberfeld, Judge

1 Kishner and the Nevada Supreme Court, this Court cannot find that the standards for vacating an 2 award under NRS 38.241 or 9 USC §9 have been met. 3 Accordingly, cause appearing, 4 IT IS HEREBY ORDERED: 5 1. The Motion to Partially Vacate the Award (Doc. 1) by CLA is DENIED, and 6 2. The Counter-Motion by Respondent Bidsal to Confirm the Final Award is 7 GRANTED and the Final Award issued on March 12, 2022 in JAMS Ref. No. 1260005736 is 8 9 CONFIRMED. Dated this 20th day of March, 2023 10 anno & Kishner 11 30B 6E8 86E9 AB1C 12 Joanna S. Kishner **District Court Judge** 13 Prepared and Submitted by: 14 KENNEDY & COUVILLIER www.kclawnv.com 15 /s/ Todd E. Kennedy Todd E. Kennedy, Esq. 16 Nevada Bar No. 6014 3271 E. Warm Springs Rd. 17 Las Vegas, Nevada 89120 (702) 605-3440 18 Attorneys for CLA PROPERTIES, LLC 19 Approved as to Form: 20 21 SMITH & SHAPIRO, PLLC 22 **COMPETING ORDER** James E. Shapiro, Esq. 23 Nevada Bar No. 7907 3333 E. Serene Ave., Suite 130 24 Henderson, Nevada 89074 Attorneys for SHAWN BIDSAL 25 26 27 28

> Page 9 of 9 A-22-854413-B; ORDER DENYING MOTION TO VACATE AND GRANTING COUNTERMOTION TO CONFIRM

1 **CSERV** 2 DISTRICT COURT 3 CLARK COUNTY, NEVADA 4 5 CLA Properties, LLC, CASE NO: A-22-854413-B 6 Petitioner(s) DEPT. NO. Department 31 7 VS. 8 Shawn Bidsal, Respondent(s) 9 10 **AUTOMATED CERTIFICATE OF SERVICE** 11 This automated certificate of service was generated by the Eighth Judicial District 12 Court. The foregoing Order Granting was served via the court's electronic eFile system to all 13 recipients registered for e-Service on the above entitled case as listed below: 14 Service Date: 3/20/2023 15 James Shapiro jshapiro@smithshapiro.com 16 Jennifer Bidwell jbidwell@smithshapiro.com 17 Todd Kennedy tkennedy@kclawnv.com 18 Aimee Cannon acannon@smithshapiro.com 19 20 America Gomez-Oropeza aoropeza@smithshapiro.com 21 Melanie Bruner mbruner@rsnvlaw.com 22 Louis Garfinkel lgarfinkel@rsnvlaw.com 23 24 25 26 27

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			Electronically Filed 3/21/2023 8:39 AM		
1	NEO		Steven D. Grierson CLERK OF THE COURT		
2	TODD E. KENNEDY, ESQ. Nevada Bar No. 6014		Column.		
3	KENNEDY & COUVILLIER				
4	3271 E. Warm Springs Rd. Las Vegas, Nevada 89120 702-605-3440				
5	Tkennedy@kclawnv.com				
6	Attorneys for Movant CLA Properties, LLC				
7					
8	DISTRICT COURT				
9	CLARK COUNTY, NEVADA				
10	CLA Properties, LLC, a California limited Liability company,) Case No: A-22-8544) Dept.: 31	13-B		
11)			
12	Movant (Respondent in Arbitration))) NOTICE OF EN	TRY OF ORDER		
13	v.) NOTICE OF EN	INT OF ORDER		
14	SHAWN BIDSAL, an individual)			
15)			
16	Respondent (Claimant in Arbitration).)			
17					
18	PLEASE TAKE NOTICE that the C	Court entered the attached C	order on March 20, 2023		
19			*		
20		/s/ Todd E. Kennedy, Esc TODD E. KENNEDY, ES	<u>l.</u>		
21		Nevada Bar No. 6014			
22		KENNEDY & COUVIL 3271 E. Warm Springs Ro			
		Las Vegas, Nevada 89120 702-605-3440)		
23		Tkennedy@kclawnv.com			
24		Attorneys for Movant CLA	A Properties, LLC		
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KENNEDY & COUVILLIER, PLLC

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CERTIFICATE OF SERVICE

I certify that I caused to be served the above Notice of Entry of Order on all counsel of record who have appeared in this matter using the Court's electronic filing and service facility on March 21, 2023.

/s/ Todd E. Kennedy

An employee of Kennedy & Couvillier

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3/20/2023 11:18 AM	

Electronically Filed 03/20/2023 10:43 AM CLERK OF THE COURT

1	ORDR			
2	TODD E. KENNEDY, ESQ.			
2	Nevada Bar No. 6014			
3	KENNEDY & COUVILLIER 3271 E. Warm Springs Rd.			
4	Las Vegas, Nevada 89120			
4	702-605-3440			
5	Tkennedy@kclawnv.com			
6	Attorneys for Movant CLA Properties, LLC			
7				
8	DISTRICT COURT			
9	CLARK COUNTY, NEVADA			
10	CLA Properties, LLC, a California limited Liability company,) Case No: A-22-854413-B) Dept.: 31		
11	, ,)		
12	Movant (Respondent in)		
12	Arbitration)) Date: February 7, 2023 Time: 9:15 a.m.		
13	v.)		
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	SHAWN BIDSAL, an individual)		
15	Respondent (Claimant in)		
16	Arbitration).)		
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ORDER GRANTING BIDSAL'S COUNTERMOTION TO CONFIRM ARBITRATION AWARD AND DENYING CLA PROPERTIES, LLC'S MOTION TO VACATE ARBITRATION AWARD

THIS MATTER came on before the Court on CLA PROPERTIES, LLC's ("<u>CLA</u>" or "<u>Movant</u>") Motion to Vacate Arbitration Award (NRS 38.241) and for Entry of Judgment (the "<u>Motion</u>") and on SHAWN BIDSAL's ("<u>Bidsal"</u>" or "<u>Respondent"</u>") Countermotion to Confirm Arbitration (the "<u>Countermotion</u>") on February 7, 2023. Respondent appeared by and through his attorneys of record, SMITH & SHAPIRO, PLLC and Movant appeared through its attorneys of record, REISMAN SOROKAC and KENNEDY & COUVILLIER.

The Court having entertained arguments of counsel, having held a hearing on the matters, having reviewed the papers and pleadings on file herein, the Court being fully advised in the premises, and good cause appearing:

Page 1 of 9 A-22-854413-B; ORDER DENYING MOTION TO VACATE AND GRANTING COUNTERMOTION TO CONFIRM

Case Number: A-22-854413-B

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PROCEDURAL AND RELEVANT FACTUAL BACKGROUND

A. The First Arbitration

This is the second proceeding in the Eighth Judicial District Court arising out of arbitrations between the parties in connection with a Buy-Sell provision in the Operating Agreement in a company for which CLA and Bidsal were the sole members, Green Valley Commerce, LLC ("<u>GVC</u>" or "<u>Company</u>"), a Nevada limited liability company, which owns and manages real property.

The first arbitration ("Arbitration 1") arose from the activation by Bidsal of Article V, Section 4 of the Operating Agreement permitting one member to initiate a purchase of the other member's interest ("*Buy-Sell Provision*) Arbitration 1 concluded with a Final Award issued by the Hon. Stephen E. Haberfeld on April 5, 2019.

CLA commenced an action to confirm that first arbitration award, and Bidsal responded opposing confirmation and counter-moving to vacate the award. The Court, in Case No. A-19-795188-P, confirmed the award on December 6, 2019, ordering that Bidsal perform within 14 days of this Court's confirmation order, allowing an additional four (4) days more than the ten (10) days Judge Haberfeld allowed for Bidsal to consummate the transaction. Bidsal appealed and sought and obtained a stay of the Court's order pending that appeal. The Supreme Court affirmed on March 17, 2022

B. The Second Arbitration

After confirmation by this Court of Arbitration 1 (but before any determination on appeal to the Supreme Court) Bidsal commenced a second arbitration, assigned to the Hon. David Wall (Ret.), on February 7, 2020 (JAMS Ref No. 1260005736) ("Arbitration 2"). That Arbitration 2 involved, among other things not pertinent to this Court's determination of the issues before it, a determination of what numbers should be plugged into the formula for calculation of a final sale price to be paid by CLA to Bidsal for his 50% ownership interest as ordered by Judge Haberfeld, assuming that award and the court's confirmation were affirmed on appeal by the Nevada Supreme Court and CLA's contention that the ultimate purchase consideration should be reduced

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or CLA awarded damages for profit distributions to Bidsal after what CLA contended was the date the Buy-Sell transaction should have closed under the Operating Agreement (30 days from the CLA election to buy rather than sell) in the amount of \$500,500.00 as of the time of Judge Wall issuing the final award based on CLA's argument that the required closing date of the transaction under the Operating Agreement was required to be September 3, 2017.

Judge Wall issued his final award in the second arbitration on March 12, 2022. In addition to determining the formula purchase price consideration to be paid to Bidsal by CLA to be \$1,889,010.50, the final award determined that the "effective date" of the agreement had not yet occurred because of the intervening litigation and the purchase price had not yet been paid and the transaction closed and, as a consequence, Bidsal remained a full member of the Company and entitled to the \$500,500.00 in profit distributions he had paid himself after September 3, 2017 (the date CLA contended that Bidsal's ownership interest should have transferred under the Operating Agreement and CLA would have been entitled to all of the distributions), rejecting CLA's contention that it receive a credit against the purchase price for that amount or repayment of those funds. Judge Wall's final award in the second arbitration also found Bidsal to be the prevailing party and awarded \$455,644.84 in fees and costs.

C. **Proceedings In This Action**

On June 17, 2022, CLA filed its Motion to Vacate which only challenges two aspects of Judge Wall's Arbitration 2 Final Award and is actually a motion only for partial vacation. The Motion only seeks an order vacating the determination in the final award that the "effective date" of sale did not occur until Bidsal's appeal was concluded and the purchase price as determined in Arbitration 2 actually paid to Bidsal, and that Bidsal was entitled to distributions paid to him from the Company after September 3, 2017, the date CLA contends the transaction was contractually required to close and CLA was entitled to the benefit of its bargain. CLA's Motion to (partially) Vacate also argues that if the Court grants the relief and vacates that portion of the

¹ Judge Wall did not discuss or award interest on the attorneys' fees award, nor did Bidsal raise that issue or request interest on that attorneys' fees award as part of its Counter-Motion to Confirm.

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final award, the award of attorneys' fees and costs should also be vacated because that would make CLA, not Bidsal the prevailing party.²

CLA's Motion to (partially) Vacate does not challenge any other aspect of Judge Wall's Arbitration 2 Final Award. Further, in its Opposition to Bidsal's Counter-Motion to confirm, CLA only raised the limited challenges articulated in its Motion to (partially) Vacate. discussing the procedural and factual background and the issue for determination, the Court has accordingly limited the discussion to those issues and facts relevant to the actual issue before the Court—the merits of the Motion to (partially) Vacate as the determination of CLA's Motion to (partially) Vacate necessarily determines the counter-motion.

ANALYSIS AND DECISION

The question before the Court for decision today is whether Judge Wall's arbitration award meets the standards in which the court should vacate or partially vacate the award. The Court finds that he did not and that it is appropriate to confirm the arbitration award as an order and deny the Motion to (partially) Vacate.

Both parties agreed on inquiry by the Court that the Operating Agreement provides that the arbitration shall proceed under the FAA but that outcome is the same whether analyzed under the Federal Arbitration Act or Nevada state law standards. A motion to partially vacate an arbitration award is allowable and properly before the court pursuant to Comedy Club, Inc. v. *Improv. W. Assocs.*, 553 F3d 1277, 1293 (9th Cir. 2009).

Each Arbitration Act recognizes a ground for vacating or partially vacating an arbitration award where the arbitrator exceeds his or her powers and provides various excesses for their definition of those excesses, including the arbitrator's award being completely irrational or a manifest disregard of the law. Kyocera Corp. v. Prudential-Bache Trade Servs., 341 F.3d 987, 997 (9th Cir. 2003). Additionally, review is not limited to statutory grounds. Graber v. Comstock Bank, 111 Nev. 1421, 1426, 905 P.2d 1112, 1115 (1995).

The transaction in fact closed shortly after the Supreme Court affirmed the Court's confirmation of Arbitration 1, with the purchase price paid to Bidsal by CLA in the amount determined by Judge Wall in Arbitration 2.

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Considering the underlying award by Judge Haberfeld in Arbitration 1, the Court notes that the reference by CLA to his statement of a closing within 30 days on page 11 of his award was under the section specifically entitled "'Core' Arbitration Issues" commencing on page 4 and continuing to paragraph C on page 11, which is a subparagraph of paragraph 20 which commenced on page 10 of Judge Haberfeld's award. Section C states:

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the arbitration provision in the OA to determine that Bidsal must sell his interest in GVC. Similarly, the undersigned Arbitrator does not find that Bidsal inappropriately utilized the arbitration provision in the OA to institute this proceeding to arrive at a purchase price and an effective date of the sale.

The Court concludes that Judge Wall's Effective Date determination does not fall within the standards under federal or state law for vacating or partially vacating an arbitration award for exceeding his authority. The Court does not substitute its judgment for that of the arbitrator. What Judge Wall determined on this point was a well-reasoned explanation, looking at the opinions by the arbitrator/judge in the First Arbitration and whether or not that issue was directly attended, finding that the use of the dispute resolution process was not an abuse of the arbitration provision, finding that Judge Haberfeld did not rule the respondent (Bidsal) inappropriately used the arbitration provision to determine that Bidsal must sell his interest in the entity and therefore and because of the proper use of the arbitration provision for Arbitration 1, there had to be determinations made by Judge Haberfeld in Arbitration 1 whose rulings were confirmed by this Court and affirmed by the Nevada Supreme Court that the transaction would take place once there was a calculation of the formula in Section 4.2.

While the Court is appreciative that CLA contends that the formula was always there and nobody believed that was an issue, Judge Haberfeld stated there still must be a formula calculation. Therefore the date cannot be retroactive back to 2017 because there still needs to have a formula. Realistically, if the parties thought the formula was so clean and clear, it could have been part of Arbitration 1. While the Court is not stating it should have or should not have been part of Arbitration 1, that arbitrations final award said the transaction was to take place in 10 days and the parties were to use the formula which was a prospective aspect of the award.

Then the issue arose, determined Arbitration 2, concerning to what was the elements and how to do the formula. Hence, considering the totality, the analysis provided by Judge Wall, the case authority cited by Judge Wall, the reliance of Judge Wall on Judge Haberfeld, Judge

1 Kishner and the Nevada Supreme Court, this Court cannot find that the standards for vacating an 2 award under NRS 38.241 or 9 USC §9 have been met. 3 Accordingly, cause appearing, 4 IT IS HEREBY ORDERED: 5 1. 6 2. 7 8 9 CONFIRMED. 10 11 12 13 Prepared and Submitted by: 14 KENNEDY & COUVILLIER www.kclawnv.com 15 /s/ Todd E. Kennedy Todd E. Kennedy, Esq. 16 Nevada Bar No. 6014 3271 E. Warm Springs Rd. 17 Las Vegas, Nevada 89120 (702) 605-3440 18 Attorneys for CLA PROPERTIES, LLC 19 Approved as to Form: 20 21 SMITH & SHAPIRO, PLLC 22 **COMPETING ORDER** James E. Shapiro, Esq. 23 Nevada Bar No. 7907 3333 E. Serene Ave., Suite 130 24 Henderson, Nevada 89074 Attorneys for SHAWN BIDSAL 25 26 27

The Motion to Partially Vacate the Award (Doc. 1) by CLA is DENIED, and The Counter-Motion by Respondent Bidsal to Confirm the Final Award is GRANTED and the Final Award issued on March 12, 2022 in JAMS Ref. No. 1260005736 is Dated this 20th day of March, 2023 anno & Kishner 30B 6E8 86E9 AB1C Joanna S. Kishner **District Court Judge**

Page 9 of 9 A-22-854413-B; ORDER DENYING MOTION TO VACATE AND GRANTING COUNTERMOTION TO CONFIRM

1 **CSERV** 2 DISTRICT COURT 3 CLARK COUNTY, NEVADA 4 5 CLA Properties, LLC, CASE NO: A-22-854413-B 6 Petitioner(s) DEPT. NO. Department 31 7 VS. 8 Shawn Bidsal, Respondent(s) 9 10 **AUTOMATED CERTIFICATE OF SERVICE** 11 This automated certificate of service was generated by the Eighth Judicial District 12 Court. The foregoing Order Granting was served via the court's electronic eFile system to all 13 recipients registered for e-Service on the above entitled case as listed below: 14 Service Date: 3/20/2023 15 James Shapiro jshapiro@smithshapiro.com 16 Jennifer Bidwell jbidwell@smithshapiro.com 17 Todd Kennedy tkennedy@kclawnv.com 18 Aimee Cannon acannon@smithshapiro.com 19 20 America Gomez-Oropeza aoropeza@smithshapiro.com 21 Melanie Bruner mbruner@rsnvlaw.com 22 Louis Garfinkel lgarfinkel@rsnvlaw.com 23 24 25 26 27

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DISTRICT COURT CLARK COUNTY, NEVADA

Purchase/Sale of S or Real Estate	tock, Assets, COURT MINU	JTES	July 15, 2022
A-22-854413-B	CLA Properties, LLC, Petitioner(s vs. Shawn Bidsal, Respondent(s)	s)	

July 15, 2022 8:00 AM Minute Order

HEARD BY: Lilly-Spells, Jasmin COURTROOM: Chambers

COURT CLERK: Kathryn Hansen-McDowell

RECORDER:

REPORTER:

PARTIES PRESENT:

JOURNAL ENTRIES

- The court having received a request from the movant to continue the Motion to Vacate Arbitration Award (NRS 38.241) and Entry of Judgement, hereby continues the matter 30 days, August 16, 2022 at 9:30 am.

08/16/2022 9:30 AM MOTION TO VACATE ARBITRATION ARWARD and ENTRY OF JUDGEMENT

CLERK S NOTE: This Minute Order was electronically served to all registered parties for Odyssey File & Serve. 7/15/22khm

PRINT DATE: 04/19/2023 Page 1 of 4 Minutes Date: July 15, 2022

DISTRICT COURT CLARK COUNTY, NEVADA

Purchase/Sale of Stock, Assets, or Real Estate

COURT MINUTES

February 07, 2023

A-22-854413-B

CLA Properties, LLC, Petitioner(s)

VS.

Shawn Bidsal, Respondent(s)

February 07, 2023

9:30 AM

Motion

HEARD BY: Kishner, Joanna S.

COURTROOM: RJC Courtroom 16B

COURT CLERK: Stephanie Rapel

Benjamin Signoretti

RECORDER: Lara Corcoran

REPORTER:

PARTIES

PRESENT: Bidsal, Shawn Respondent

Garfinkel, Louis E. Attorney
Kennedy, Todd E. Attorney
Shapiro, James E. Attorney

JOURNAL ENTRIES

- Upon the Court's inquiry, Petitioner stated the procedural history of this matter, starting with Respondent's 2017 offer to buy-out Petitioner's membership interest at a \$5 million dollar valuation of the subject properties, which was alleged to be below the market value at the time of offer. The offer to purchase the membership interest triggered section four (4) of the operating agreement. Petitioner exercised its right under the operating agreement to purchase Respondent's membership interest. Petitioner stated that per the operating agreement the sale was to close within 30- days of any offer. Respondent disagreed with the \$5 million dollar valuation and the parties entered into the first arbitration with Judge Stephen E. Haberfeld (Ret.). Judge Haberfeld issued an arbitration award in favor of the Petitioner on April 5, 2019. This court confirmed the arbitration award on December 6, 2019. Respondent appealed the arbitration award to the Nevada Supreme Court and the arbitration award was stayed. During the stay, Respondent initiated a second arbitration to determine the

PRINT DATE: 04/19/2023 Page 2 of 4 Minutes Date: July 15, 2022

purchase price of the membership interest if the appeal was unsuccessful. The second arbitration was held with Judge David Wall (Ret.), who issued an arbitration award on March 12, 2022, which set the purchase price. Respondent s appeal was unsuccessful and the sale was finalized.

The Court inquired on what is left for the court to do, Petitioner responded that Respondent breached the contract by not selling within 30- days back in 2017 as outlined in the operating agreement and the Respondent should not be awarded for this breach. Furthermore, Respondent's delay afforded him the opportunity to distribute funds to himself from the profits of the joint venture which he would not have been entitled to if the sale had occurred in 2017. Court noted that this distribution of funds was not an issue until the second arbitration. Petitioner noted that distribution of funds was not a part of the initial arbitration demand, therefore, Judge Haberfeld would not address it. Petitioner argued that Judge Wall disregarded the 30- day provision in the operating agreement and Judge Wall ruled that the effective date was when the sale was consummated which awarded the Respondent for the four and a half year delay.

Respondent responded that the Petitioner is trying to re-litigate this case and the instant Motion fails to meet the legal standards as set forth in 9 U.S. Code 10. Court inquiry on whether the parties wanted to the Court to consider Federal or State statutes in regards to the instant motion. Both parties agreed that either authority would lead to the same conclusion. Respondent continued to argue that Judge Wall's arbitration award was within his authority and Petitioner's motion does not meet any of the four standards set forth in the U.S. Code to vacate an arbitration award. Respondent further argued that Petitioner is attempting to backdate the date of closing even though Nevada law states a cash sale can only occur when payment is made. The Petitioner did not attempt to open escrow or provide payment to the Respondent. Respondent further argued that the Petitioner failed to identify the purchase price or indicate that the money was available. Petitioner maintained possession of the purchase money for five years while benefiting from the membership and noting that there was no effective date in the document. Judge Haberfeld's arbitration award directed Respondent to sell within 10 days. The arbitration award was confirmed by this Court which allowed an additional four (4) days. The transaction closed within the time allotted factoring in the stay because of the pending appeal. The sale was consummated within fourteen (14) days of the Supreme Court's ruling. The order was complied with. The Petitioner states no duty with identifying the purchase price, as soon as the purchase price was identified, the sale was consummated. At the second arbitration, the parties presented competing experts to determine the purchase price. The Petitioner did not tender a penny so there was no expectancy to the membership share until the purchase price was paid. Respondent argues that if Petitioner's motion is granted, it would necessitate a third arbitration. Judge Wall spent days to come to this ruling and Petitioner wants to take out one paragraph of the arbitration award in an attempt to re-litigate. Court inquiry on what relief Respondent is seeking in its countermotion, Respondent stated its request for an order confirming Judge Wall's arbitration order to be a final order.

Further arguments by Petitioner and Respondent regarding the merits of and opposition to the motion and countermotion. Court stated its findings. Petitioner's motion did not meet the standards

PRINT DATE: 04/19/2023 Page 3 of 4 Minutes Date: July 15, 2022

A-22-854413-B

of Federal or State statutes to vacate the arbitration award, therefore, COURT ORDERS Petitioner s Motion to Vacate Arbitration Award (NRS 38.241) and for Entry of Judgment is DENIED. COURT DIRECTED Respondent to prepare the Order with detailed Findings of Fact and Conclusions of Law, circulate to opposing counsel, and submit to the Court pursuant to EDCR 7.21 and the current Administrative Orders. Colloquy with counsel regarding the time necessary to prepare the order, Court directs counsel to submit order within twenty-eight (28) days and provided clarification on how to submit competing orders for consideration.

PRINT DATE: 04/19/2023 Page 4 of 4 Minutes Date: July 15, 2022



EIGHTH JUDICIAL DISTRICT COURT CLERK'S OFFICE NOTICE OF DEFICIENCY ON APPEAL TO NEVADA SUPREME COURT

TODD E. KENNEDY, ESQ. 3271 E. WARM SPRINGS RD. LAS VEGAS, NV 89120

> DATE: April 19, 2023 CASE: A-22-854413-B

RE CASE: CLA PROPERTIES, LLC vs. SHAWN BIDSAL

NOTICE OF APPEAL FILED: April 17, 2023

YOUR APPEAL HAS BEEN SENT TO THE SUPREME COURT.

PLEASE NOTE: DOCUMENTS **NOT** TRANSMITTED HAVE BEEN MARKED:

- \$250 Supreme Court Filing Fee (Make Check Payable to the Supreme Court)**

 If the \$250 Supreme Court Filing Fee was not submitted along with the original Notice of Appeal, it must be mailed directly to the Supreme Court. The Supreme Court Filing Fee will not be forwarded by this office if submitted after the Notice of Appeal has been filed.
 \$24 − District Court Filing Fee (Make Check Payable to the District Court)**
 \$500 − Cost Bond on Appeal (Make Check Payable to the District Court)**
 - NRAP 7: Bond For Costs On Appeal in Civil Cases
 - Previously paid Bonds are not transferable between appeals without an order of the District Court.
- ☐ Case Appeal Statement
 - NRAP 3 (a)(1), Form 2
- ☐ Order
- ☐ Notice of Entry of Order

NEVADA RULES OF APPELLATE PROCEDURE 3 (a) (3) states:

"The district court clerk must file appellant's notice of appeal despite perceived deficiencies in the notice, including the failure to pay the district court or Supreme Court filing fee. The district court clerk shall apprise appellant of the deficiencies in writing, and shall transmit the notice of appeal to the Supreme Court in accordance with subdivision (g) of this Rule with a notation to the clerk of the Supreme Court setting forth the deficiencies. Despite any deficiencies in the notice of appeal, the clerk of the Supreme Court shall docket the appeal in accordance with Rule 12."

Please refer to Rule 3 for an explanation of any possible deficiencies.

**Per District Court Administrative Order 2012-01, in regards to civil litigants, "...all Orders to Appear in Forma Pauperis expire one year from the date of issuance." You must reapply for in Forma Pauperis status.

Certification of Copy

State of Nevada	7	CC.
County of Clark	}	SS:

I, Steven D. Grierson, the Clerk of the Court of the Eighth Judicial District Court, Clark County, State of Nevada, does hereby certify that the foregoing is a true, full and correct copy of the hereinafter stated original document(s):

NOTICE OF APPEAL; CASE APPEAL STATEMENT; NOTICE OF CLA PROPERTIES POSTING OF COST BOND; DISTRICT COURT DOCKET ENTRIES; CIVIL COVER SHEET; CIVIL COVER SHEET; ORDER GRANTING BIDSAL'S COUNTERMOTION TO CONFIRM ARBITRATION AWARD AND DENYING CLA PROPERTIES, LLC'S MOTION TO VACATE ARBITRATION AWARD; NOTICE OF ENTRY OF ORDER; DISTRICT COURT MINUTES; NOTICE FO DEFICIENCY

CLA PROPERTIES, LLC,

Plaintiff(s),

VS.

SHAWN BIDSAL,

Defendant(s),

now on file and of record in this office.

Case No: A-22-854413-B

Dept No: XXXI

IN WITNESS THEREOF, I have hereunto Set my hand and Affixed the seal of the Court at my office, Las Vegas, Nevada This 19 day of April 2023.

Steven D. Grierson, Clerk of the Court

Amanda Hampton, Deputy Clerk