

IN THE SUPREME COURT OF THE STATE OF NEVADA

LYNITA SUE NELSON,
INDIVIDUALLY, AND IN HER
CAPACITY AS INVESTMENT
TRUSTEE OF THE LYNITA S.
NELSON NEVADA TRUST DATED
MAY 30, 2001,
Appellants/Cross-Respondents,
vs.
MATT KLABACKA AS
DISTRIBUTION TRUSTEE OF THE
ERIC L. NELSON NEVADA TRUST
DATED MAY 30, 2001; AND ERIC L.
NELSON,
Respondents/Cross-Appellant.
and
ERIC L. NELSON,
Respondent.

SUPREME COURT CASE NO.: 87234

District Court Case No. 2024-01537
Electronically Filed
Feb 13 2024 01:35 PM
Elizabeth A. Brown
Clerk of Supreme Court

APPENDIX TO APPELLANT, LYNITA NELSON'S OPENING BRIEF

VOLUME 7

Stacy Howlett, Esq.
Nevada Bar No. 8502
Matthew D. Whittaker, Esq.
Nevada Bar No. 13281

MICHAELSON LAW

1746 W. Horizon Ridge Parkway
Henderson, Nevada 89012

Telephone: (702) 731-2333 / Facsimile: (702) 731-2337

stacy@michaelsonlaw.com

matthew@michaelsonlaw.com

*Attorneys for Appellant, Lynita Nelson, Individually and as Trustee of the Lynita
S. Nelson Nevada Trust Dated May 30, 2001*

INDEX

VOLUME	BATES NUMBERS
1	AA0001 – AA0249
2	AA0250 – AA0499
3	AA0500 – AA0749
4	AA0750 – AA0999
5	AA1000 – AA1249
6	AA1250 – AA1499
7	AA1500 – AA1749
8	AA1750 – AA1999
9	AA2000 – AA2249
10	AA2250 – AA2499
11	AA2500 – AA2749
12	AA2750 – AA2999
13	AA3000 – AA3249
14	AA3250 – AA3499
15	AA3500 – AA3749
16	AA3750 – AA3853

INDEX

VOLUME	DATE	DESCRIPTION	BATES NUMBERS
11, 12	3/22/2023	Appendix of Exhibits in Support of Defendant/Cross-Defendant, Lynita S. Nelson's, Opposition to ELN Trust's and Eric Nelson's Motions for Attorneys' Fees	AA2660 - AA2750
12	3/22/2023	Appendix of Exhibits in Support of Defendant/Cross-Defendant, Lynita S. Nelson's, Opposition to Motion for Immediate Payment of Funds Belonging to ELN Trust and Countermotion for Final Determination of Alimony Issue, and Payment of Monies Owed by ELN Trust to LSN Trust Part One	AA2751 - AA2918
12, 13	3/22/2023	Appendix of Exhibits in Support of Defendant/Cross-Defendant, Lynita S. Nelson's, Opposition to Motion for Immediate Payment of Funds Belonging to ELN Trust and Countermotion for Final Determination of Alimony Issue, and Payment of Monies Owed by ELN Trust to LSN Trust Part Two	AA2919 - AA3078
13	3/22/2023	Appendix of Exhibits in Support of Defendant/Cross-Defendant, Lynita S. Nelson's, Opposition to Motion for Immediate Payment of Funds Belonging to ELN Trust and Countermotion for Final Determination of Alimony Issue, and Payment of Monies Owed by ELN Trust to LSN Trust Part Three	AA3079 - AA3193
14, 15	6/20/2023	Appendix of Exhibits to Supplement to Motion for Immediate Payment of	AA3442 - AA3579

		Funds Belonging to ELN Trust Pursuant to Court Order Entered on June 9, 2023 - Volume I	
15	6/20/2023	Appendix of Exhibits to Supplement to Motion for Immediate Payment of Funds Belonging to ELN Trust Pursuant to Court Order Entered on June 9, 2023 - Volume II	AA3580 - AA3711
1	5/6/2009	Complaint for Divorce	AA0001 - AA0008
10	2/9/2023	Defendant, Lynita S. Nelson's, Motion to Retax Costs	AA2327 - AA2335
2	7/14/2021	Defendant, Lynita S. Nelson's, Opposition to Matt Klabacka's Motion for Summary Judgment, or Alternatively, Motion to Strike and/or Motion to Extend Deadline to File Rebuttal Expert Report and to Continue Trial (First Post-Appeal Request) and Countermotion to Compel Production of Documents and for Attorneys' Fees and Costs	AA0250 - AA0317
13	3/22/2023	Defendant/Cross-Defendant, Lynita S. Nelson's, Opposition to ELN Trust's and Eric Nelson's Motions for Attorneys' Fees	AA3194 - AA3208
13	3/22/2023	Defendant/Cross-Defendant, Lynita S. Nelson's, Opposition to Motion for Immediate Payment of Funds Belonging to ELN Trust and Countermotion for Final Determination of Alimony Issue, and Payment of Monies Owed by ELN Trust to LSN Trust	AA3209 - AA3226

10	2/21/2023	Eric Nelson's, in His Individual Capacity, Motion for Attorney's Fees	AA2336 - AA2434
13	4/28/2023	Joint Reply to "Defendant/Cross-Defendant, Lynita S. Nelson's Opposition to ELN Trust's and Eric Nelson's Motion for Attorney's Fees"	AA3227 - AA3246
2	2/7/2022	Lynita S. Nelson's Amendment to Counterclaims so as to Include New Claims Against NBGS, LLC	AA0437 - AA0444
1	9/30/2011	Lynita Sue Nelson's: (1) Answer to Claims of The Eric L. Nelson Nevada Trust; and (2) Claims for Relief Against Eric L. Nelson, Eric L. Nelson Nevada Trust dated May 30, 2001, Lana Martin, Nola Harber, Rochelle McGowan, Joan B. Ramos, and Does I through X (Whether Designated as a Counterclaim, Cross-Claim, and/or Third-Party Complaint)	AA0009 - AA0044
10, 11	2/21/2023	Motion for Attorneys' Fees Pursuant to NRCF 54	AA2435 - AA2516
11	2/21/2023	Motion for Immediate Payment of Funds Belonging to ELN Trust	AA2517 - AA2659
1	6/21/2021	Motion for Summary Judgment, or Alternatively, Motion to Strike and/or Motion to Extend Deadline to File Rebuttal Expert Report and to Continue Trial (First Post-Appeal Request)	AA0078 - AA0249
16	8/25/2023	Notice of Appeal	AA3851 - AA3853

1	10/27/2020	Notice of Entry of Decision and Order	AA0064 - AA0072
2	10/12/2021	Notice of Entry of Decision and Order	AA0412 - AA0436
9	6/29/2022	Notice of Entry of Decision and Order	AA2180 - AA2203
9	1/31/2023	Notice of Entry of Decision Regarding the Characterization of Management Fees	AA2204 - AA2216
15, 16	7/27/2023	Notice of Entry of Order After Hearing Denying Lynita S. Nelson's Motion to Retax Costs; and Order Awarding ELN Trust's Memorandum of Costs	AA3735 - AA3750
16	7/27/2023	Notice of Entry of Order After Hearing Denying Lynita Sue Nelson's Request for Attorney's Fee	AA3751 - AA3773
16	7/27/2023	Notice of Entry of Order After Hearing Granting ELN Trust's Request for an Award of Attorney's Fees	AA3774 - AA3800
16	7/27/2023	Notice of Entry of Order After Hearing Granting Eric Nelson's, in His Personal Capacity, Request for Attorney's Fees and Verified Memorandum of Costs	AA3801 - AA3830
1	1/4/2021	Notice of Entry of Order From December 22, 2020 Hearing	AA0073 - AA0074
14	6/9/2023	Notice of Entry of Order Granting in Part Motion for Immediate Payment of Funds Belonging to ELN Trust	AA3431 - AA3441

16	8/2/2023	Notice of Entry of Order Granting the ELN Trust's Motion for Immediate Payment of Funds Belonging to ELN Trust	AA3831 - AA3850
1	1/4/2021	Order From December 22, 2020 Hearing	AA0075 - AA0077
2	7/28/2021	Reply in Support of Motion for Summary Judgment, or Alternatively, Motion to Strike and/or Motion to Extend Deadline to File Rebuttal Expert Report and to Continue Trial (First Post-Appeal Request) and Opposition to Countermotion to Compel Production of Documents and for Attorneys' Fees and Costs	AA0318 - AA0332
15	6/20/2023	Supplement to Motion for Immediate Payment of Funds Belonging to ELN Trust Pursuant to Court Order Entered on June 9, 2023	AA3712 - AA3734
2	8/4/2021	Transcript re: All Pending Matters	AA0333 - AA0411
2, 3	3/7/2022	Transcript re: All Pending Motions	AA0445 - AA0574
9	5/2/2022	Transcript re: All Pending Motions	AA2105 - AA2179
13, 14	5/4/2023	Transcript re: All Pending Motions	AA3247 - AA3282
14	5/30/2023	Transcript re: All Pending Motions	AA3283 - AA3430

1	1/3/2018	Transcript re: Motion	AA0045 - AA0063
3, 4	3/28/2022	Transcript re: Trial	AA0575 - AA0765
4	3/29/2022	Transcript re: Trial	AA0766 - AA0988
4, 5	3/30/2022	Transcript re: Trial	AA0989 - AA1181
5, 6	4/4/2022	Transcript re: Trial	AA1182 - AA1351
6, 7	4/6/2022	Transcript re: Trial	AA1352 - AA1551
7	4/7/2022	Transcript re: Trial	AA1552 - AA1719
7, 8	4/27/2022	Transcript re: Trial	AA1720 - AA1904
8, 9	4/28/2022	Transcript re: Trial	AA1905 - AA2104
9, 10	2/6/2023	Verified Memorandum of Costs	AA2217 - AA2326

CERTIFICATE OF SERVICE

Pursuant to Nevada Rule of Civil Procedure 5(b) and NEFCR 9, the undersigned hereby certifies that on February 13, 2024, a copy of the **APPENDIX TO APPELLANT, LYNITA NELSON'S OPENING BRIEF VOLUME 7** was filed with the Clerk of the Court through the Court's eFlex electronic filing system and notice will be sent electronically by the Court to the following:

Jeffrey P. Luszeck, Esq. SOLOMON DWIGGINS FREER & STEADMAN, LTD. 9060 West Cheyenne Avenue Las Vegas, NV 89129 Tel: (702) 853-5483 Fax: (702) 853-5485 jluszeck@sdfnlaw.com <i>Attorneys for Matt Klabacka, Distribution Trustee of the ERIC L. NELSON NEVADA TRUST dated May 30, 2001</i>	Michelle A. Hauser, Esq. Hauser Family Law 1489 W. Warm Springs Road, Suite 100 Henderson, NV 89014 michelle@hauserfamilylaw.com <i>Attorney for Plaintiff Eric Nelson Individually</i>
--	--

MICHAELSON LAW

/s/ Michelle Ekanger

An Employee of Michaelson Law

1 MR. CARMAN: -- addressed in this letter?

2 MR. KARACSONYI: Lack of foundation. Unauthenticated.

3 It's hearsay.

4 MR. CARMAN: I'm about to --

5 MR. KARACSONYI: Well, you gotta establish a foundation --

6 MR. CARMAN: I'm about to.

7 BY MR. CARMAN:

8 Q Just so we're clear, Joseph Leauanae, Anthem Forensics,
9 that is your office, correct?

10 A That is my business partner, yes.

11 Q But this Anthem Forensics is where you work, correct?

12 A Correct.

13 Q That's who you're testifying for today, correct?

14 A Yes. It's my company.

15 Q Does Anthem Forensics retain letters in relation to cases, as a
16 normal part of their business practice?

17 A For a period of time. We have a retention policy, as well, in
18 which we destroy documents after a period of time, typically seven
19 years.

20 Q Okay. And just so we're clear, this is a document that was
21 produced to us by Ms. Nelson in the course of discovery. Are you aware
22 of -- have you seen this before?

23 A I don't recall. No.

24 Q Okay. Do you have any reason to dispute that this is a true
25 and accurate copy of a letter that was addressed to Anthem Forensics --

1 MR. KARACSONYI: Objection. Lack of Foundation.

2 MR. CARMAN: September 24th, 2009.

3 MR. KARACSONYI: Lack of foundation and proper
4 authentication on hearsay.

5 MR. CARMAN: It was produced by them. I don't even
6 know --

7 THE COURT: It was produced by them right now.

8 MR. CARMAN: -- that they have grounds --

9 THE COURT: I don't know who produced stuff on that.
10 You've been going back and forth and all the parties that produced,
11 wasn't produced. That one produced it. This one didn't produce it. She
12 doesn't know that letter. She doesn't know the letter. You can have Mr.
13 Nelson can testify the letter, if he wrote it.

14 MR. KARACSONYI: And it's his letter. It's hearsay.

15 THE COURT: And he can -- it's not hearsay. He's here. He
16 can testify to his letter if he wants to, but you know, he could verify it, if
17 you need to get that.

18 MR. CARMAN: But, well, are you objecting on authenticity?

19 MR. KARACSONYI: I'm objecting that it's hearsay too.

20 MR. CARMAN: Okay. You can't, they can --

21 MR. KARACSONYI: The statement of opponent can be
22 offered by a party opponent. You can't offer your own statement for the
23 truth of the matter asserted that he wrote years ago.

24 THE COURT: Well, he can testify to it on that, the hearsay --

25 MR. KARACSONYI: He can --

1 THE COURT: -- so you can't say an out of court statement
2 for the truth, for us to contain there in. If he's in court, you can question
3 him on that letter, if it's true or not on that, so it's not a hearsay for Mr.
4 Nelson. For her, she doesn't know it, of course, but he can testify to that
5 letter, sit there and say it or not on that. The reason you have hearsay is
6 because he's not subject to cross-examination. He's subject to cross-
7 examination to verify it or not.

8 MR. CARMAN: Don't even need to.

9 BY MR. CARMAN:

10 Q And I, I just want to make sure it's clear. Throughout the
11 course of Anthem representing Ms. Nelson, are you aware that Mr.
12 Nelson has openly reached out and offered to provide information?

13 A In regards to this retention? I'm not aware of that , no.

14 Q In regard to this case.

15 MR. KARACSONYI: Objection. Calls for speculation, lack of
16 foundation.

17 MR. CARMAN: I'm asking her if she's aware.

18 THE COURT: As far as your involvement in the case, are you
19 aware or not? Just your involvement in the case?

20 THE WITNESS: I'm not aware. I wasn't involved, as I
21 discussed with the -- in a very limited capacity --

22 BY MR. CARMAN:

23 Q Are you aware that the evidence already presented in this
24 case demonstrates that Mr. Nelson provided information to Anthem
25 informally, without even a formal request?

1 MR. KARACSONYI: Objection. Mischaracterized, calls for
2 speculation, assumes facts not in evidence.

3 THE COURT: If she knows. Do you know?

4 THE WITNESS: Again, I wasn't involved. He may -- I know
5 that he met with people from Anthem, but that wasn't myself, back in
6 2009, but I'm not aware of any of the meetings or conversations.

7 BY MR. CARMAN:

8 Q In preparing for your testimony in this case, whether today or
9 at your deposition, did you review the files from the prior retention?

10 A No.

11 Q Why is Mr. Leauanae not testifying today?

12 MR. KARACSONYI: Objection. Relevance.

13 THE COURT: Well, overruled. They can ask someone who's
14 been involved in a lot of expert -- if she knows something. If you can
15 answer it, you can.

16 THE WITNESS: In regards to this engagement, we both
17 signed the report. As I previously testified, I was the primary lead on this
18 case, so I was the one that was going to testify.

19 BY MR. CARMAN:

20 Q And as you sit there, you don't know what documents
21 Anthem retained from Mr. Nelson in the prior engagement?

22 A No. This retention was structured as a new retention and we
23 received documents, even if they were documents that were -- had been
24 already produced, we received them again and kept a file.

25 Q So just so I'm clear, prior to the issuance of your report, did

1 you review the file from the prior retention?

2 A No.

3 Q So you have no way to tell me, as you sit there on the stand,
4 as to whether all relevant documents from that prior retention have been
5 disclosed?

6 A I'm not aware. No. We received the discovery, and I mean,
7 anything that was received through discovery, I think we did reference in
8 our subpoena file that was provided, various CDs of information, and
9 that was put into the subpoena.

10 Q And you didn't do any investigation into the prior file
11 maintained by Anthem to see if there was relevant information that
12 could help you and assist you in rendering this report?

13 A I don't recall. No.

14 Q So to the extent documents are noted as missing in your
15 report, you can't independently verify that because you don't know
16 what's in the old file.

17 A I believe, in terms of documents, all was pulled, but that
18 wouldn't have been by me directly. We had everyone pull any account
19 statements, and pull them over, and that was produced in our file.

20 Q But as you sit there today, you can't personally vouch that
21 the documents that are listed as missing are truly missing, because you
22 haven't verified whether they exist in the old file.

23 A That's fair. Me, personally, no.

24 MR. CARMAN: Okay. In rendering an opinion in this case,
25 again, you've discounted the significance of the Peachtree records. Is

1 that a fair and accurate assessment?

2 MR. KARACSONYI: Objection. Asked and answered.
3 Mischaracterized.

4 THE COURT: Overruled. She can answer. She's --

5 THE WITNESS: Did you say I can --

6 THE COURT: He asked you, did you --

7 THE WITNESS: You said answer?

8 THE COURT: Yeah, you can answer.

9 THE WITNESS: I don't know if the word discounted -- we did
10 not place substantive weight on it that term discounting given our
11 inability to discern the concerns from the Court.

12 BY MR. CARMAN:

13 Q Okay. So because of concerns from the report, you
14 discounted whether they would have value in creating this report?

15 A I would say we didn't give it weight, as far as filling in
16 missing time periods. And as I noted earlier, we still made reference to
17 various aspects of it.

18 MR. CARMAN: Would it surprise you to learn that Ms.
19 Nelson, throughout the course of this trial, admitted those Peachtree
20 records as evidence?

21 MR. KARACSONYI: Objection. Mischaracterizes, assumes
22 facts not in evidence.

23 THE COURT: Overruled. She can answer. Answer if it would
24 surprise you.

25 THE WITNESS: Would surprise you? No.

1 BY MR. CARMAN:

2 Q Do you really think that Ms. Nelson's Counsel or Ms. Nelson
3 would have entered an exhibit that has no probative value?

4 A I don't know --

5 MR. KARACSONYI: Objection. Calls for speculation.
6 Argumentative.

7 THE COURT: Sustained. I don't think she --

8 MR. KARACSONYI: Relevance.

9 THE COURT: -- can answer that.

10 BY MR. CARMAN:

11 Q So you could have used the Peachtree data to fill in missing
12 information in your analysis, and you chose not to?

13 A For the periods in which we had Peachtree and no banking
14 records, we could have incorporated that information. Yes.

15 Q And just -- we were talking about missing statements from
16 Ms. Nelson. You were also missing tax returns from Ms. Nelson,
17 correct?

18 A That is accurate.

19 Q From 2011 to 2013?

20 A I have to refer to the schedule and refreshing my memory.

21 Q If you care to refresh your recollection, I'm fine with it this
22 time.

23 A Okay. Yes, that is correct.

24 Q And again, the missing tax returns could have assisted you in
25 doing a tracing analysis, correct?

1 A It could have been probative information. Yes, it could have
2 been considered. If it was received, it would have been considered.

3 Q When you indicated in your report that you requested source
4 documentation and it wasn't provided, just so we're 100 percent crystal
5 clear on the record today, you didn't request any documents directly
6 from anyone related to Mr. Nelson's side of the case, correct?

7 A Directly?

8 Q Correct.

9 A No. I believe that'd be improper.

10 Q All right. The document request that you were referring to,
11 you requested it from Ms. Nelson's counsel.

12 A Through counsel, yes.

13 MR. CARMAN: And, and as you sit here, do you have any
14 specifics as to why information that you requested wasn't provided?

15 MR. KARACSONYI: Objection. Asked and answered.

16 THE COURT: Overruled.

17 THE WITNESS: As I testified earlier, no, I don't. I just know I
18 don't have it.

19 BY MR. CARMAN:

20 Q And you haven't had a discussion directly with Ms. Nelson
21 about why her tax returns weren't provided?

22 A No. I don't know if we discussed tax returns with her. It may
23 have been discussed with counsel. It's just that we're requesting them
24 and they weren't received. I don't know the rationale.

25 Q Okay. And just so we're clear, when you stated in your

1 report, "We requested source documentation relative to each of the
2 assets discussed within this report, but we're informed that complete
3 comprehensive source documentation was not available for the entirety
4 of the relevant period," you were informed by either Ms. Nelson or Ms.
5 Nelson's counsel, not by Eric Nelson or Eric Nelson's counsel, correct?

6 A That would be from counsel, correct. From Ms. Nelson's
7 counsel.

8 Q Did you make any requests for documentation to Mr. Gerety?

9 A No. I -- we made all of our, our requests through counsel,
10 through the discovery process.

11 MR. KARACSONYI: Judge, he's pausing. Is this an okay time
12 for a quick break?

13 THE COURT: Is it time for a break?

14 THE WITNESS: Yes.

15 MR. KARACSONYI: It's been about an hour and a half.

16 THE COURT: All right. Taking a ten-minute break.

17 [Recess taken from 3:32 p.m. to 3:46 p.m.]

18 THE COURT: We're going back on the record in the matter of
19 Nelson v. Nelson D-09-411537. We took a, a brief recess and we'll pick
20 up, and we'll plan on ending at 4:30. And again, start tomorrow about
21 9:30 to finish up on -- we worked it out during the break with the witness
22 to accommodate the witness' schedule as well.

23 All right. Mr. Carman.

24 MR. CARMAN: All right.

25 /////

1 BY MR. CARMAN:

2 Q Just, I think we were on the Peachtree records we were
3 talking about when we broke. Just so we're clear, the Peachtree records
4 came in two forms. They were printed out general ledgers, correct?

5 A I believe that's correct, yes.

6 Q And balance sheets for the various entities, correct?

7 A I don't specifically recall. I'm more familiar with the general
8 ledgers, but a balance sheet can be printed from a Peachtree.

9 Q Well, did you review any printed balance sheets from
10 Peachtree?

11 A From Peachtree, I don't specifically recall. I recall balance
12 sheets by Mr. Gerety that didn't necessarily look like the Peachtree
13 export, but I can't specifically recall.

14 Q Well, maybe I should rephrase it this way. What Peachtree
15 records did you review in performing your analysis?

16 A Primarily the general ledgers.

17 Q All right. And you indicated in your report that you had
18 trouble accessing the data file.

19 A For the native Peachtree files in our file, yes.

20 Q Okay. But you'll acknowledge, you tried to access it. You
21 had problems. You never reached out to Mr. Gerety for assistance,
22 correct?

23 A I believe I testified I did not speak to Mr. Gerety.

24 Q And didn't reach out to -- you didn't directly reach out to
25 anyone on our side of the case for assistance in retrieving the data,

1 correct?

2 A No.

3 MR. KARACSONYI: I'm just going to object. That would be --

4 THE COURT: Overruled.

5 BY MR. CARMAN:

6 Q You do understand that Mr. Bertsch did rely upon the
7 Peachtree records in performing his responsibilities to the Court, correct?

8 A Rely on? I know Mr. Bertsch references the Peachtree to the
9 extent he relied upon it. I don't recall the conclusions of Mr. Bertsch's
10 reports.

11 Q Well, you've included information from the Peachtree
12 records in your report, correct?

13 A Yes.

14 Q Selectively.

15 A Portions of, yes.

16 Q All right. In performing forensic analyses, and you've done
17 these in other cases, correct?

18 A Yes, forensic accounting analyses?

19 Q Right.

20 A Yes.

21 Q When you have non-source -- let's say in the past, when
22 you've had cases, you've occasionally been forced to rely upon things
23 like Peachtree or QuickBooks, when you don't have source documents,
24 correct?

25 A We regularly rely upon those types of -- that data in the

1 course of our field. Yes.

2 Q Okay. In this case, you've elected not to?

3 A I don't think that's my testimony.

4 Q Well, you certainly could have filled in the missing
5 accounting period that you didn't have statements for with the Peachtree
6 records, if you'd chosen to do so.

7 A We did not do that with the Peachtree records, as noted
8 earlier.

9 Q Okay. And in other cases where you use things like
10 QuickBooks, things like Peachtree, that aren't source documents, you
11 spot check to ensure their accuracy, correct?

12 A I think it depends on the use of those records and the scope
13 of those engagements. You know, there are situations in which we
14 provide forensic accounting analyses solely on the accounting records,
15 with no sort of source docs, because that's the scope of the engagement
16 and the available information. If our scope entails verifying the internal
17 records such as Peachtree and QuickBooks with source docs, we will do
18 that. And --

19 Q Okay. And this --

20 A -- it depends.

21 Q In this particular case, your scope did not include the review
22 of the Peachtree documents to ensure their accuracy?

23 A That is correct.

24 Q But for the limitations on your scope, you could have verified
25 Peachtree records to the extent you had source documents available

1 during some time periods, correct?

2 A Yes. But in the periods in which we have source docs, we
3 just relied upon source docs.

4 Q Right. But if you're able to verify all of the available
5 information within the Peachtree records, can't you draw some
6 conclusions as to the accuracy of the records during the time period
7 that's not available?

8 A If the scope of our engagement is to confirm Peachtree
9 records to source docs for a period of time, we could use the information
10 to do that. Yes.

11 Q And just as a hypothetical, if you were doing a 12-month
12 tracing and you had bank statements for 11 months, and Peachtree
13 records for 12 months, if all of the 11 months contained accurate data,
14 you can at least make some assumptions regarding the validity of the
15 extra month, correct?

16 A You could make assumptions. It wouldn't guarantee that the
17 12th month is accurate. There could be issues with that. I mean --

18 Q That's a -- there can be inaccuracies in banking records as
19 well, correct?

20 A What do you mean by inaccuracies in banking records?

21 Q Have you ever seen the bank correct a bank statement
22 because of errors?

23 A But those are going to be noted on the source docs?

24 I mean --

25 MR. CARMAN: I guess. And what I'm saying, you're not

1 truly saying, as you sit there on the stand, that you can't -- you can make
2 assumptions regarding the accuracy of missing -- QuickBooks records or
3 Peachtree records. If you're able to verify the majority of the information
4 provided therein, correct?

5 MR. KARACSONYI: Objection. Asked and answered.

6 THE COURT: Overruled. Do you understand the question?

7 THE WITNESS: Yes. Could we make assumptions if our
8 scope was to verify Peachtree records? Yes.

9 THE COURT: Okay.

10 BY MR. CARMAN:

11 Q And you often have to complete tracing analyses with the
12 best information that's available, correct?

13 A I think it's, it's such a broad paint of tracing analyses and
14 forensic accounting analyses, I would say in any engagement, we're
15 using the best available information depending on the facts and
16 circumstances of the case.

17 Q Okay. In the past, when performing tracing analyses related
18 to community property, have you relied upon non-source documents
19 occasionally because you had to?

20 A In other cases, I'm sure I have. Yes.

21 Q But not in this case.

22 A Correct.

23 Q Because your scope was limited.

24 A No.

25 MR. CARMAN: Okay. Dan Gerety, you indicated in your

1 report, Dan Gerety, an expert witness retained by Eric, had provided
2 testimony at trial, presumably based, in part, upon Peachtree records.
3 The District Court found the testimony to be of little probative value. Do
4 you know why the Court had concerns about the probative value of Mr.
5 Gerety's testimony?

6 MR. KARACSONYI: Objection. Calls for speculation.

7 THE COURT: Overruled. He did say her understanding. She
8 read it. She testified today as far as the Court's prior findings. So you
9 can answer, if you can.

10 THE WITNESS: I believe the next sentence from what you're
11 reading specifically says, "We cannot discern the extent to which the
12 assessment was based upon the Peachtree records or Gerety's analysis
13 or testimony."

14 BY MR. CARMAN:

15 Q And just so we're clear, when I'm asking you questions
16 today, I would ask that you not refer to the report, unless I ask you to,
17 because I want to hear your personal knowledge, not what was written in
18 the report. Just so we're clear, the report was authored by you and
19 other people, correct?

20 A Yes. But I'm responsible for the contents of the report.

21 Q Okay. Is there ever an occasion where you don't necessarily
22 agree with a consensus conclusion in a report?

23 A If I didn't agree, I wouldn't put it in and sign my name to it.

24 Q Fair enough. Did you actually analyze Mr. Gerety's report?

25 A Define analyze.

1 Q Did you review Mr. Gerety's report?

2 A Yes, at some point in the engagement.

3 Q Okay. And did you compare it to anything to see if it was
4 accurate or not?

5 A No. Verifying and rebutting Mr. Gerety was outside the
6 scope of our engagement.

7 Q Okay. So as you sit here, you're not independently making
8 any credibility determinations regarding Mr. Gerety's report or prior
9 testimony?

10 MR. KARACSONYI: Objection. Relevance. Outside the
11 scope.

12 THE COURT: I think she's all right -- can testify. Let's move
13 on with it. She basically indicated that she already testified as to Gerety.

14 MR. CARMAN: Well, but I've got to ask her a question about
15 it, Your Honor

16 THE COURT: Got to ask -- get on with it.

17 BY MR. CARMAN:

18 Q Mr. Gerety performed a trace, a due to/due from analysis of
19 the two trusts, correct?

20 A That is my understanding. Yes.

21 Q Okay. When you say it's your understanding, did you review
22 his report ?

23 A At some point in the engagement? Yes.

24 Q Okay. You just don't recall, as you sit there, what it said?

25 A Correct.

1 Q Okay.

2 A That was outside the scope to, to testify to Gerety's report.

3 Q Okay. And you did not incorporate any of Mr. Gerety's work
4 into your report, did you?

5 A The extent to which Peachtree is a part of Mr. Gerety's work,
6 I've testified today about the portions --

7 THE COURT: Peachtree at Exhibit 9 and 10 --

8 THE WITNESS: -- that I incorporated, canceled checks or the
9 observations.

10 THE COURT: -- I think you said is the Peachtree?

11 THE WITNESS: Yeah.

12 MR. CARMAN: Okay. And did you review the decree to see
13 what the Court's concerns were about Mr. Gerety's testimony?

14 MR. KARACSONYI: Objection. Asked and answered.

15 THE COURT: Did you?

16 THE WITNESS: Yes.

17 THE COURT: Okay.

18 BY MR. CARMAN:

19 Q One of the criticisms of Mr. Gerety's work is that he didn't
20 engage Ms. Nelson or her counsel in the process. Do you recall that?

21 A I don't recall.

22 MR. CARMAN: Okay. Do you recall the Court having
23 concerns that he didn't reach out to Ms. Nelson for her input?

24 MR. KARACSONYI: Objection. Asked and answered.

25 THE COURT: Overruled.

1 THE WITNESS: I don't recall.

2 BY MR. CARMAN:

3 Q All right. Just so we're clear, as you sit there today, you
4 haven't directly reached out to Eric or his counsel in your retention and
5 engaged us, correct?

6 A Correct. I believe that would be improper.

7 Q In fact, Mr. Nelson's deposition wasn't even taken until after
8 your report was issued.

9 A That is my understanding.

10 MR. KARACSONYI: Objection. Assumes facts not in
11 evidence.

12 THE COURT: Well, if it was, it was.

13 MR. KARACSONYI: This -- and it's --

14 THE COURT: You guys know if it was.

15 MR. KARACSONYI: -- inaccurate. I mean, he knows that the
16 depositions were taken years ago.

17 MR. CARMAN: Okay. The deposition in relation to this
18 engagement wasn't taken until after the issuance of your report, correct?

19 MR. KARACSONYI: Objection.

20 THE COURT: Overruled. She knows. Do you know? Do you
21 know when that deposition --

22 THE WITNESS: That's my understanding.

23 BY MR. CARMAN:

24 Q And, and just so we're clear, other than the prior deposition
25 that occurred years and years ago, you didn't ask any questions of Mr.

1 Nelson in preparing the current report, correct?

2 MR. KARACSONYI: Objection. Asked and answered.

3 THE COURT: Overruled. They already said yes.

4 THE WITNESS: Yeah, that's correct. I have not reached out
5 to Mr. Nelson.

6 THE COURT: Okay.

7 BY MR. CARMAN:

8 Q So and just so we're clear, to the extent you could have
9 gleaned anything from Mr. Nelson's testimony, his deposition wasn't
10 taken until after the issuance of your report, in relation to the current
11 post-divorce litigation?

12 MR. KARACSONYI: Object to the form of the question.

13 THE COURT: You can restate it.

14 MR. CARMAN: All right.

15 BY MR. CARMAN:

16 Q Well, let's do it this way. You were retained in 2020, correct?

17 A Yes.

18 MR. CARMAN: Subsequent to 2020, if you had any questions
19 that could have been filled in using the testimony of Mr. Nelson, he
20 could have been deposed, correct?

21 MR. KARACSONYI: Objection. Calls for speculation. Lack of
22 foundation.

23 THE COURT: Overruled. We can -- if you can answer, you
24 can answer.

25 THE WITNESS: That's my experience with the discovery

1 process.

2 BY MR. CARMAN:

3 Q Yeah. And subsequent to 2020, Mr. Nelson wasn't deposed
4 until after the issuance of your report.

5 A That's --

6 THE COURT: That's your understanding, right? As you said
7 a couple of times.

8 BY MR. CARMAN:

9 Q And because of that, any testimony that would have been
10 gleaned from that deposition couldn't have been incorporated into your
11 report, correct?

12 A Correct.

13 Q And what is your knowledge of Mr. Gerety?

14 MR. KARACSONYI: Objection. Vague.

15 THE COURT: You want to get a little bit -- have you worked
16 with Mr. Gerety? If he -- wherever he's worked, or you worked with him
17 or on the other side, if you have any working relationship with Mr.
18 Gerety --

19 MR. CARMAN: Let me --

20 THE COURT: -- or cases --

21 MR. CARMAN: -- I'll go back and I'll actually step back one
22 step.

23 BY MR. CARMAN:

24 Q Your firm has been involved with Ms. Nelson since 2008,
25 correct?

1 A I don't recall the original retention date. Our firm was
2 involved in the first round, as I would call it, of the divorce proceeding,
3 and then there was no involvement for many years until this last
4 retention.

5 Q Okay. Are you aware that Ms. Nelson paid Anthem over
6 \$71,000 between 2009 and 2012?

7 A The exact amount? No.

8 Q For this retention, between June of 2020 and May of 2021,
9 Anthem has been paid over \$93,000, correct?

10 A That sounds approximate. Yes.

11 Q Do you know how much it's been paid subsequent to the
12 May 20 -- May of 2021 statement that was provided to us in discovery?

13 A I don't recall the amount. It's, it's been limited.

14 Q To the extent that there were criticisms lodged against Mr.
15 Gerety for adjusting the books, the Peachtree data, Peachtree records, I
16 just want you to testify as a CPA, isn't that what a CPA's job is? To
17 adjust the books of parties.

18 MR. KARACSONYI: Objection. This exceeds the scope.
19 Goes way beyond her report. I think what he's trying to do is verify or
20 establish the truth or veracity of Dan Gerety through my expert on
21 something totally unrelated, and he's done this, now, for a while.
22 There's been a number of questions.

23 THE COURT: I agree that they relied on the findings I did with
24 Mr. Gerety is more of those findings that I'm not going to put on the
25 record at this time with this witness on that, but there was more

1 concerns that the Court had, just as to what -- I think we said on there
2 about closeness on it. There's other things that the Court could do, but
3 not in front of this witness on that. But the fact is, she made it clear on
4 that, that basically, he didn't put the Gerety because of the Court's
5 finding about the credibility.

6 Is that pretty accurate?

7 THE WITNESS: Yes.

8 THE COURT: So you didn't put a lot of reference on it? You
9 didn't make an independent assessment of Mr. Gerety's credibility or the
10 accuracy of his reports? Is that accurate?

11 THE WITNESS: Yes.

12 MR. CARMAN: And the reason it's relevant, and she's, I
13 mean, essentially they're saying a tracing couldn't be completed because
14 they didn't have source documents, but they've also voluntarily chose
15 not to rely upon the Peachtree.

16 THE COURT: Yeah. She's testified to that about 20 times on
17 that, so you can make that argument. I think the testimony spoke for
18 itself. She only relied on Peachtree and Exhibits 9 and 10, I think, and a
19 report. So I think she's made that clear, and then she says she retained
20 for that, they could have done the Peachtree to the accuracy or whatever,
21 they could use Peachtree, if it was inside the scope. Is that correct?

22 THE WITNESS: Yes.

23 THE COURT: You said you could have on the forensic, they
24 could have on that, but it was outside your scope of engagement, right?

25 THE WITNESS: Correct.

1 MR. KARACSONYI: Just for the record, I mean, he's
2 questioning something that the Supreme Court specifically upheld you
3 on, said that that was your call and, and trying to question my, my, our
4 expert, based on things that are the law of the case that they've argued
5 throughout. I mean, the Supreme Court made findings that -- it said that
6 you have the ability to make credibility, I guess. And maybe this is a fair
7 discussion to be had. Credibility determinations that were made back
8 then, are they relevant in the context of today? And I mean, only the
9 Court, I think, knows the answer.

10 THE COURT: When Mr. Gerety testified --

11 MR. KARACSONYI: Well, I think my expert, though --

12 THE COURT: And Mr. Gerety testified again today, so I can
13 judge his testimony on his independent testimony that he did the other
14 day on that. As to her [indiscernible] Mr. Gerety, she doesn't know on
15 that. She basically just said she relied on the findings on that.

16 MR. KARACSONYI: Well, her questioning your prior opinion
17 or the Supreme Court's opinion. I mean, I just don't --

18 THE COURT: It seems like all --

19 MR. KARACSONYI: -- I think that is --

20 THE COURT: -- seems like all the attorneys are questioning
21 my opinions. I'm okay with that.

22 MR. KARACSONYI: [indiscernible - simultaneous speaking] -
23 - and I don't see how that's relevant.

24 THE COURT: I agree with you. She's got to -- indicated what
25 she did, what she did, and what she could have done if they were

1 engaged [indiscernible - simultaneous speaking].

2 MR. CARMAN: Right. But when, but when the answer is she
3 didn't do something because of the credibility determinations of the
4 Court, it's a fair question, as to her opinions of Mr. Gerety in his work. I
5 mean.

6 THE COURT: I'll give a little leeway on it but, I mean, I think
7 she said she didn't rely on it for the reason why the Courts finding, but
8 she has any personal relationship with Gerety, she's worked with him in
9 the past, has professional experience with them, I guess she can give an
10 opinion if she has it. Now, if she has anything like that other than that --

11 MR. CARMAN: I'll stick to those questions rather than the
12 direct credibility finding.

13 MR. KARACSONYI: Credibility. This goes beyond the scope
14 of her -- it goes beyond the scope. She's not here to offer credibility
15 determinations for Mr. Gerety.

16 THE COURT: I agree with you. Court determined --

17 MR. KARACSONYI: She's not going to question -- she can't
18 question --

19 THE COURT: -- the Court determines the credibility on that.
20 She's already testified as to what she relied on, what she didn't, what
21 she could have done with Peachtree. I think we're kind of beating a dead
22 horse on that, as far as -- I'll give you a little leeway. You want to finish
23 up that line of questioning?

24 MR. CARMAN: Okay. I just need -- I'll ask three more
25 questions.

1 THE COURT: Okay.

2 MR. CARMAN: Are you aware of Mr. Gerety's reputation
3 within the community?

4 MR. KARACSONYI: Objection. Improper character
5 testimony. Totally irrelevant.

6 THE COURT: Sustained.

7 Have you worked with Mr. Gerety? When professional
8 people work with people on it, do you work with Mr. Gerety?

9 THE WITNESS: Yes.

10 THE COURT: Or have you worked?

11 All right. And when you look back about her work with Mr.
12 Gerety or specifics --

13 MR. CARMAN: The only other question, have you ever relied
14 upon Mr. Gerety for assistance in cases?

15 MR. KARACSONYI: Objection. Irrelevant. Exceeds the
16 scope.

17 THE COURT: I'll Overrule it. Let's just get it. We're going to
18 go there and object and keep going and going back. Let's get done with
19 it, as far as probative value. I don't think it has very -- any probative
20 value to me, but I said they can make it. I don't see any probative value
21 but finish it up so we get done with this.

22 THE WITNESS: Can you repeat your question, please?

23 BY MR. CARMAN:

24 Q Has Anthem ever worked with Mr. Gerety, or referred work to
25 Mr. Gerety?

1 A I believe so. Yes.

2 Q Okay. And I will move on. I promise you. You are not
3 rendering an opinion, as you sit there today, that a trust to trust transfer
4 for less than fair market value isn't a gift, correct?

5 A Correct.

6 Q If you could turn to Exhibit 4 of your report.

7 A Okay. And this is LSN 0010283.

8 Q If I can get there to verify that. 102 --

9 A 83?

10 MR. CARMAN: 83? I'm actually looking for 82, just to be
11 clear. In this exhibit, you've listed property held by the Eric L Nelson
12 Nevada Trust as of May 31st, 2001, correct?

13 MR. KARACSONYI: Which page are you on?

14 MR. CARMAN: Exhibit 1 --

15 THE WITNESS: LSN 0010282

16 MR. KARACSONYI: 10282.

17 BY MR. CARMAN:

18 Q In this exhibit, you've listed property held by the Eric L.
19 Nelson Nevada Trust as of May 31st, 2001, correct?

20 A Correct.

21 Q You list under personal accounts, various?

22 A Correct.

23 Q It actually says trust slash personal accounts, correct?

24 A Correct.

25 Q To your knowledge, did Mr. Nelson have any personal

1 accounts during the 2001 time period?

2 A We did not receive any for the 2001 time period. I believe
3 our report specifically references the testimony from Gerety in regards
4 to, there was no personal accounts.

5 Q Okay. And I guess maybe the better question is, to the best
6 of your knowledge, Eric did not have personal accounts during that time
7 period, correct?

8 A That's fair.

9 Q You list business bank accounts, various. Would that be in
10 relation to entities held within the ELN Nevada Trust?

11 A Yes. And I guess, specifically, because this is at the
12 formation of the trust and this exhibit is elaborated on in the -- in the
13 report. Could also be those held by the Eric SPT, because it had not yet
14 transferred.

15 Q Okay. That's fair enough. Then we have real estate
16 holdings. We have 5267 South Beach Boulevard, Mississippi, correct?

17 A Yes.

18 Q 5311 South Beach Boulevard, Mississippi, correct?

19 A Yes.

20 Q 5323 South Beach Boulevard?

21 A Yes.

22 Q Mississippi once again?

23 A Yes.

24 Q 5102 Lakeshore Road, Mississippi?

25 A Yes.

1 Q 5283 South Beach Boulevard, Mississippi?
2 A Yes.
3 Q Land block 92, lot three, Hass [phonetic], Mississippi?
4 A Yes.
5 Q Land block 92, lot four, Neely Mississippi?
6 A Yes.
7 Q Land block 103, lot 2 to 3, Vegley [phonetic], Mississippi, it
8 looks like?
9 A Yes.
10 Q Landgreen Estates in Mississippi?
11 A Yes.
12 Q Land block 92, lot 14, Vertone [phonetic], Mississippi?
13 A Yes.
14 Q 4215-4233 North 39th Avenue, Arizona?
15 A Yes.
16 Q And 8.5 acres in Arizona.
17 A Yes.
18 Q Just so we're clear in regard to the real estate, the values
19 listed, did you independently determine those values?
20 A No.
21 Q Okay. And you've adopted those values from other sources,
22 correct?
23 A Correct.
24 Q And as you sit there today, you're not in a position to verify
25 or dispute whether those values are accurate, are you?

1 A No, I'm not a real estate appraiser.

2 Q Under other assets, you have investment in Phoenix Leisure

3 Incorporated?

4 A Yes.

5 Q Investment in Lucky Lucky Lucky Incorporated?

6 A Yes.

7 Q Investment in Cleopatra Gaming Management LLC?

8 A Yes.

9 Q Investment in Dynasty Development Group LLC?

10 A Yes.

11 Q Investment in Cleopatra's Palace LLC?

12 A Yes.

13 Q Investment in Cleopatra's Club Casino LLC?

14 A Yes.

15 Q Investment in Cleopatra's Wild Goose Casino LLC?

16 A Yes.

17 Q Investment in Cleopatra's Cable Bridge Casino LLC?

18 A Yes.

19 Q Investment in Cleopatra's Wild Grizzly Casino LLC?

20 A Yes.

21 Q Investment in Hacienda Casita LLC?

22 A Yes.

23 Q Investment in Evanston Horse Racing Incorporated?

24 A Yes.

25 Q Investment in Wyoming Down Rodeo Events LLC?

1 A Yes.

2 Q Investment in Wyoming Horse Racing Incorporated.

3 A Yes.

4 Q And then we have other assets. Cleopatra Gaming

5 Management LLC?

6 A And these are receivables slash gifts.

7 Q Okay. Receivable/gifts. Under Cleopatra Gaming

8 Management LLC?

9 A Yes.

10 Q Jay Cavanaugh Trust [phonetic]?

11 A Yes.

12 Q RPS Roasters?

13 A Yes.

14 Q S Newell [phonetic]?

15 A Yes.

16 Q Jose Moran?

17 A Yes.

18 Q Wyoming Horse Racing Incorporated?

19 A Yes.

20 Q Nelson Professional Plaza?

21 A Yes.

22 Q Western Super Budget?

23 A Yes.

24 Q Due from Carlene Gutierrez?

25 A Yes.

1 Q Due from Cliff McArdle (phonetic)?
2 A Yes.
3 Q Due from Nelson Professional Plaza?
4 A Yes.
5 Q Due from Tracy Cavanaugh?
6 A Yes.
7 Q Due from Tierra del Sol?
8 A Yes.
9 Q Joseph Herrera?
10 A Yes.
11 Q Ramos S.?
12 A Yes.
13 Q And then at the bottom, we have liabilities. Due to Grada
14 Financial?
15 A Yes.
16 Q Why don't you pronounce the next one for me, because I
17 don't know what that says.
18 A I don't either.
19 Q Okay. It's --
20 A 5331 South Beach.
21 Q There you go. 5311 South Beach? And the last one is an MX
22 stock margin pay, it says.
23 A Yes.
24 Q Okay. Now, just so we're clear, this was the start of your
25 tracing analysis as of May 31st, 2001?

1 A This was a demonstrative to identify those assets that we
2 knew were being represented as assets held of the SPTs or the SSSTs,
3 as of this date. But we did not prepare this, I mean, we prepared the
4 schedule, but as you can see, the source is based upon the various
5 Bates-stamp documents referenced.

6 Q Okay. To the extent you prepared this, this was the start of
7 your tracing analysis, correct?

8 A Our understanding of the assets at that time. Yes.

9 Q Okay. And then again, just so we're clear, because the
10 Peachtree records were excluded, you had a gap in documentation
11 between 2001 and 2005, correct?

12 A Yes. In addition to other gaps, but --

13 Q And the other gaps would be in relation to missing
14 statements from 2005 to present?

15 A To 2013, yes.

16 Q Or to 2013. My apologies. Including the missing statements
17 that we went through ad nauseum there, in relation to Ms. Nelson's
18 holdings and accounts.

19 A Yes.

20 Q And in the end, the reason we don't have a -- that's why we
21 don't have a complete tracing, because there are statements missing
22 throughout that time period?

23 A Yes.

24 Q Throughout that entire time period, were you able to identify
25 any specific community property assets that were comingled with trust

1 assets?

2 MR. KARACSONYI: Objection. Calls for a legal conclusion .

3 THE COURT: Oh, well, let her go on using her definition of
4 comingling that you indicated the fact that [indiscernible] did you call
5 them?

6 THE WITNESS: Yeah. The --

7 THE COURT: Based on that. So did you understand the
8 question he asked?

9 THE WITNESS: I do. Yes. Based upon the comingling of
10 income sources, which I understand to represent community property,
11 and then based upon the assumption that I've outlined, and discussed
12 here today, that those transfers would represent community property,
13 those were identified.

14 BY MR. CARMAN:

15 Q Okay. Have you identified any specific assets that are
16 community property?

17 A No, we --

18 MR. KARACSONYI: Objection. Calls for a legal conclusion,
19 exceeds the scope.

20 THE COURT: Overruled. She can answer.

21 THE WITNESS: No, we've identified indications of
22 comingling.

23 BY MR. CARMAN:

24 Q When you say indications, it's things that might be
25 community property.

1 A Well, because I don't render an opinion regarding
2 community property, all of them might be community property, based
3 upon the trier-of-fact's determination.

4 Q Okay. Or they all might be something other than community
5 property, correct?

6 A That -- the opposite would also be true, yes, depending on
7 the trier of facts' determination.

8 Q You discussed before the possibility of compensation as a
9 community asset. Is that fair?

10 A Just more my understanding that services during marriage
11 are community property.

12 Q And so --

13 A Unless --

14 Q -- during your testimony, you discussed management fees,
15 correct?

16 A Yes.

17 Q Did you do any -- for a management fee to constitute
18 community income, it would have to be directly related to the labors of a
19 party, correct?

20 MR. KARACSONYI: Objection. Calls for a legal conclusion.

21 THE COURT: Overruled. Do you understand the question?

22 THE WITNESS: Yes, I would classify management fee for
23 services, I think we outlined in our report, specifically, the compensation
24 for labor and services is specifically those related to human capital. In
25 this instance, Mr. Nelson.

1 BY MR. CARMAN:

2 Q Okay. Again, human capital compared to services that were
3 performed by another entity, correct?

4 A Correct.

5 Q So for instance, if a trust entity were performing
6 management services, and Mr. Nelson wasn't directly participating in
7 those management services, that wouldn't be community labor, correct?

8 MR. KARACSONYI: Objection. Calls for a legal conclusion.

9 THE COURT: Overruled. You can answer, in your opinion
10 again, you know, not a lawyer but you know where he's going.

11 THE WITNESS: If, in your hypothetical, Mr. Nelson is a
12 passive investor and has no active involvement in an entity that receives
13 management fees, those management fees would not be what I would
14 classify as compensation to Mr. Nelson.

15 BY MR. CARMAN:

16 Q Okay. And for a -- is there any specific case law or theory of
17 law that you've relied upon in rendering an opinion regarding
18 compensation as a community asset?

19 A No, I'm not a lawyer. No.

20 Q Okay. Now, when you looked at the -- you discussed earlier
21 a check for \$350,000 in relation to management fees. Do you recall your
22 testimony earlier?

23 A I do.

24 Q Did you investigate who was providing management for the
25 entity that paid those fees?

1 A I presumed the payee of the check, Mr. Eric Nelson,
2 individually.

3 Q But presumption, but I'm asking if you actually investigated
4 who performed management services for the entity that paid the fees?

5 A Was I investigating, as per Lindell, at that time of the check,
6 who was the manager? No, I did not do an investigation into that.

7 MR. CARMAN: Okay. And for that management fee to
8 constitute some type of community income, it would have to be
9 reasonably related to Mr. Nelson's personal services, correct?

10 MR. KARACSONYI: Objection. Calls for a legal conclusion.

11 THE COURT: Overruled. I think she said about the human
12 cap. I think you explained it.

13 THE WITNESS: I would say, in general, what I'm discussing
14 is yes, payment for services.

15 BY MR. CARMAN:

16 Q Okay. I get payment for services. But you understand the
17 difference between services rendered by an ELN Trust entity, compared
18 to services rendered by Mr. Nelson, personally, correct?

19 A I do, yes.

20 Q And there is a difference between the two, correct?

21 A Yes.

22 Q And just so we're clear, if an ELN Trust entity was performing
23 active management services for an LSN property, a payment for
24 management fees wouldn't constitute personal income to Mr. Nelson,
25 unless it was somehow directly related to his labor.

1 MR. KARACSONYI: Objection. Calls for a legal conclusion.

2 THE COURT: Overruled.

3 THE WITNESS: I would expect the payment to be to the
4 entity that was paying -- or providing the services, not to Mr. Nelson,
5 individually.

6 BY MR. CARMAN:

7 Q I understand that. But let me ask you a question. You've
8 worked for Anthem Forensics for how many years?

9 A Thirteen.

10 Q Thirteen. Have you ever, in your 13 years, seen a client write
11 a check to your name, personally, even though it's for your services
12 related to Anthem Forensics?

13 MR. KARACSONYI: Objection. Relevance.

14 THE COURT: Overruled. She can answer.

15 THE WITNESS: I don't know if that has happened.

16 BY MR. CARMAN:

17 Q And what about to Mr. Leauanae, personally?

18 THE COURT: If you know.

19 THE WITNESS: I believe it may have happened, but in 13
20 years, it'd be very rare.

21 BY MR. CARMAN:

22 Q Just so we're clear though, that check if written to Mr.
23 Leauanae, instead of Anthem, would still be deposited into an Anthem
24 account, correct?

25 A No, I believe we asked for it to be reissued.

1 Q Okay. Do you understand that -- in all the cases that you've
2 involved, have you ever seen a corporate check written out to an owner
3 of the corporation instead of the corporation itself?

4 MR. KARACSONYI: Objection. Relevance.

5 THE COURT: I think your testimony to indicate on that, that
6 she assumed that the management fee on that was human capital,
7 because it was made out him --

8 THE WITNESS: Correct.

9 THE COURT: -- and not to another entity or something. So
10 that's how you determine that you felt that it was human capital. Is that
11 pretty -- sum up how you got there? But you didn't do any independent
12 to track to see what he actually did, or was it him doing it, specifically?
13 You just went on the management fees with the check paid to him. Is
14 that accurate?

15 THE WITNESS: Correct.

16 BY MR. CARMAN:

17 Q And you do understand that checks aren't always written out
18 to the proper person or entity, correct?

19 A Could that occur with unknown entities, you know, with no
20 relation to what is going on? It could. I mean, I think in this case, it's
21 unreasonable. We're talking about entities that are intrinsically tied to
22 each other, that are very well -- we're talking Lindell LSN Professional
23 Corp and employees of Mr. Nelson that issue checks from that account,
24 and you're saying they don't know which entity that they're going to pay
25 it to.

1 Q Do you understand that humans make mistakes?

2 A Yes. Sorry. Sorry.

3 THE COURT: That's all right. Not a problem.

4 BY MR. CARMAN:

5 Q And ultimately, why would you not look to see where the
6 check was deposited?

7 A I believe we did seek to identify where it was deposited and
8 may not have been able to because of the lack of documentation.

9 Q Okay. Would it surprise you if there was a notation to it on
10 the general ledger that it was deposited to an ELN Trust entity?

11 A No. Particularly, since I'm not aware of Mr. Nelson having
12 any personal accounts, a payment to Mr. Nelson would likely be
13 deposited in an ELN Trust account, which is why it was an example of
14 comingling.

15 Q For a management fee to constitute -- okay. For the sake of
16 this question, I want you to assume that an ELN Trust entity may have
17 been performing management services for an LSN Trust entity
18 throughout the course of the tracing period. And it's an assumption I'm
19 asking you to apply.

20 A Okay.

21 Q For a management fee to constitute personal income, you
22 need to determine what expenses were incurred during the management
23 of a property, correct?

24 A It would depend.

25 Q Well, if an entity is actually performing management services

1 for another entity, a check issued from the entity to whom the services
2 are being performed would not necessarily constitute income when
3 deposited into a bank account, correct?

4 MR. KARACSONYI: Objection. Calls for speculation,
5 relevance.

6 THE COURT: Overruled. Do you understand the question,
7 what he's doing on that? Did you understand the question he asked?

8 THE WITNESS: I think I understand the question is, could a
9 payment from an LSN entity to an ELN entity, that is managing the LSN
10 entity, be for something other than services?

11 BY MR. CARMAN:

12 Q I'm actually asking --

13 A Okay.

14 Q -- a different question --

15 A Then I don't understand the question.

16 THE COURT: Then rephrase the question. Make sure, yeah.

17 BY MR. CARMAN:

18 Q If a company is performing management services for another
19 company and receives a check for management fee, do you understand
20 that that may not necessarily be income to the party who are performing
21 the management services?

22 A I would think if it was noted as management fee, it is income.
23 May not be profit, but it is income, in the terms of revenue.

24 Q Okay. But it's not personal income to the party who owns
25 the business, unless it's more than the expenses incurred managing the

1 property, correct?

2 MR. KARACSONYI: Objection.

3 THE COURT: Overruled. Do you understand the question?

4 THE WITNESS: To the extent that that entity has expenses,
5 again, that would be in my response, with 350 of revenues, there's
6 associated expenses, you're saying, that exceed the 350, so there's a
7 loss, there would be a loss on that 350.

8 BY MR. CARMAN:

9 Q And it wouldn't constitute personal income?

10 A The 350 doesn't constitute personal income. It doesn't mean
11 personal income wasn't -- shouldn't have been paid for the services
12 provided. Again, we're talking, specifically, Mr. Nelson.

13 Q If the owner provided services themselves?

14 A If Mr. Nelson.

15 Q Okay. In relation to the \$350,000 check, you testified to
16 earlier, do you know what management fees meant?

17 A Besides the context of the check that says management fees
18 paid to Eric Nelson? No, there was not any additional context in regards
19 to that payment.

20 Q Okay. No investigation was performed?

21 A In what regards?

22 Q By you. You didn't investigate the circumstances of that
23 payment, did you?

24 A I relied upon the source doc.

25 Q Right. And you -- the source document doesn't explain what

1 that payment was for, does it?

2 MR. KARACSONYI: Objection. Mischaracterizes.

3 THE COURT: It's sustained. She can't testify that -- the fact
4 that it basically said management fees paid to Eric Nelson, that's --

5 BY MR. CARMAN:

6 Q But you don't know -- you don't have any context to that
7 notation, do you?

8 MR. KARACSONYI: Objection. Asked and answered,
9 argumentative.

10 THE COURT: You said there's no additional context you
11 knew on that. Is that correct?

12 THE WITNESS: Yes.

13 THE COURT: Okay.

14 BY MR. CARMAN:

15 Q If, in the ELN Trust, the company was managing a property
16 held by LSN Trust, and was incurring expenses in relation to that
17 property, that would need to be deducted from a management fee,
18 before you could determine whether the company can make any profit,
19 correct?

20 A So you're saying the ELN Trusts expenses are commingled
21 with an LSN Trust expenses they're paying on behalf of that?

22 Q No. I'm saying you do understand that management
23 companies can front expenses in relation to properties that they're
24 managing, correct?

25 A And they'll typically charge a fee to do so that's going to

1 cover those expenses. Yes.

2 Q Okay. But --

3 A They don't operate at a loss. Typically, you're not in
4 business to operate at a loss, right?

5 Q Correct. But what about in this particular case?

6 A In what regards?

7 Q Many of the ELN entities operated at a loss throughout the
8 time period in question, correct?

9 A Based upon the information on the tax return? Yes.

10 Q Well, and based upon the information provided in the
11 general ledgers, correct?

12 A The general ledger is not going to easily identify loss. I
13 mean, you'd have -- it has all the components in order to look at an
14 income statement for those entities. I did not do that. It would be -- you
15 could discern it from that information. I didn't do that. I was referencing
16 the tax returns. So that was something I did look at, as far as a loss.
17 Yes.

18 MR. CARMAN: If I could approach. Can I mark an exhibit
19 next in line?

20 THE COURT: 62. Should be 62, I think.

21 [Plaintiff's Exhibit 62 marked for identification]

22 BY MR. CARMAN:

23 Q Can you tell us when was this produced?

24 MR. KARACSONYI: You, will you give us a minute just to
25 look at what this is?

1 MR. CARMAN: Yeah. Yeah. Yes.

2 MR. KARACSONYI: Yeah. I just want to make sure. Yeah,
3 this is what you got from Anthem.

4 MS. HAUSER: Yeah, just [indiscernible]/

5 MR. KARACSONYI: When you said double checked before, I
6 don't know if you just --

7 MR. CARMAN: Oh, yeah.

8 MR. KARACSONYI: Yeah, yeah.

9 MR. CARMAN: Let me know when you're good.

10 MR. KARACSONYI: You skip around so long.

11 MR. CARMAN: Yeah, I'm not sure why they do other than --

12 THE WITNESS: Yeah.

13 MR. CARMAN: I think, I think we put them in date order.

14 MR. KARACSONYI: There's a page missing. Did you mean
15 to do that? 1497, you misprint one?

16 MR. CARMAN: Actually, no, not -- the missing page would
17 be -- I'm only -- I'm trying to present --

18 MR. KARACSONYI: Oh, no, it's there --

19 MR. CARMAN: -- the statements.

20 MR. KARACSONYI: -- it's there, it's there now. Okay. Go
21 ahead. I just -- we just wanted to make sure it's [indiscernible].

22 BY MR. CARMAN:

23 Q Okay. And what I've handed you are Dynasty Development
24 Group income statements and balance sheets for a time period between
25 2006 and 2009. Do you recognize those documents?

1 A I believe it's eight months ending in 2009. Do I recognize
2 them? Not specifically, no.

3 Q Okay. If I were to tell you that they were produced to us by
4 your office, would it surprise you?

5 A No, I mean, there has been tens of thousands of pages. Do I
6 specifically recall this one? No.

7 Q All right. And maybe we won't be able to admit them unless
8 you can authenticate that -- I'm not, actually -- I don't even want to admit
9 them for the information in there. I want you to help me understand
10 them. Dynasty Development Group LLC was an entity in the ELN Trust,
11 correct?

12 A That is my understanding. Yes.

13 Q And as far as this, let's start with 2006. We have, for the 12
14 months ending in December 31st, 2006, income statement. It indicates
15 -- do you know what Dynasty Development Group LLC did within the
16 ELN Trust?

17 A I believe they specifically is associated with the Silver Slipper
18 Casino in Mississippi.

19 Q Okay. Looking at this balance sheet --

20 A And this is an income statement on the first page. Would
21 you like me to turn?

22 MR. CARMAN: I'm sorry, looking at the income statement.
23 I'm bad for the terminology. I'm not a CPA. It's my defense, I'm sticking
24 with it. Looking at the income statement for December 31st, 2006.
25 Would you acknowledge that the income statement shows that the entity

1 is operating at a loss?

2 MR. KARACSONYI: Objection. He's having her testify on
3 something that hasn't been admitted that she's not the author of.

4 THE COURT: You just ask them to go through to see what it
5 shows on it, not the truth.

6 MR. CARMAN: Yeah.

7 THE COURT: And I think you can ask them whether it's
8 accurate or not, it gets another story on that, but she's saying --

9 MR. KARACSONYI: It's hearsay.

10 THE COURT: -- income and

11 MR. CARMAN: And I'll, just --

12 THE COURT: She can say that the document reflects that it's
13 a loss, but it doesn't mean it is or not.

14 MR. KARACSONYI: And the lack of foundation.

15 MR. CARMAN: As an offer of proof, two things, Your Honor.
16 Number one, it's produced from the general ledgers that would have
17 already been admitted into evidence from the Peachtree Records. And
18 number two, it was produced from Anthem's file, as the documents that
19 they reviewed in preparing this report. So I don't know how it can be
20 precluded, based upon the objections being proffered by Counsel.

21 MR. KARACSONYI: Well, the information's here, so, I mean,
22 they're not here to, to the extent they relied on them, he hasn't
23 established that foundation, one. And two, just because they're in her
24 records, doesn't mean she's authenticating everything that's in her
25 records.

1 THE COURT: Did she -- did you review these records?

2 THE WITNESS: I don't specifically recall. There's so many
3 documents.

4 THE COURT: But upon your review, just be the
5 documentation and you can't verify that you prepared all that. But
6 looking at that document, you could sit through and see what the, what
7 the document says?

8 THE WITNESS: I can read the document, yes.

9 THE COURT: Okay. Whether it's accurate or not, I guess,
10 would be another issue on that. We've seen the other evidence in that.
11 But basically, you go through and --

12 MR. CARMAN: And I'll ask my questions as hypothetical.

13 BY MR. CARMAN:

14 Q If this document were produced from the Peachtree
15 accounting records, would you agree that Dynasty Development
16 Corporation LLC operated at a loss as of December 31st 2006, for at least
17 a 12 month period beforehand, based upon those records?

18 MR. KARACSONYI: Objection. Calls for speculation.

19 THE COURT: Overruled. I think your initial question was
20 does an entity -- ELN Trust entities could have operated a loss, I think
21 was a general question that started, so I'm giving a little leeway to go
22 through that, reviewing that document would have. Would you agree
23 with that? That, at least, the document itself says that there was a loss?

24 THE WITNESS: The mathematical result of what is presented
25 presents a loss. But there's also notations on this document that may

1 indicate other adjustments were made, that could have resulted in it not
2 being a loss.

3 BY MR. CARMAN:

4 Q And what notations are you referring to on this document?

5 A It says, when you're talking about the income or the
6 revenues, it says there's only \$9,449.61. And it says the management fee
7 and reimbursement of travel expense were written off in previous years.
8 So I'd question -- I don't know if this is on a cash basis or an accrual
9 basis, whether or not the write off came at a later date, and wouldn't
10 have been applicable, based upon whatever basis we -- it should have
11 been, because there is differences in a cash basis and an accrual basis.

12 I'd also have questions regarding the expenses, whether or not any
13 were personal in nature, and/or unrelated to Dynasty Development, and
14 could have been adjusted. But to your question, mathematically, that
15 number, the revenues minus the expenses equals the loss on this page.

16 Q And again, as a hypothetical, if the revenues mentioned on
17 this income statement were for management fees, and the expenses
18 listed were in relation to the management services provided by this
19 entity, the \$9,449.61 in potential management fees wouldn't result in any
20 income to the entity, correct?

21 A Again, it's not a yes or no. I mean, there's other situations in
22 which, you know, the entities paid income to other entities, in lieu of
23 paying through Dynasty Development. You have situations that could
24 be, the entities are related party entities, so they just didn't pay it, in
25 order to report a loss for tax savings. I mean --

1 Q And those are all things that you, as a professional, would
2 need to investigate before forming an opinion as to whether any
3 management fees resulted in a profit to a company, correct?

4 A I didn't make that opinion. But if you are making an opinion
5 whether or not companies are profitable, you would want to do those
6 investigations.

7 Q Just so we're clear, you've rendered an opinion that
8 management fees could or could not potentially be a form of community
9 property income, correct?

10 A I believe I testified that services for Mr. Nelson's -- Mr.
11 Nelson's services, based upon my understanding, would represent
12 community property. So the services provided, so income paid for those
13 services would be community property.

14 Q If you were able to verify that there was a link between the
15 amounts paid and the services performed by Mr. Nelson individually?

16 A In any event, it's the 350 that we've discussed or any that
17 weren't paid. So any services would have been compensated, even if
18 they weren't.

19 Q Okay. And again, my question is to come to a final
20 conclusion as to whether management fees could have ended up
21 creating some type of community income, you'd have to investigate
22 those things and analyze that, correct?

23 MR. KARACSONYI: Objection. Asked and answered.
24 Argumentative.

25 THE COURT: I think she's answered that. She basically said

1 she went on the management fees with a check made payable to Mr.
2 Nelson, 350,000. That's how you decided it was human capital from the
3 services. Is that --

4 THE WITNESS: Or could be representative of those services.
5 BY MR. CARMAN:

6 Q Could be. But to come to a final conclusion as to whether it
7 was or was not, you would need to investigate all of those circumstances
8 as a professional to reach that conclusion.

9 A I didn't present an amount of the services. Presumably, I've
10 relied upon the testimony, again, from the decree regarding what Mr.
11 Nelson did during marriage and presumably, those services are worth
12 more than zero. And I testified that zero was paid to the community.

13 Q And just so we're clear, are you presuming that or is that
14 based upon objective data?

15 A Objective data. My review of the tax returns, my review of
16 the testimony that there were no personal accounts. Again, the tax
17 returns reflect no W-2 wages, no 1099 wages, things that I would expect
18 to see when someone is providing services and receiving compensation
19 for those services. And in conjunction with my understanding that Mr.
20 Nelson did provide services. That is from the decree.

21 Q Okay. But did provide services. So to what entity in relation
22 to what asset?

23 A Throughout marriage, through numerous entities.

24 Q In relation to the \$350,000, what entity was that paid from?

25 A Through -- from Lindell Professional Court.

1 Q Okay. And what personal services did Mr. Nelson perform in
2 relation to the management of Lindell?

3 A I can't speak to individual from each entity.

4 Q Okay. But to render an opinion regarding the nature of that
5 \$350,000 payment, wouldn't you need to investigate that to come to a
6 conclusion?

7 A I'm relying on the source --

8 MR. CARMAN: Asked and answered.

9 THE COURT: They've answered several times on that.
10 We've asked the question 30 times. She said she did no independent
11 investigation of what he did. She went on the facts that management
12 fees, the check was paid off to him --

13 THE WITNESS: Yes.

14 THE COURT: -- to determine there was human capital for
15 services rendered.

16 THE WITNESS: Yes.

17 THE COURT: At that, we can ask the question 9,000 times.
18 The same answers on that. She did not investigate it, so she could not
19 identify exactly what he did. Did he mow the lawn? Did he do that? Did
20 he collect rents? You didn't get into that. You went management fees,
21 check to him, you rendered it as human capital, services provided. Is
22 that pretty much the sum of it?

23 THE WITNESS: Yes. Yes, Your Honor.

24 THE COURT: Okay.

25 MR. KARACSONYI: It's 4:33, Your Honor.

1 THE COURT: Yeah. Finish up this line of questioning before
2 we --

3 MR. CARMAN: I can resume tomorrow.

4 THE COURT: All right.

5 THE WITNESS: Do you want me to keep these up here?

6 THE COURT: Yeah. You might as well leave them there.

7 THE WITNESS: This one that was just provided?

8 THE COURT: You need to move to -- you want to leave
9 Exhibit 62 up there, the proposed exhibit?

10 MR. CARMAN: Yeah. If we're not going to move to admit it
11 now, we can save that for our case in chief if we need to.

12 THE COURT: Okay.

13 THE WITNESS: I'm sorry, you want it back or no?

14 THE COURT: Yeah.

15 MR. CARMAN: Oh, I -- yeah, I'll take it back.

16 THE COURT: You have to give it back to him.

17 THE WITNESS: Okay.

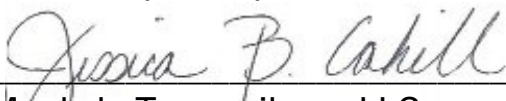
18 THE COURT: And guys, you can leave all your stuff here.

19 [Proceedings adjourned at 4:35 p.m.]

20

21 ATTEST: I do hereby certify that I have truly and correctly transcribed the
22 audio-visual recording of the proceeding in the above entitled case to the
best of my ability.

23

24 
Maukele Transcribers, LLC
Jessica B. Cahill, Transcriber, CER/CET-708

25

COPY

TRANS

EIGHTH JUDICIAL DISTRICT COURT

FAMILY DIVISION

CLARK COUNTY, NEVADA

ERIC L. NELSON,
Plaintiff,

vs.

LYNITA NELSON,
Defendant.

CASE#: D-09-411537-D
DEPARTMENT O
SUPREME COURT NO. 87234

SEALED

BEFORE THE HONORABLE FRANK P. SULLIVAN
FAMILY COURT JUDGE
THURSDAY, APRIL 7, 2022

SEALED TRANSCRIPT RE: TRIAL

APPEARANCES

For the Plaintiff

JEFFREY P. LUSZECK, ESQ.
MICHAEL P. CARMAN, ESQ.
MICHELLE A. HAUSER, ESQ.

For the Defendant

JOSEF M. KARACSONYI, ESQ.
NATALIE KARACSONYI, ESQ.

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

INDEX

WITNESSES FOR THE DEFENDANT

JENNIFER ALLEN

Continued Cross-Examination by Mr. Carman	4
Cross-Examination by Mr. Luszeck	45
Voir Dire by Mr. Karacsonyi	117
Continued Cross-Examination by Mr. Luszeck.....	119
Voir Dire by Mr. Carman	124
Continued Cross-Examination by Mr. Luszeck.....	141

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

RECEIVED

68

110

123

RECEIVED

Maukele Transcribers, LLC, Email: maukele@hawaii.rr.com / Tel: (808)298-8633

1 Las Vegas, Nevada, Thursday, April 7, 2022

2
3 [Case called at 10:29 a.m.]

4 THE COURT: It's the time set in the matter of Nelson v.
5 Nelson, Case Number D-09-411537. This is the continuation of an
6 evidentiary hearing. We'll start with our appearances of counsel.

7 MS. KARACSONYI: Natalie Karacsonyi, 10579.

8 MR. KARACSONYI: Josef Karacsonyi, 10634.

9 MR. LUSZECK: Jeff Luszeck, 9619.

10 MS. HAUSER: Michelle Hauser, 7738.

11 MR. CARMAN: Michael Carman, 7639.

12 THE COURT: Thank you. Good to see you Ms. Lynita, and
13 Mr. Eric, good to see you as well. And our expert witness with us, Ms.
14 Allen, good to see you as well. Again, sorry for the hour delay, but
15 technology. And again, on the record, it was Putin, not Sullivan.

16 I think we left off, I think, Mr. Carman, you were doing cross
17 examination I think where we left off.

18 MR. CARMAN: Yeah, would you like me to continue?

19 THE COURT: Yeah, why don't you pick up where you left off.

20 MR. CARMAN: Yeah.

21 JENNIFER ALLEN, DEFENDANT'S WITNESS, PREVIOUSLY SWORN

22 CROSS-EXAMINATION CONTINUED

23 BY MR. CARMAN:

24 Q Ms. Allen, just so we're clear, in your report you didn't render
25 an opinion as to what expenses were actually incurred into the relation --

1 in relation to the management of any of the properties, correct?

2 A That is correct.

3 Q And that was outside the scope of your engagement?

4 A Correct.

5 Q In your report you focused on the sale of various properties,
6 correct?

7 A That was a portion of our analysis. Yes.

8 Q And just so we're clear, you acknowledge that a sale price
9 doesn't necessarily reflect the true value received by a seller, correct?

10 A Received by the seller?

11 Q Correct.

12 A I think it would depend on whether or not it was to a third
13 party in an arm's length transaction.

14 Q Okay. And with a sale to a third party, there's brokerage
15 fees, there's transaction fees, there's commissions, correct?

16 A That's fair.

17 Q To determine whether a sale actually generates income to a
18 seller you would also have to determine whether the seller incurred
19 costs associated with their holding of the property prior to the sale,
20 correct?

21 A Cost incurred prior would be related to the operation. The
22 proceeds that were from the sale would be related to the gain or loss on
23 the sale of the property.

24 Q Sure. But if you have \$500,000 in costs related to holding a
25 property for four years, and you sell it for \$1 million, you may receive

1 close to \$1 million from the sale proceeds, but you didn't actually receive
2 \$1 million in actual benefit, correct?

3 A Well, I think there's more to that calculation there. I mean
4 you also have the original purchase price, which is obviously used in the
5 differential to determine the gain. You also have potential income
6 generated from the use or saved income if it was related entity and you
7 didn't pay, say, rental income on that property. So there's more. That's
8 why I was saying you have the operations and then you have the asset,
9 right?

10 So if you have a real property that you purchased and then sold,
11 you have your basis for taxes and you have a gain or loss in that
12 transaction. And then you have the operating period in which you
13 incurred costs.

14 Q And you acknowledge that you didn't fully analyze all of
15 those factors when you indicated that a property was sold for a certain
16 amount of money?

17 A At the time of the sale we looked at the proceeds net of any,
18 you know, encumbrances, if there were any, which I don't believe there
19 were any on the properties that we analyzed. So that's fair.

20 Q It's fair? My statement is fair?

21 A That we didn't analyze the historical costs throughout the
22 inception of the property or asset.

23 Q Okay. To determine whether a person actually, again, profits
24 from a sale or realizes a financial advantage from a sale, you'd also have
25 to look to see what loans are outstanding in relation to a transaction,

1 correct?

2 A Correct. Those are the encumbrances I just mentioned.

3 Q Okay. Encumbrances just -- there are secured encumbrances
4 that are directly linked to the property, correct?

5 A Correct, mortgages.

6 Q But there can be unsecured encumbrances also that aren't
7 directly attached to the property, correct?

8 A Can you give me an example?

9 Q Sure. You purchase a home. But instead of taking out a
10 mortgage, you take out a line of credit on a different property you own.

11 A So it's secured by -- it's collateralized with another property,
12 but you used the proceeds from that line associated with that other
13 property.

14 Q Correct. So there'd be a loan that's not directly secured to
15 the property that's being sold.

16 A I mean, yes. If the proceeds or the use of that line were
17 related to the property, I mean that in itself would be comingled between
18 those properties, but it could be related.

19 Q Okay. And you understand I'm asking you yes or no
20 questions, correct?

21 A I guess I didn't hear a yes or no, but please re-ask and I'll
22 answer yes or no, if I can.

23 Q And again, let's use a different example. If you have -- let's
24 say you're lucky enough to have a \$3 million line of credit, and you
25 purchase a home using that line of credit. It's not going to be a secured

1 loan upon the property that you're selling necessarily, correct?

2 A That's fair. Yes.

3 Q And just so I'm clear, did you investigate whether there were
4 any unsecured loans related to any of the property transactions in your
5 report?

6 A I did not come across any during my analysis.

7 Q Okay. And I'm asking did you actually investigate that?

8 A By investigating, reviewing the documents in discovery, yes.

9 Q Okay. ELN Trust had a significant line of credit, correct?

10 A Correct.

11 Q And that line of credit was, in fact, used to at least fund some
12 of these transactions, correct?

13 A My recollection --

14 MR. KARACSONYI: Objection. Vague. Ambiguous.

15 THE COURT: Overruled.

16 MR. KARACSONYI: Lack of foundation.

17 THE COURT: Can you answer that? Do you feel you can
18 answer that question?

19 THE WITNESS: My recollection is particularly the line of
20 credit was used related to the Band One properties.

21 BY MR. CARMAN:

22 Q And the terms of the sale matter, too, correct? In
23 determining whether a person actually receives a financial advantage
24 from the sale of a property.

25 A Do the terms of the sale matter? Yes.

1 Q For instance in the case of a seller financed sale, seller
2 doesn't actually receive any of the sale price income until payments are
3 received, correct?

4 A So if your example's an installment sale, then, yes, that
5 would be reasonable.

6 Q Okay. And in your testimony you indicated that you did a
7 23,000 transaction summary from the bank statements provided to you,
8 correct?

9 A Correct.

10 Q Just so we're clear, the 23,000 transaction registry wasn't
11 included in your report.

12 A It wasn't attached to the report, but it was used as a basis for
13 deriving opinions.

14 Q But it wasn't provided with your report. It wasn't included as
15 an exhibit to your report, correct?

16 A I believe that's what I just testified to.

17 Q Okay. We didn't receive that until after your deposition in
18 this case, correct?

19 A Correct.

20 Q In that report you indicated that you matched transactions
21 between accounts.

22 A Correct.

23 Q Did you do an analysis as to -- just so we're -- well, let me go
24 back. Were the personal bank accounts of Ms. Nelson included?

25 A Yes.

1 Q Did you do a determination as to how much in outflows were
2 removed from trust accounts and put into Ms. Nelson's separate
3 accounts?

4 A Can you be more specific?

5 Q Sure. Well, in your report, you didn't indicate how much was
6 removed from the trust during the tracing period and was used to -- and
7 was transferred to, say, Ms. Nelson's accounts, correct?

8 A We did not provide that observation.

9 MR. KARACSONYI: Objection. Vague. Which trust?

10 THE COURT: Well, she answered it.

11 BY MR. CARMAN:

12 Q Any trust. Just so we're clear, for the record, in your report
13 you didn't indicated how much was removed from either trust and
14 placed into Ms. Nelson's personal accounts, correct?

15 A We did not present that in our report.

16 Q You didn't provide an analysis as to how much was removed
17 from trust accounts and used to pay the parties personal expenses,
18 correct?

19 A We did not present that in our report. No.

20 Q To the extent you were implying that the parties may not
21 have been fully compensated for the labors of Mr. Nelson during the
22 marriage, you would need to determine how much was paid toward
23 personal expenses on Mr. Nelson's behalf during the course of the
24 tracing period, correct?

25 MR. KARACSONYI: Objection. Parol evidence and calls for a

1 legal conclusion.

2 THE COURT: Overruled. I think she can answer.

3 THE WITNESS: I don't believe I rendered an opinion that
4 they weren't fully compensated. That wasn't an opinion.

5 Q Okay. So in your prior testimony, though, I thought your
6 opinion ultimately was the parties may or may not have been fully
7 compensated for his labors.

8 A I believe my testimony was that the income for Mr. Nelson
9 was comingled within the ELN Trust. Not that he wasn't or was fully
10 compensated.

11 Q Okay. And what deposits of income did you observe into
12 ELN Trust accounts?

13 A I'm again using the term management fee as a proxy for
14 income. We observed various payments related to management fees.
15 And then I think I also testified, and as noted in my report, that pursuant
16 to the tax returns, there was no payment of W2 wages paid to Mr.
17 Nelson.

18 Q Okay. And just so we're clear, other than some nominal
19 deposits that you observed that went into -- from Ms. Nelson's account
20 into the LSN Trust, you didn't observe any deposits from Mr. Nelson into
21 the ELN Trust from a personal account of Mr. Nelson during the tracing
22 period.

23 MR. KARACSONYI: Objection. Mischaracterizes.
24 Argumentative.

25 THE COURT: Overruled. I think she can answer.

1 THE WITNESS: I believe I testified that I'm not aware of Mr.
2 Nelson having a personal account.

3 BY MR. CARMAN:

4 Q Okay. So you didn't observe any transfers of money from
5 any personal account of Mr. Nelson back into the ELN Trust, correct?

6 A I couldn't do that because I don't have personal accounts. So
7 no.

8 Q In your report there were mentions about Eric's fiduciary
9 duties, do you recall that?

10 A In relation to testimony from the decree. Yes.

11 Q Okay. You do recognize -- I mean you have some knowledge
12 of trust law, I assume, when you're analyzing the trusts and making
13 fiduciary duty observations, correct?

14 A I would say that's outside the scope of my expertise.

15 Q Okay. Did you review the trusts in this case?

16 A I may have at one point very vaguely. But again, speaking to
17 the terms of the trust was outside the scope of my engagement and my
18 expertise as a forensic accountant.

19 Q So you're not -- you didn't -- you're not actually rendering
20 any opinion as to whether any fiduciaries were breached by Mr. Nelson.

21 A Not within this report, no.

22 Q Okay. Similarly, you're not rendering any opinions regarding
23 Ms. Nelson's fiduciary duties to the LSN Trust, I presume.

24 A Correct.

25 Q In your assumption that trust to trust transfers were less than

1 fair market value created community property that we discussed earlier.
2 I just want to make sure I understand it. Are you truly saying that if
3 \$500,000 in assets were transferred from ELN Trust to LSN Trust, with no
4 indication of consideration that you could observe, that that would create
5 \$500,000 of community property?

6 A I believe using the assumption in our report that the transfer,
7 without fair market equivalency would be a transfer to community
8 property, any proceeds from that sale -- in your example, \$500,000 --
9 would be community property and not necessarily the opinion that it's
10 now \$500,000 of community property, it's where did that \$500,000 go
11 and was it comingled with interest assets. And again speaking to
12 indications of comingling, no necessarily presenting a net number, you
13 know, of what went in and out.

14 Q And just so we're clear, you're talking about comingling of
15 ELN Trust assets with LSN Trust assets?

16 A Or in the example under the assumption, the assumption
17 that those proceeds represent community property in that example
18 would be, under my assumption, community property.

19 Q Okay. But for that assumption, though, it would simply be a
20 transaction between LSN Trust and ELN Trust.

21 A It would be a comingling between the two separate
22 properties. Yes. Without that assumption.

23 Q All right. Now, because of that assumption, if that same
24 \$500,000 were transferred back from LSN Trust to ELN Trust your
25 assumption would result in \$1 million of community property?

1 A No.

2 Q Well, under your schedule though, it did, correct?

3 A No.

4 Q Okay. You, in your section that you testified to earlier about
5 the comingling of outflows, you seemed to indicate that the ELN Trust or
6 the LSN Trust paying -- making payments towards the parties' personal
7 credit cards would create community property?

8 A I don't believe that was my testimony.

9 Q Okay. And in your testimony earlier, you indicated that a
10 payment of an expense by one ELN entity for the expenses of another
11 ELN entity could create community property?

12 A I don't believe that was my testimony.

13 Q So that's not what you were testifying to earlier.

14 A No, I was indicating there was an observation regarding
15 comingling and whether or not the level of comingling rises to
16 transmutation by the Court, that's outside the scope of my engagement.

17 Q Okay. And just so we're clear for that example, you're talking
18 about the comingling between ELN Trust and ELN Trust?

19 A Yes. Because of the comingling observed from the inflows
20 which now are funding outflows into other accounts that in itself is the
21 examples of comingling.

22 Q Even if all accounts are held by ELN Trust your report would
23 have resulted in a comingling.

24 A Yes. for example if you have income --

25 MR. CARMAN: Your Honor, can I move to strike. All of these

1 questions are close ended and instead of answering with a yes or no,
2 Ms. Allen is -- one, she's not answering yes or no. And then she's going
3 on kind of this dialogue and what she wants to kind of respond, how she
4 wants to respond to the question which is improper on cross. If
5 Karacsonyi wants to deal with that with her on redirect, he can, but I
6 think she needs to respond to the questions that are asked.

7 THE COURT: I'm just trying to give her leeway so we could
8 expedite this a little bit. You're right on that. If you can answer just yes
9 or no, Mr. Karacsonyi will --

10 THE WITNESS: Understood.

11 THE COURT: -- be able on redirect to explore that for you.
12 All right. So please answer yes or no when you can.

13 BY MR. CARMAN:

14 Q And just the yes or no question that I asked. If monies were
15 transferred between two ELN entities and never were removed from the
16 trust, you're still indicating that could be an example of comingling,
17 correct?

18 A It could. Yes.

19 Q You appear to also indicate that a distribution of funds from
20 ELN Trust to the parties' children could result in a comingling, correct?

21 A It could. Yes.

22 Q Okay. Even if they were beneficiaries on the trust?

23 A I didn't consider the beneficiaries of the trust in my analysis.
24 That was outside the scope.

25 Q Okay. And as far as whether the transfers between the trusts

1 were reciprocal I believe you indicated in your report that you didn't net
2 out the various trust to trust transfers, correct?

3 A That is correct.

4 Q So you didn't make a determination whether the transfers
5 between the trust were reciprocal?

6 A Correct.

7 Q You didn't do the two from, like Mr. Gerety had done?

8 A Correct.

9 Q And I -- do you acknowledge that other transfers -- that in
10 viewing the totality of the transfers between the two trusts can provide
11 some context?

12 A Possibly. There would be more to that answer than a yes or
13 a no.

14 Q Okay. But you ultimately elected not to do any type of
15 reciprocity analysis?

16 A Could you explain?

17 Q You didn't do a due to/due from like Mr. Gerety did?

18 A That is correct.

19 Q Do you acknowledge that taking singular transactions in a
20 long series of transactions out of context could be misleading?

21 A I don't believe that's what I've done.

22 Q That's not what I asked you, though.

23 A Okay.

24 Q Do you believe that taking singular transactions out of
25 context could result in misleading results?

1 MR. KARACSONYI: Objection. Assumes facts not in
2 evidence. Mischaracterizes and that's it.

3 THE COURT: Overruled. You can answer if you can, if you
4 feel you can.

5 THE WITNESS: In just a universe of looking at one
6 transaction amongst many transactions and rendering an opinion on that
7 could that be misleading? Is that your question?

8 BY MR. CARMAN:

9 Q Could it -- could reviewing a single transaction in a series of,
10 for instance, 23,000 transactions in focusing only on a singular
11 transaction, couldn't it result in some misleading result?

12 A It could.

13 Q You indicated in your report that LSN was not compensated
14 in relation to the Harbor Hills transaction, correct?

15 A Correct.

16 Q In your analysis were you aware that the Harbor Hills
17 transaction was purchased with funds from the ELN Trust?

18 A Yes. We note that, I believe, on Exhibit 10 of our report.

19 Q Okay. But -- and that property was purchased at Lynita's
20 request and direction, correct?

21 A I'm not aware of that.

22 Q If you could turn to PL86.

23 A What was that?

24 Q If you could look at PL86 in the binders.

25 A What binder?

1 MR. CARMAN: I'll have to refer it to you. Do I have the right
2 number, 86?

3 THE WITNESS: You know I've got a lot of binders over here.

4 THE COURT: It may be a different one. Let's see which one
5 they have there that would be from their binder.

6 MR. CARMAN: Let me make sure I have the right exhibit
7 number, I'm sorry.

8 MR. KARACSONYI: Will you tell us the number?

9 MR. CARMAN: Yeah, give me a second. I'm sorry. I think it
10 was 62.

11 BY MR. CARMAN:

12 Q While I'm looking for this exhibit --

13 A Okay.

14 Q -- why did you not note in your report that Harbor Hills was
15 purchased utilizing funds from the ELN Trust?

16 A I believe it is discussed in my report in relation to Exhibit 10. If
17 I could refer to my report I could tell you the section it's discussed.

18 Q It may be referenced in an exhibit, but it's not referenced in
19 the body of your report.

20 A It is. Yes.

21 Q Okay. Can you show me where that's referenced in the
22 Harbor Hills section of your report?

23 THE COURT: Do you need to review that?

24 THE WITNESS: Yes. Is this Exhibit 17 or volume 17 with my
25 report?

1 THE COURT: It should be, I believe, yeah. I think that's the
2 one on that --

3 MR. CARMAN: Six Gs.

4 THE COURT: Yeah, I believe it's six Gs.

5 THE WITNESS: If you could go to LSN -- are we ready?

6 THE COURT: Looking for another document. See when
7 they're organized so we don't -- you want to review that and see if that
8 refreshes you as to the Harbor Hills.

9 THE WITNESS: Oh, I recall it. I just was going to point him
10 to it.

11 THE COURT: All right.

12 BY MR. CARMAN:

13 Q If you could show me where that's in the report?

14 A Yep. LSN0010228 to 229. If you go on 229.

15 Q Okay.

16 A This is in the discussion of the Nelson & Associates Bank of
17 America account ending 2798. It says that the wire transfer of \$562 was
18 from that account for the Harbor Hills residence an asset titled in the LSN
19 Trust. Based upon the analysis of that information, and the sourcing
20 deposit coming from Tropicana and High Country Inn, and there being
21 insufficient, what we call, separate property funds in the account at that
22 time, we've allocated that as a purchase for what we refer to as
23 community property.

24 Q And I go back to my other question and my other reference,
25 though, in the Harbor Hills section of your report, why did you not

1 indicate that the purchase was made by ELN Trust?

2 A I guess given the funds, the discussion of the funds later in
3 the report regarding the sourcing funds coming from Tropicana and
4 based upon the assumptions in our report. I mean there's no other
5 particular reason.

6 Q Okay. In your report you indicated that the LSN trust
7 purchased the real property at 2721 Harbor Hills Lane.

8 A Yes.

9 Q Las Vegas, Nevada 89117 for \$680,000.

10 A Yes. Per the deed. I believe that's referenced.

11 Q On page 27, correct, of your report, if you want to verify.

12 A I'm there. Yes, that's what it says.

13 Q Why would you fail to mention that that \$680,000 was
14 actually paid for by ELN Trust?

15 MR. KARACSONYI: Objection. Asked and answered.

16 THE COURT: Overruled.

17 THE WITNESS: Again, based upon the discussion on page
18 40 of the sourcing of the funds and treating it as coming from funds from
19 the LSN Trust.

20 BY MR. CARMAN:

21 Q Do you acknowledge it could be a little misleading to indicate
22 that the LSN Trust purchased it for \$680,000, when the LSN Trust didn't
23 actually pay \$680,000?

24 MR. KARACSONYI: Objection. Argumentative. And
25 mischaracterizes parol evidence.

1 THE COURT: Overruled. If you think you can answer it.

2 THE WITNESS: No, because that statement in the footnote is
3 the deed. And the deed says the LSN Trust purchased it. And this is an
4 analysis of the deeds.

5 BY MR. CARMAN:

6 Q So you stand by that you don't think that was misleading?

7 MR. KARACSONYI: Objection. Argumentative.

8 THE COURT: I don't think she said -- all right.

9 BY MR. CARMAN:

10 Q Are you aware that the original deed is held -- was in ELN's
11 name?

12 A No. I'm not aware.

13 Q Okay.

14 A The footnote I would refer to --

15 Q Never mind. I apologize.

16 MR. KARACSONYI: Objection. Assumes facts not in
17 evidence.

18 MR. CARMAN: I withdraw the question. So strike that
19 question, I apologize. I had my information wrong.

20 MR. KARACSONYI: Do you stand by that?

21 BY MR. CARMAN:

22 Q If you could turn to -- I had asked you earlier whether you
23 were aware that the property was purchased with ELN Trust funds at
24 Lynita's request. And you said you weren't aware of that or didn't recall
25 that?

1 A I don't recall the specific request.

2 Q Okay. If you could turn to Exhibit PL50.

3 A What volume, Mike?

4 MR. CARMAN: What volume is that?

5 MR. LUSZECK: That I'm not sure. It may be volume 3 or 4.

6 MS. HAUSER: PL50 is 2. It's Plaintiff's exhibits. Binder 2.

7 THE WITNESS: Oh, I don't have Plaintiff's, I believe, back

8 here.

9 MR. LUSZECK: I think there's volumes 1 and 2.

10 THE MARSHAL: I'll just bring them all up.

11 MR. KARACSONYI: Oh, there should be four.

12 MR. LUSZECK: Yeah, there should be four. I think 1 and 2

13 are there.

14 MR. KARACSONYI: 1 and 4, it's in 4.

15 MR. LUSZECK: Oh, is it in 4? Okay.

16 THE WITNESS: It's in 4?

17 MR. LUSZECK: It's in volume 4 which is being given to you.

18 THE WITNESS: 4 in Defendant?

19 THE MARSHAL: In this one right here.

20 THE WITNESS: Oh, I'm sorry. Thank you.

21 THE COURT: It should be in that one, I believe.

22 THE WITNESS: Can you repeat my -- what page or --

23 BY MR. CARMAN:

24 Q Yeah. Volume 50 -- I'm sorry. Exhibit 50.

25 A 50-R?

1 Q Five-zero-R, it looks like. Yes. And I'll represent this was an
2 email that was disclosed in your file. Do you recognize this email from
3 Ms. Nelson?

4 A It looks familiar.

5 Q And if you could turn to the section Russell Road/Harbor Hills
6 Lane.

7 A I'm there.

8 Q Yep. And the first bullet point under that section. Does that
9 refresh your memory as to whether Harbor Hills was purchased for
10 Lynita by her request and direction?

11 A There's a question mark here, so I don't see it as a statement.
12 I can read that it says part of what you're representing, but it's in a
13 question form.

14 Q Okay. Well -- okay. Did you follow up with Ms. Nelson in
15 regard to that email?

16 A I don't believe there were any discussions in regard to this
17 email.

18 Q And just so we're clear, are you aware that Ms. Nelson has
19 raised allegations that deeds may have been forged in this case?

20 A I would say maybe not specifically to deeds. No. But I'm
21 aware of concerns regarding signatures on documents.

22 Q Okay. In regard to Harbor Hills, are you aware that Ms.
23 Nelson acknowledged that she transferred that property back to Eric
24 upon his suggestion to keep the children in the home?

25 A I don't recall that specifically. No.

1 Q Okay. If you could look at that same exhibit and go down
2 two paragraphs or three paragraphs from that bullet.

3 A I see it.

4 Q Does that paragraph refresh your memory about whether
5 Lynita transferred that property to Eric upon his suggestion to keep the
6 kids in their home?

7 A That is what the email says. Yes.

8 Q Why did you not include those details in your report?

9 A Again, this is a detailed analysis of the deeds and indicating
10 the flow of funds. I don't see anything in this email that says it's a gift
11 and no compensation was to be received. This was just kind of
12 commentary from Ms. Nelson and our analysis was based upon third-
13 party source stocks to the extent it was available.

14 Q Well, you say that, but you also indicated at your deposition
15 that in your report, where it says, 'it is our understanding, that was
16 information provided to you that wasn't backed up by source
17 documents,' correct?

18 A I believe I did qualify my answer in my deposition that said
19 that may be not a blanket statement. I'd have to look at each one. But
20 generally, if it says it's our understanding and there's no footnote, that's
21 probably some kind of discussion or understanding from the case and
22 counsel.

23 Q Did you also say it could have been information provided by
24 Ms. Nelson?

25 A I did. Yes.

1 Q And I guess would you acknowledge that you made
2 subjective determinations as to what context to include in your report
3 and what not to.

4 A I don't know if subjective is the word. I determined, based
5 upon my experience and credentials, what information to include or not
6 include. Subjective, if that's based upon my experience it's not me just
7 deciding I'm not going include this, whether or not it provided context to
8 the transaction. Based upon the flow of deeds and the flow of funds.

9 Q In a case where a party is alleging the other party of forging
10 deeds, isn't that context important?

11 A I'm not a handwriting expert, so I wouldn't speak to any kid
12 of forging of documents. I wouldn't render an opinion in that regard.

13 Q Understand that. But when you know that background of the
14 case, isn't an acknowledgement by a party as to their intentional transfer
15 of her property relevant?

16 A I don't know. I don't make not that -- in my report that
17 relative to Harbor Hills that there would be some kind off forged deeds.
18 If that had been there without this comment, I could see that that would
19 be misleading. But there isn't the original comment.

20 Q And I had asked you at your deposition, wouldn't it have
21 been more accurate to say that LSN may not have been compensated for
22 the Harbor Hills property? Do you recall that?

23 A I don't recall that specific question, but you can ask me.

24 Q Well, I'll ask you. Would you acknowledge instead of saying
25 that LSN was not compensated, wouldn't it have been more accurate to

1 say that LSN may not have been compensated?

2 A Not necessarily.

3 Q Do you recall me asking you that same question at your
4 depo?

5 A I don't recall the questions you asked at my depo in
6 November. No.

7 MR. CARMAN: Can I publish that deposition?

8 BY MR. CARMAN:

9 Q You know what? Let me rephrase the question. I'm realizing
10 my notes. Would it surprise you that Mr. Leauanae indicated that it
11 would have been more accurate to say that LSN may not have been
12 compensated, rather than was not compensated?

13 MR. KARACSONYI: Objection. Hearsay. Improper
14 impeachment.

15 MR. CARMAN: Can I have --

16 THE COURT: Did you want the depo still?

17 BY MR. CARMAN:

18 Q Would it surprise you that Mr. Leauanae testified in such a
19 manner?

20 MR. KARACSONYI: Objection. Calls for speculation.
21 Improper impeachment. Hearsay.

22 THE COURT: We don't have the -- did you get the depo
23 from --

24 MS. HAUSER: Uh-huh, first day of trial.

25 THE COURT: It might be over there with those.

1 MR. KARACSONYI: There was a depo over there, I saw it.

2 MS. HAUSER: Like they're in big white envelopes..

3 THE COURT: Yeah, they're over here on the chair.

4 MR. CARMAN: Oh, that's right. We hid them over there.

5 THE COURT: Those on the side.

6 MR. CARMAN: It's like a fragile little child wrapped in bubble
7 wrapping. You know what? Why don't I do this? I'm going to go back to
8 this line of questioning after we take a break. We can sort all the
9 transcripts out. Let me highlight it in my notes.

10 MS. HAUSER: It had little taggy things.

11 MR. CARMAN: We'll work it out.

12 THE COURT: I think your last question. Would it surprise her
13 that Mr. L had --

14 MR. KARACSONYI: And I object to hearsay and improper
15 impeachment.

16 THE COURT: I don't know if he said or not, he said would it
17 surprise you if he said that.

18 BY MR. CARMAN:

19 Q Would it surprise you that Mr. Leauanae acknowledged that
20 it may have been more accurate to say that LSN may not have been
21 compensated in relation to that transaction?

22 MR. KARACSONYI: My same objection, Your Honor.
23 Irrelevance. Hearsay.

24 THE COURT: Overruled. Basically, she can answer if it
25 would surprise you.

1 THE WITNESS: Part of that answer is yes and part of that
2 answer is no. But if you want me to elaborate, I can.

3 BY MR. CARMAN:

4 Q No. It's okay. Will you acknowledge that it could have been
5 more accurate to say that LSN may not have been compensated?

6 A Not necessarily. No.

7 Q Not necessarily means that it also may have, though, right?

8 A That's fair.

9 Q You'll acknowledge that consideration has many different
10 components, correct?

11 A Yes.

12 Q There's different perspectives about consideration.

13 A Sure. Yes.

14 Q An entity taking on liabilities could be a form of
15 consideration, correct?

16 A Yes.

17 Q An entity assuming risks associated with transactions could
18 be a form of consideration, correct?

19 A It could. Yes.

20 Q An entity paying expenses on behalf of another entity in
21 relation to a transaction could be a form of consideration, correct?

22 A It could. Yes.

23 Q An entity providing management services to another entity in
24 relation to a transaction could be a form of consideration, correct?

25 A It could. Yes.

1 Q In relation to -- in your report, let's say the Lindell office, you
2 indicated during your testimony you didn't see any consideration,
3 correct?

4 A Correct.

5 Q Did you investigate whether ELN serviced loans associated
6 with properties held by Lindell?

7 A I didn't observe any in my analysis, no.

8 Q Did you investigate that specifically?

9 A If you include investigate reviewing the discovery, yes.

10 Q Did you do any independent investigation whether ELN
11 serviced loans associated with the Lindell property?

12 MR. KARACSONYI: Objection to the -- vague and
13 ambiguous.

14 THE COURT: Overruled. Do you understand the question
15 he's asking?

16 THE WITNESS: Outside of the discovery? No.

17 BY MR. CARMAN:

18 Q Did you do any investigation as to whether ELN assumed
19 debts associated with the Lindell property?

20 A Outside of the discovery? No.

21 Q Did you investigate whether ELN assumed any liabilities in
22 relation to the Lindell property?

23 A I feel like liabilities and debt are the same thing, so same
24 answer.

25 Q Did you investigate whether ELN provided management

1 services in relation to the Lindell property?

2 A Outside of the discovery? No.

3 Q Well, within the discovery you noted there were
4 management fees paid, correct, in relation to Lindell?

5 A Yes. And I also noted -- I guess it's a yes. I can elaborate.

6 Q But you didn't independently investigate what services were
7 actually provided by any ELN entity in relation to that property.

8 A That is correct.

9 Q Wouldn't it have been more fair to say that there may not
10 have been consideration in relation to that property?

11 A I didn't observe a discernible link, so that's why I'm saying
12 not necessarily. Could there always be something else? There could. I
13 wasn't able to identify any.

14 Q In relation to the High Country Inn, again you indicated it was
15 transferred to ELN for no consideration during your testimony.

16 A That's correct.

17 Q Did you investigate whether ELN serviced any loans
18 associated with that property?

19 A I did not outside the discovery.

20 Q Did the discovery give you any clear indication whether ELN
21 was servicing loans in relation to that property?

22 A Not that I recall.

23 Q Did you investigate whether ELN assumed debts or liabilities
24 associated with that property?

25 A Not outside the discovery.

1 Q And again, did the discovery lead you to any conclusion as to
2 whether ELN assumed any debts or liabilities in relation to that property?

3 A Not that I was able to identify.

4 Q You do understand while you're sitting there on the stand
5 that if a property is held by an entity and issues arise in relation to third-
6 parties, that entity is the one responsible for the liabilities associated
7 with it, correct?

8 A There's times in which that could not be true, but generally
9 you form an entity for asset protection purposes. But if you have alter
10 ego issues they would be on the individual and not on the corporation
11 itself.

12 Q I understand. But you do recognize that the very purpose of
13 these trusts were to protect the parties from liabilities, correct?

14 A That is my understanding. Yes.

15 Q And the whole point of that is if an asset is titled in a specific
16 trust it would limit the liability to that trust, assuming there's no alter ego
17 issues or other issues, correct?

18 MR. KARACSONYI: Objection. Calls for a legal conclusion
19 outside the scope of her report.

20 THE COURT: Overruled. If she knows it. I don't know if she
21 knows it or not.

22 THE WITNESS: Generally I can agree with that. But again
23 I'm not legal counsel.

24 BY MR. CARMAN:

25 Q Okay. And did you investigate whether ELN suffered any

1 financial losses associated with High Country Inn?

2 A I did not investigate. No.

3 Q All right. And again, would it have been more fair to say
4 there may not have been consideration?

5 A Again, no. Not necessarily.

6 Q Okay. But not necessarily means it also may have been more
7 fair, correct?

8 A I think may have been more fair, no. We have outlined the
9 assumptions. We've done the analysis based upon what we review and
10 identifying discernible links at the time of the transaction to what
11 occurred. We didn't see any financial consideration in conjunction with
12 what was noted on the deeds.

13 Q Okay. But you didn't investigate beyond that.

14 MR. KARACSONYI: Objection. Misleading.

15 Mischaracterizes.

16 THE COURT: I think she already testified as to what she
17 examined, what she based her decision on that. So, yeah.

18 BY MR. CARMAN:

19 Q Same questions on the Tropicana property. Did you
20 investigate whether ELN serviced any loans associated with the
21 Tropicana property?

22 A Personally investigate outside the discovery? No

23 Q Did you investigate whether ELN assumed debts and
24 liabilities associated with that property?

25 A No. Outside of your review of the tracing and what occurred

1 at the time of the transaction and what was available.

2 Q Okay. Did you investigate whether ELN provided any
3 management services in relation to the Tropicana property?

4 A No. Same answer.

5 Q Did you investigate whether ELN suffered any financial
6 losses associated with the Tropicana property?

7 A Same answer. Outside of the review of the discovery.

8 Q When you indicated that -- I believe you indicated that the
9 sale price resulted in \$1.2 million sale; is that correct? Or \$1.2 million
10 being deposited into an account?

11 A What property are we discussing?

12 Q Tropicana property.

13 A I'd have to refer to my report. I believe the sale proceeds
14 were approximately \$966,000.

15 Q Fair enough. And the number wasn't my purpose. In
16 relation to that deposit did you do any investigation as to whether ELN
17 had any outstanding debts associated with that property?

18 A Outside the review of the discovery that those were the
19 proceeds net of any debts, same answer. No, I didn't personally
20 investigate outside of what was provided through discovery.

21 Q When a property is sold -- do you understand that when a
22 property is sold to a third-party, the seller always has potential liabilities
23 in relation to that sale?

24 A No. I do not understand that.

25 MR. KARACSONYI: Objection.

1 THE WITNESS: Sorry.

2 THE COURT: The answer's no.

3 BY MR. CARMAN:

4 Q If a commercial property is sold pursuant to a contract, is it
5 your understanding that the entity which sold that property to the third
6 party would be the one who would be liable if there were any problems
7 in relation to the property?

8 MR. KARACSONYI: Objection. Calls for a legal conclusion
9 outside the scope of her work.

10 THE COURT: Can you answer that basically?

11 THE WITNESS: I can't. No.

12 BY MR. CARMAN:

13 Q Okay. If I were to sell you a commercial property and after
14 the sale was completed there were problems that you experienced with
15 the property. For instance, let's say the soil was contaminated even
16 though there was a disclosure that it wasn't when I sold it to you.

17 Who would be the target of the lawsuit from the purchaser?

18 MR. KARACSONYI: Objection. Calls for speculation. Calls
19 for a legal conclusion. Outside the scope of her report.

20 THE COURT: A lot of people could be liable on that, I guess.
21 Depending if it's hazardous waste you go to anyone who never owned
22 the property. So --

23 BY MR. CARMAN:

24 Q You'll acknowledge that the --

25 THE COURT: Sustained.

1 BY MR. CARMAN:

2 Q -- buyer's recourse would be to sue the seller, correct?

3 MR. KARACSONYI: Objection. Calls for speculation. Calls
4 for a legal conclusion.

5 THE COURT: Sustained. Let's move on with that. Basically
6 we do know when you sell things on there, you may have liability. You
7 got a warranty deed or quit claim deed, it depends, I guess, but, yeah.
8 Let's move on and get through it.

9 MR. CARMAN: Am I taking from your comments that the
10 Court can -- is taking judicial notice of the fact that a seller can be
11 responsible?

12 THE COURT: Yep, and the deed, they get a warranty deed if
13 they could violate that by not having clear title . There's hazardous waste
14 on that, that goes all the way cradle to grave, anyone who's touched that
15 property could be held liable for that. If they get a disclosure that's not
16 true. So it depends, sure.

17 MR. KARACSONYI: There's a million possibilities.

18 MR. CARMAN: The collateral is, if I sold you a property, Joe
19 Leauanae or Josef Karacsonyi, sorry, would not have any liability
20 associated with that sale, correct?

21 MR. KARACSONYI: Objection.

22 MR. CARMAN: Because he wasn't a party to it.

23 MR. KARACSONYI: Objection. Incomplete hypothetical.
24 Calls for a legal conclusion. Far exceeds --

25 THE COURT: Sustained.

1 MR. KARACSONYI: -- the scope --

2 THE COURT: Sustained.

3 MR. KARACSONYI: -- of --

4 THE COURT: Sustained.

5 BY MR. CARMAN:

6 Q In relation to the Flamingo property, you indicated there was
7 no financial consideration in relation to the transfer to Grada, LLC, do
8 you recall that?

9 A Correct.

10 Q Again, same questions. Did you investigate whether Grada
11 or whether ELN serviced any loans in relation to the properties?

12 A Not outside of the review of the discovery, no.

13 Q And the same things, did you investigate independently
14 whether there were any debts or liabilities associated with those
15 properties?

16 A Same answer.

17 Q In relation to the Wyoming horse racing transaction, I just
18 want to make sure I'm clear. ELN Trust initially transferred 200 acres to
19 the LSN Trust for no consideration, correct?

20 A That is my understanding, yes.

21 Q That's your conclusion in your report.

22 A Yes.

23 Q LSN then transferred back 11.5 acres for no consideration,
24 correct?

25 A Correct.

1 Q I just wanted to make sure we're clear that 11.5 acres was
2 part of the 200 acres that was originally transferred, correct?

3 A I believe that is my understanding, yes.

4 Q In regard to the Russell Road property, you mention the
5 transfer to CGENL.

6 A Yes.

7 Q For no consideration?

8 A Yes.

9 Q Were improvements made to that property?

10 A At what period of time?

11 Q During the time period in which it was held by CGENL?

12 A I'm not aware.

13 Q If CGENL were to have improved that property using its own
14 assets or funds, that could be a form of consideration, correct?

15 A Not necessarily. I mean it could -- and it couldn't. It would
16 depend on what was facilitated and what was agreed upon. There's still
17 a transfer, an asset, a contribution to the company.

18 MR. KARACSONYI: For the record, I think it's CJENL. You
19 keep saying CG.

20 MR. CARMAN: Oh, I'm reading CJ and I'm saying CG. I
21 don't know why.

22 MS. HAUSER: It's typed right.

23 BY MR. CARMAN:

24 Q You do acknowledge that a transaction can occur in which
25 the party to which you're giving an interest in the property has agreed to

1 improve a property, correct?

2 A Can you repeat your question?

3 Q Let me phrase it this way. If I own a bare lot and I agree --

4 A B-A-R-E?

5 Q Bare lot, and yeah.

6 A Vacant?

7 Q Vacant lot.

8 A Okay.

9 THE COURT: Not B-E-A-R.

10 MR. KARACSONYI: That would be a liability.

11 THE WITNESS: Sorry.

12 BY MR. CARMAN:

13 Q If I own a vacant lot and a third-party agrees, hey, if you give
14 me a 50 percent interest in it, I'll improve it and I'll build a structure on it,
15 that could be a form of consideration, correct? On a hypothetical.

16 A To the extent that they're fair market equivalency, it could.

17 Q Okay. Did you do any investigation as to whether any
18 improvements were made in relation to the relinquishment in that
19 property?

20 A Outside of a review of the discovery, o.

21 Q You indicated that the property was sold to Oasis Baptist
22 Church, I believe?

23 A I believe that's noted in my report, yes.

24 Q Did you investigate what the terms of that sale were?

25 A There may have been documentation in the discovery that

1 spoke to the sale, but I don't specifically recall. I just note the sale at the
2 time.

3 Q Okay. And you don't remember as you sit there what the
4 terms of the sale were?

5 A Not as I sit here without review of additional documentation.

6 Q Would you be surprised to learn that that sale fell through?

7 A I may generally recall that at one point, but again, the terms
8 of it are what happened. I'm not aware.

9 Q But aren't those material things that should be included in
10 your report if you're reaching a conclusion about the sale of a property?

11 MR. KARACSONYI: I'm going to object this goes outside the
12 scope of the tracing period. Calls for facts not in evidence.

13 THE COURT: Overruled. Give her a chance. She's very
14 bright and an expert on that. She can hold her own. You can answer if
15 you can.

16 THE WITNESS: No. I believe those are still the indications of
17 comingling if I was making a --some amount of net amount, those may
18 be pertinent. But again I'm providing indicia of comingling.

19 BY MR. CARMAN:

20 Q But you have stated in your opinion that a property was sold
21 for a certain amount at a certain time, correct?

22 A I believed that to be true, based upon whatever the footnote
23 is attached to that.

24 Q Okay. If that were inaccurate, you would agree that might be
25 misleading.

1 A If that is inaccurate --

2 MR. KARACSONYI: Objection. Argumentative.

3 THE COURT: Overruled. She can.

4 THE WITNESS: If that is inaccurate, then that would need to
5 be updated. Yes.

6 BY MR. CARMAN:

7 Q Have you reviewed any -- have you done any subsequent
8 review of any transactions related to that property?

9 A I have not, no.

10 MR. KARACSONYI: I'm just going to object for the record.
11 He's asking her -- they've objected to going outside the time period, past
12 the decree and now he's asking her for stuff that exceeds -- I mean if he
13 wants to do that, that's fine. We all know what happened to --

14 MR. CARMAN: She presented testimony about a sale --

15 THE COURT: All right. I'll give you some [indiscernible]
16 when you go through the expert report. That's what they do when they
17 question experts, they go through the report and try to raise things on
18 that. So he's just really going as to the thoroughness of her report. So
19 basically what it says, the time frame he's just trying to go into the
20 integrity of her report. What we always do every time we get an expert
21 and they'll do the same thing to the trust expert. They'll go through all
22 that. So you can continue.

23 BY MR. CARMAN:

24 Q Your exhaustion report that you testified to earlier, do you
25 recall testimony about the exhaustion theory?

1 A Yes.

2 Q In analyzing ELN's assets you focused on one singular
3 account, correct?

4 A No.

5 Q What accounts did you analyze?

6 A As part of the demonstrative for the exhaustion we analyzed
7 the ELN Trust BNY Mellon account ending in 1700 as well as the Nelson
8 & Associates Bank of America 2798.

9 Q Okay. So there were two accounts utilized in your
10 exhaustion analysis?

11 A Presented as an exhaustion, yes.

12 Q Okay. And how many accounts did ELN Trust possess at the
13 time?

14 A I'd have to refer to the report, but more than that.

15 Q Yeah. Can you refer to your report -

16 A Sure.

17 Q -- and let me know how many accounts actually existed?

18 A So I'm referring to LSN 00, 0260, which is the account saving
19 matrix Exhibit 1 2006, the starting point for the exhaustion for those two
20 accounts as listed there.

21 The ELN -- Eric Nelson ELN Trust accounts we have at potentially
22 15. Assuming none of those were blacked out with a colored copy. But
23 more than two, but we at least had account statements for reference 1, a
24 Wells Fargo account, reference 2, a Wells Fargo account, the Bank of
25 America one that we did analyze, partial statements for the BNY Mellon

1 account that we did analyze, another BNY Mellon account ending 1780,
2 and the Irwin Union Bank. So for ones that we had account statements,
3 we had one, two, three, four, five six in 2006, which was the starting
4 point.

5 Q You indicated, going to the comingling of Inflows testimony
6 that you presented earlier, you indicated that while Tierra del Sol was
7 held by LSN there were monies paid to ELN Trust --

8 A Yes.

9 Q -- is that correct?

10 A Did you investigate why monies may have been paid to the
11 ELN Trust during that time period?

12 A Outside of my review of the discovery, no. Inflowing
13 analysis of the flow of funds.

14 Q Right. But bank statements aren't going to tell you why
15 monies may have been paid from one entity to another, correct?

16 A The rationale? No.

17 Q You talked about an Irwin bank deposit, a check that was
18 deposited to an Irwin Bank account. Do you recall that?

19 A I do.

20 Q Did you specifically ask Lynita whether she had any accounts
21 at Irwin Bank?

22 A I don't recall.

23 Q Do you recall making any investigation as to what account
24 that check may have been deposited into?

25 A Outside my request for additional documentation and my

1 review of the accounts that were at Irwin Bank, no specific individual
2 requests outside of those requests of their counsel.

3 Q Okay. And again, you're not testifying that that money was
4 transferred to Mr. Nelson, you're indicating it could have potentially
5 been transferred to Mr. Nelson, correct?

6 A I believe I noted that the two Irwin Banks were either Mr.
7 Nelson or Grada related, but that's correct, it could have. Not definitive
8 because I don't have the statement.

9 Q Did you match the account numbers on the check?

10 A I don't recall.

11 Q In relation to Silver Slipper, I believe you may have
12 mentioned some expenses being paid in relation to an RV park? Am I
13 correct in that?

14 A I believe when we were discussing the Silver Slipper RV Park,
15 we were discussing the income, the rental income.

16 Q Okay. Do you know whether the ELN Trust entities were
17 providing management services to the RV Park during that time period?

18 A Specifically, no.

19 Q In regard to the Arnold Avenue property, you indicated it was
20 owned by LSN Trust, correct?

21 A Correct.

22 Q Did you do any investigation as to whether ELN Trust entities
23 may have been managing the property during that time period?

24 A I believe we discussed a rental agreement for another
25 management company that was managing the property, McGraw

1 Agency, that we discussed.

2 Q And was McGraw retained by an ELN Trust entity or by an
3 LSN Trust entity?

4 A I believe it was the ELN Trust entity.

5 MR. CARMAN: Judge, can we have just a --

6 THE COURT: Sure.

7 MR. CARMAN: -- five-minute break?

8 THE COURT: Want to get a bathroom break?

9 [Recess taken from 11:25 a.m. to 11:40 a.m.]

10 THE COURT: Going back on the record in the matter of
11 Nelson v. Nelson D-09-411537. Pick it up where we left off. And, Mr.
12 Carman?

13 MR. CARMAN: Yeah, I just have one little line of questioning.
14 I'm not going to say one question and be called a liar, like we have
15 before.

16 THE COURT: They're not liars, they're lawyers.

17 MR. CARMAN: There you go, Judge.

18 BY MR. CARMAN:

19 Q I just want to make sure one thing's clear in your testimony.
20 You talked during your direct testimony and a little bit during my cross
21 about the Irwin Bank account. Just so we're clear, if you could turn to
22 the exhibits in your report, Exhibit 1, for instance.

23 A Yeah, I'm there.

24 Q It lists Eric Nelson accounts. I just want to make sure we're
25 clear. You do acknowledge that all of the accounts listed, other than in,

1 potentially, an Ameriprise financial account are actually held in the ELN
2 Trust, correct?

3 A That's fair. That's just a summary of breaking them out. It's
4 not intended to represent any kind of character. It's just grouped as
5 being related to Eric Nelson, but I'm not saying that those aren't trust
6 accounts.

7 Q Okay. And in your direct testimony, I believe you indicated
8 that Eric Nelson -- and actually, the testimony as we see it is, I notice that
9 there are two Irwin Bank accounts and either Mr. Nelson or Grada
10 related. I just want to make sure we're clear, there is no Irwin account
11 that you're aware of in Mr. Nelson's name, correct?

12 MS. HAUSER: Single, as a personal versus the --

13 THE WITNESS: That's fair. The one here says ELN Trust.

14 BY MR. CARMAN:

15 Q And less -- I mean, you do acknowledge that there is a
16 difference between Mr. Eric Nelson as an individual and the ELN Trust as
17 a legal entity, correct?

18 A Yes.

19 Q Okay.

20 MR. CARMAN: No further questions.

21 THE COURT: Mr. Luszeck, questions?

22 MR. LUSZECK: Yes.

23 CROSS-EXAMINATION

24 BY MR. LUSZECK:

25 Q Ms. Allen, you don't hold yourself out to be an expert in the

1 area of trusts and estates, do you?

2 A I do not.

3 Q And other than in this -- other than this case, have you ever
4 testified in a case relating to self-settled spendthrift trusts?

5 A No. I have not.

6 Q Okay. Have you ever testified before the Clark County
7 Probate Court?

8 A Testified? No.

9 Q Have you ever testified in a -- in front of any other type of
10 probate court throughout Nevada or throughout the United States

11 A No, I have not.

12 Q Okay. I think you testified yesterday that you reviewed some
13 legal filings in preparation of preparing the report; is that correct?

14 A That's correct.

15 Q Okay. What legal filings did you review?

16 A I reviewed the decree, I reviewed the Supreme Court opinion,
17 I reviewed various decisions and orders. That's generally what I recall.

18 Q Okay. So you haven't read every single pleading that's been
19 filed in this case.

20 A I doubt it. No.

21 Q Okay.

22 MS. HAUSER: Why not?

23 BY MR. LUSZECK:

24 Q Have you reviewed other legal filings as it pertains to Ms.
25 Nelson? Like, for example, are you aware that Ms. Nelson sued the

1 estate planning attorney Jeffrey Burr?

2 A I am aware of that. Yes.

3 Q Okay. Did you review any of the legal filings in that case?

4 A No. I did not.

5 Q Are you aware that Ms. Nelson has initiated a civil action
6 against Mr. Nelson relating to the self-settled spendthrift trusts?

7 A I am aware of that. Yes.

8 Q Okay. Did you review any of those legal filings in
9 preparation of your report?

10 A I may have.

11 Q Okay.

12 A I'd have to refer to my report.

13 Q All right. With respect to some of the properties that you
14 have identified in your report, yesterday you discussed the Lindell --
15 well, actually, talked about that, I'll tell you a little bit, to the Lindell
16 property, correct?

17 A Did we discuss the Lindell property yesterday?

18 Q Yes.

19 A Yes.

20 Q And we discussed that a little bit earlier today as well,
21 correct?

22 A I believe so.

23 Q All right. And I believe you testified yesterday that Lynita's
24 separate property trust transferred its interest in Lindell to the LSNL
25 Trust on August 20th, 2011; does that sound correct?

1 MR. KARACSONYI: It's 2001.

2 MR. LUSZECK: Oh, sorry, 2001. You're right. Thanks.

3 THE WITNESS: I would have to refer to my report to refresh
4 my memory regarding the exact date.

5 BY MR. LUSZECK:

6 Q Okay. Yeah. Please, would you do that?

7 A Okay. The date I reference is August 22, 2001.

8 Q Okay. Are you aware how Lynita's separate property trust
9 obtained it's interest in Lindell?

10 MR. KARACSONYI: Objection. Goes outside the scope of the
11 tracing period.

12 THE COURT: Overruled. I'll give you some leeway.

13 MR. LUSZECK: Just asking the question.

14 THE COURT: Exactly what she relied on and what she
15 considered in her paper. You can answer.

16 THE WITNESS: Okay. You said the SPT?

17 BY MR. LUSZECK:

18 Q Correct. Yeah.

19 A No. I'm not.

20 Q Are you aware whether Lynita's SPT, separate property trust,
21 obtained it from Eric's separate property trust?

22 MR. KARACSONYI: Objection. Asked and answered. She
23 didn't know anything.

24 THE COURT: Overruled.

25 MR. KARACSONYI: Goes beyond the scope of the tracing.

1 THE COURT: She can answer on that if she knows. It goes
2 beyond the scope of tracing, but she's able to talk [indiscernible] what
3 she do, what she's aware of. It goes to her report on that. But if you can
4 answer it.

5 THE WITNESS: No. I'm not aware.

6 BY MR. LUSZECK:

7 Q Would that be an important fact for you to consider in
8 preparing your report?

9 MR. KARACSONYI: Objection. It goes outside the scope of
10 the tracing. It's irrelevant.

11 THE COURT: She can answer if she felt it's important or not.
12 Overruled. If she thought it is important or not.

13 THE WITNESS: No. It was outside the scope of our starting
14 period.

15 BY MR. LUSZECK:

16 Q What do you mean it was outside the scope of your --

17 A So we discussed the assumptions used in our analysis, and it
18 was that assets held in the SPT of the individuals represented their
19 separate property, and that transfers from the SPTs to the SSSTs
20 whether or not they were as of the formation of the SST or subsequent
21 to, if they were sources from the SPT to the SSST, then that would
22 represent separate property.

23 Q Okay. So the -- so for that reason, then, in your analysis, it
24 was irrelevant how Lynita's SPT acquired its interest in Lindell.

25 A Yes. Pursuant to my understanding of the scope of the --

1 Q Okay. Even if it would have been obtained from Eric's SPT?

2 A That is correct.

3 Q Okay. All right. If you'll go to I believe it is Exhibit six Ks.

4 A In the --

5 Q Oh, it's going to be in one of the binders. One of the LSN
6 Trust.

7 MR. KARACSONYI: It's right after her report.

8 MR. LUSZECK: Okay.

9 MR. KARACSONYI: Volume 17.

10 BY MR. LUSZECK:

11 Q Volume 17.

12 A Okay. Which one, six Ks?

13 Q Six Ks.

14 A Okay. I'm there.

15 Q Okay. And if you could go to Bates label -- all right. Bates
16 label 7985, LSN007985.

17 A 7985? I'm there.

18 Q Okay. And it's a grant bargain sale deed, correct?

19 A That's correct.

20 Q Okay. And the grant bargain sale deed says, "Lynita Sue
21 Nelson, Trustee of the LSN Trust UAD, under agreement dated, 5/30/01,
22 in consideration of \$10 and other valuable consideration, the receipt of
23 which is hereby acknowledged, do hereby grant, bargain, sell and
24 convey to Lynita Sue Nelson, trustee of the LSN Trust, UAD 5/30/01, as to
25 an undivided 50 percent interest, and an Eric L. Nelson, trustee of the

1 Eric L. Nelson Trust, UAD 5/30/01, as to an undivided 50 percent
2 interest." Did I read that correctly?

3 A You did.

4 Q Okay. And that grant bargain sale deed specifically states it
5 was in consideration of \$10 and other valuable consideration, correct?

6 A That is correct.

7 A That's correct.

8 Q Okay. And I think you also testified, I believe yesterday, that
9 during some time period that the ELN trust collected 100 percent of the
10 Lindell office rents; is that correct?

11 A Yes. That's correct.

12 Q Okay. And I think that was based, in part, on Gerety's report,
13 Mr. Gerety's report that you reviewed.

14 A Report or testimony. Yes.

15 Q Okay. Oh, okay. Did you read all of Mr. Gerety's testimony
16 in this matter?

17 A I did not. No. I did not. No.

18 Q Okay. What did you review?

19 A I was in person in part for some of Mr. Gerety's testimony
20 back in 2010. But I did not review, I do not recall reviewing transcripts.
21 The testimony in reference may have been extracted into another filing.

22 Q Okay. So you were in person for Mr. Gerety's testimony in
23 2010.

24 A Portions of I would imagine.

25 Q Not in 2012, though, correct?

1 A I don't believe so. No.

2 Q But you read portions of that deposition or some of that trial
3 transcript or deposition transcript?

4 A I don't think it was the transcript itself. Just references to the
5 testimony from the transcript.

6 Q Okay. And you --

7 A I believe it's a footnote in the report.

8 Q Okay. And did somebody provide you with those
9 references? I'm just trying to get an understanding as to what exactly it
10 was that you read.

11 A If I could refer to the footnote in the report?

12 Q Yes. Please.

13 A Okay. So refreshed and it's not a reference to testimony. It's
14 a reference to the Gerety report itself. And a page number specifically in
15 the Gerety report, Bates GG00008.

16 Q Okay. Could we go there? It's Exhibit L, which --

17 A What volume?

18 Q -- which is volume --

19 THE COURT: L, just one L?

20 MR. LUSZECK: Maybe 1. Maybe 1 or 2.

21 THE COURT: It would be volume 2. If it's L it would be
22 volume 2, but just a single L.

23 THE WITNESS: J, K, L, volume 2.

24 THE COURT: If it's LL it would be volume 7. So if it's two it
25 would be Exhibit L.

1 THE WITNESS: I'm there.

2 BY MR. LUSZECK:

3 Q Okay. And if you'll go to page, I believe it's on page 8 --

4 A Yes. I'm there.

5 Q Okay.

6 MR. KARACSONYI: Do you mind giving me a second?

7 MR. LUSZECK: No. Not at all.

8 MR. KARACSONYI: Okay

9 BY MR. LUSZECK:

10 Q And I think it's the third paragraph down on page 8. And I'm
11 just going to read this --

12 A It's the second. Oh, I'm sorry. I guess I don't know your
13 question. So I apologize.

14 Q I think you're right; it is the second. Okay. So it says -- that
15 second paragraph reads, "One hundred percent of the rents and
16 expenses for the Lindell commercial rental building were collected and
17 paid by ELNNVT from 2008 to date, even though ELNNVT only owned 50
18 percent of its property effective March 22nd, 2007, when LSNNVT
19 assigned 50 percent to ELNNVT. Per the general ledger it appears that
20 ELNNVT began paying the Lindell expenses in August 2008, and
21 collected the rents beginning October 2008. See Exhibit 4.01 for the
22 rental income and expense information.

23 It also appears that LSNNVT received 100 percent of the rental
24 income from March 2007 up until September 2008 and paid 100 percent
25 of the expenses from March 2007 until July 2008. For this period we

1 have estimated the net cash flow due back to ELNNVT from LSNNVT, we
2 made adjustments to the books to report the proper amount of cash flow
3 earned by each trust and adjusted the due to/due from LSNNVT account
4 accordingly." Did I read that correctly?

5 A You did.

6 Q Okay. So the ELNNVT began paying expenses in August of
7 2009, and began collecting the rents in October of 2008; is that correct?

8 A No. You said 2009. I believe the year is 2008.

9 Q Oh, I apologize. Yeah, you're right. Okay. So it began
10 paying the expenses in August of 2008 which is, I guess, a couple of
11 months before the ELN Trust began collecting rent, correct?

12 A Yes.

13 Q Okay. And he also, Mr. Gerety also confirmed in that
14 paragraph that between March 2007 to July 2008, the LSN Trust
15 collected 100 percent of the rent, correct?

16 A Correct.

17 Q And that fact was not identified in your report, was it?

18 A It is to the extent that on the prior page of my report it's
19 discussing that it went into the LSN Lindell office Bank of America
20 account.

21 Q Okay. That's fair. Okay. And you also testified, I believe,
22 that it was your understanding that Eric didn't historically pay rent for his
23 use of the Lindell office; is that correct?

24 A That is correct.

25 Q Okay. But you didn't quantify a time frame for that in your

1 report, correct?

2 A I'm referring to my report to refresh my memory. Off the top
3 I don't believe I referenced a time period, no.

4 Q Okay.

5 A Just a camera or a rental log that indicated that the office of
6 his was owner occupied.

7 Q Okay. So you may have seen this just document regarding
8 that issue, but once again, timeframe-wise, you don't know what
9 timeframe that would entail.

10 A The time frame referenced on the document that's footed in
11 my report indicates that it had been occupied since October 4, 1998 and
12 that no suite 201 monthly rent or CAMS were being charged at that time
13 of the report. So it doesn't specifically state the time period which
14 covered no rents, so I'd have to refer back to the document.

15 Q And you can see that, at least with respect to accounts titled
16 in the name of the LSN Trust, you testified yesterday that you didn't have
17 complete account statements from, I want to say, 2001 to 2005?

18 A There's periods of time missing for the LSN as well, yes.

19 Q Okay. And if you recall, Mr. Carman was up there and you
20 read through every single account statement that was missing for 2001,
21 2002, 2003, 2004, 2005, correct?

22 A We did that. Yes.

23 MS. HAUSER: We can do it again.

24 MR. LUSZECK: I don't intend to do that again.

25 /////

1 BY MR. LUSZECK:

2 Q That was just to illustrate the point that there was a good
3 chunk of time there where you conceded the fact that you did not have
4 the LSN trust account statements, correct?

5 A That is correct.

6 Q And as such, if rent was actually being paid into an LSN Trust
7 account, you wouldn't have knowledge of that, because you don't have
8 the account statements for that time period?

9 A Outside of just relying on the account statements, I would
10 not be able to confirm that with the account statements. That's correct.

11 Q Thank you. So in conjunction with this litigation, a subpoena
12 duces tecum was issued upon your firm Anthem Forensics, correct?

13 A I recall. Yes.

14 Q Okay. And do you recall who that subpoena duces tecum
15 came from?

16 A I believe I signed for it.

17 Q Okay. And what did you do to respond to the request
18 identified in the subpoena duces tecum?

19 A I believe I pulled all of the billings from 2020 through the
20 present related to this retention. I went through all of the email
21 correspondence from 2020 forward to parse out into the requested
22 information that asked for correspondence with counsel, identifying
23 facts, data, assumptions; with Lynita identifying facts, data and
24 assumptions; Mr. Bertsch identifying facts, data and assumptions; and
25 then I pulled all of the documentation in our info received to put into a

1 folder for documentation. I put our report, I believe. I believe that's all. I
2 responded to the request and put it into an electronic folder, which was
3 zipped and then sent over.

4 Q Okay. And in fact, there was a certificate of custodian of
5 records that was issued by Anthem Forensics, correct?

6 A Yes.

7 Q And you signed that, correct?

8 A Yes.

9 Q Okay. Approximately how many documents do you think
10 Anthem Forensics disclosed?

11 A I would imagine tens of thousands.

12 Q Okay. Did you review all of those documents that were
13 disclosed?

14 A Me personally? No.

15 Q Okay. Would it surprise you if there's documentation in
16 Anthem's file that states that the ELN Trust actually paid rent for its use
17 of Lindell office space until 2008 or 2009?

18 A Yes. Because that would be contrary to the testimony I
19 referenced in the report.

20 Q Okay. But once again, you haven't personally reviewed all of
21 the documentation in Anthem's file, correct?

22 A That is correct.

23 Q All right. Tierra del Sol was another entity that you testified
24 about in this litigation -- sorry, during your testimony today and
25 yesterday, correct?

1 A Correct.

2 Q Okay. And I believe you testified that Lynita's separate
3 property owned 100 percent of Tierra del Sol on October 2nd, 2001,
4 correct?

5 A For the exact date, I'll need to refer to the report.

6 Q Yeah, please go ahead. Oh, and when you look at that,
7 would you mind telling us just the page number.

8 A Not a problem. I'm just referring to LSN0010213. Can you
9 ask your question again, counsel?

10 Q Okay. And because it was outside of the scope of your
11 retention, you didn't provide any type of analysis or provide any
12 testimony regarding how Lynita's separate property trust came to
13 possess 100 percent interest in Tierra del Sol, correct?

14 A That's correct.

15 Q All right. I believe you also discussed the fact that in
16 September of 2006 there was a final installment that was paid by the
17 purchaser of tierra del Sol, do you recall that?

18 A Yes.

19 Q Okay. And I believe you indicated that there was a transfer of
20 \$1,460,190.58 that came into the ELN Trust BNY Mellon account ending
21 in 1700.

22 A Yes.

23 Q Okay. Now, isn't it true that out of that payment, that
24 \$1,460,190.58 payment that the ELN Trust made a series of payments on
25 behalf of the LSN Trust?

1 A I would have to refer to the exhibit.

2 Q Okay. Please do. Please let us know.

3 A I will. Do you want me to explain? You want to answer a
4 question? Sorry.

5 Q Oh, yeah, yeah, please

6 A Okay. So I'm referring to two pages. One is going to be
7 LSN0010290 --

8 Q Okay.

9 A -- and the other is LSN0010298, so I kind of need both of
10 those.

11 Q Okay. So let's start with respect to LSN0010290. I presume
12 you're referring to --

13 A Reference 3.

14 Q -- reference 3. Okay. And that was a deposit of
15 \$1,460,190.58, correct?

16 A Correct.

17 Q And here you put deposit Tierra del Sol proceeds?

18 A Yes.

19 Q Now, was Tierra del Sol proceeds, was that actually
20 contained on the ELN Trust bank statements?

21 A No. So that column there you'll see it says AF category.
22 Those are just going to be notations by our office.

23 Q So you added that notation.

24 A Correct.

25 Q Or somebody from your office did. Okay. But if you go

1 down to reference 6, which is dated 9/29/06, it says AF category LSN
2 Trust and then it indicates there was a payment of \$25,000 from the
3 account ending in 1700 to the LSN Trust, correct?

4 A Correct.

5 Q And that, the fact that that transfer occurred, did not make it
6 into the body of your report, correct?

7 A Not in the body of the Tierra del Sol section, but in the
8 section discussing the exhaustion it's discussed.

9 Q Isn't it a little misleading not to keep it in the section as it
10 relates to Tierra del Sol?

11 A We note that that's a payment that would be related to those
12 sales in the exhaustion. I don't know if it's misleading. It could have
13 been there; it wasn't intended to mislead.

14 Q In Exhibit 10, though, correct?

15 A Exhibit 10, but also in the body that discusses the
16 exhaustion.

17 Q Okay. But not in the Tierra del Sol section.

18 A That's fair.

19 Q Okay. In addition to this \$25,000 payment, isn't it also true
20 that the ELN Trust also paid federal taxes on behalf of the LSN Trust?

21 A In what year?

22 Q Pardon?

23 A In what year?

24 Q Oh, let's see. 2006.

25 A I don't specifically recall. You'd have to show me the

1 payment.

2 Q Okay. Well, in fact, didn't Mr. Gerety testify to that in his
3 2012 testimony?

4 A I didn't read the transcripts from 2012.

5 Q Okay. And you reviewed Mr. Gerety's expert report, though,
6 correct?

7 A I did at one point. Yes.

8 Q Okay. Isn't it true that these tax payments were identified in
9 his report?

10 A They may have been.

11 Q Okay. Why don't we go back to Mr. Gerety's report, Exhibit
12 L, and let's go to tab 7 -- sorry, start with page 7.

13 A I'm there.

14 Q Okay. And the paragraph that starts on September 8th, 2006,
15 do you see that on the bottom of page 7?

16 A I do.

17 Q Okay. And I'm just going to read that for you. "On
18 September 28th, 2006, there was a deposit into ELN NVT's Mellon broker
19 account in the amount of \$1,460,190 relating to a transfer from Fidelity
20 Title from the Tierra del Sol property. This property was owned by LSN
21 NVT. ELN NVT transferred \$25,000 to LSN NVT from its Mellon account
22 immediately after receiving the Tierra del Sol proceeds, and also paid
23 Lynita Nelson's 2006 federal and Arizona individual income taxes and
24 preparation fees totaling \$606,965 in 2007 as a partial repayment of the
25 Tierra del Sol proceeds. We made an adjustment to show that this was

1 to ELN NVT. This has been included in the due to/due from account
2 between the trusts." Did I read that correctly?

3 A You did.

4 Q Okay. And in fact, the divorce decree, I guess following up
5 on that, the divorce decree that was entered by Judge Sullivan in 2013,
6 also mentioned the fact that Mr. Gerety had identified these taxes being
7 paid on behalf of the LSN Trust, correct?

8 A I don't specifically recall.

9 Q You've reviewed the divorce decree in this matter, though,
10 correct?

11 A I did at one point. Yes.

12 Q Do you have any reason to disbelieve that that information is
13 contained in the divorce decree?

14 MR. KARACSONYI: Objection. Calls for speculation.

15 THE COURT: Overruled.

16 THE WITNESS: I don't have any reason to disbelieve. No.

17 BY MR. LUSZECK:

18 Q Okay. But the fact that the ELN Trust made these tax
19 payments on behalf of the LSN Trust did not show up in your report, did
20 it?

21 MR. KARACSONYI: Objection. Assumes facts not in
22 evidence. Hearsay.

23 THE COURT: Overruled. You can ask her. You can answer.

24 THE WITNESS: It is not referenced in our report.

25 /////

1 BY MR. LUSZECK:

2 Q Okay. And isn't it true that your report, too, specifically
3 mentions the divorce decree?

4 A It does.

5 Q Okay. And in fact, in dealing with the Tierra del Sol property
6 specifically, correct?

7 A It --

8 Q Why don't you pull your report open to page --

9 A Yes, I'm there.

10 Q Okay. 24. If you look at footnote 57.

11 A It does. Yes.

12 Q It says decree, page 20. And when you say decree, you're
13 referring to the divorce decree entered by Judge Sullivan in this matter
14 on June of 2013?

15 A I am, yes.

16 Q Okay. All right. Wouldn't the payment of the LSN Trust
17 taxes by the ELN Trust be an important factor that should have been
18 considered in your report?

19 MR. KARACSONYI: Objection. Assumes facts not in
20 evidence.

21 THE COURT: Overruled. So you can answer if that would
22 impact it or if that was important or not.

23 THE WITNESS: The payment could have been referenced in
24 this section. I don't believe it changes what I've stated as the conclusion.

25 /////

1 BY MR. LUSZECK:

2 Q What section are you referring to?

3 A Tierra del Sol.

4 Q Okay. On page 24?

5 A Yes.

6 Q Of your report. But you concede, though, that there is no
7 reference or notation to those taxes being paid.

8 A I do concede that that is not referenced.

9 Q Okay. As well as the \$25,000 payment that we referenced in
10 Exhibit 10.

11 A In this section, the \$25,000 is not referenced. It's referenced
12 later.

13 Q Okay. Let's shift gears a little bit to Tropicana.

14 A Okay.

15 Q With respect to Tropicana, I believe you testified that -- and if
16 you need to refer to your report for that -- did you just look at your
17 report?

18 A I'm looking at the page you said we were on Tropicana,
19 which was right after Tierra del Sol.

20 Q Yes, that's right after. Okay.

21 I believe you testified that on May 29th, 2002, the ELN Trust
22 purchased a 50 percent interest in the Tropicana property.

23 A Yes.

24 Q Okay. And I want to look at, if you can pull out Exhibit six Ns.

25 A That's going to be 16?

1 Q Oh, that is a good question. I'm not sure.

2 A No. That might be where I'm in. Hold on. N in Nancy?

3 Q Yes, N as in Nancy.

4 A I believe I'm there.

5 Q Okay. So if you go to Bates number LSN008028.

6 A I'm there.

7 Q Okay. And this is a grand bargain sale deed from the Eric L.

8 Nelson Nevada Trust to the Lynita Sue Nelson, trustee of the LSN

9 Nevada Trust, correct?

10 A Yes.

11 A And it appears that it was executed on November 12th, 2004;

12 is that correct

13 A That is the date at the bottom, but not the date it was filed at

14 the top.

15 Q Yeah. Okay. So you noticed that. Okay. So is it a correct
16 statement to say that it appears that it was executed on November 12th,
17 2004, but not recorded until January 5th, 2005?

18 A That appears reasonable.

19 Q Okay. Do you know why?

20 A I do not. No.

21 Q Okay. And that was definitely not mentioned in the report,
22 correct?

23 A It is to some extent on footnote 60.

24 Q Okay. Let's see. In your report you mention a promissory
25 note, correct?

1 A I do.

2 Q Okay. And the promissory note referenced is dated October
3 9th, 2003.

4 A Yes.

5 Q Okay.

6 MR. LUSZECK: Do you have any objection to it?

7 MR. KARACSONYI: I don't think so.

8 MR. LUSZECK: Okay. Exhibit 16.

9 BY MR. LUSZECK:

10 Q Can you pull out Exhibit 16?

11 A Where is that?

12 Q Oh, volume 1, probably. Plaintiff's volume 1.

13 A I don't have any Plaintiff's -- Oh.

14 Q Or ELN Trust.

15 A I don't have any of those over here.

16 Q Okay.

17 A Do I? These look like they're all Defendant. These say joint.

18 MS. HAUSER: Yeah, that's joint. That's us.

19 THE WITNESS: Okay. This is it? Volume 1?

20 BY MR. LUSZECK:

21 Q Yes.

22 A What exhibit?

23 Q It's going to be 16. But before you dive too deep into that.

24 A Okay.

25 Q Let me ask you a question. Are you aware that there was

1 testimony from the 2012 trial that indicated that the deed that's marked
2 as LSN008028 was supposed to be held as collateral for a promissory
3 note and not recorded?

4 A I don't have any specific recollection to that.

5 Q Okay. So if you can turn to Exhibit 16 now. Exhibit 16
6 appears to be a promissory note dated October 9th, 2003, in the amount
7 of \$700,000; is that correct?

8 A Yes.

9 Q Okay. And the second paragraph of that says, "As collateral
10 for this note, a grant bargain and sale deed will be completed to transfer
11 that portion of property owned by Eric L. Nelson Nevada Trust
12 commonly known as Tropicana's Albertson's land, APR 161-21-803-007
13 to the LSN Nevada Trust." Do you see that?

14 MR. KARACSONYI: I just want to -- I'm sorry to object, but I
15 just want to -- you haven't admitted this yet. And do you know where
16 the Bates number is for us? It's referenced in her report.

17 MR. LUSZECK: Yes, she references promissory note dated
18 October 9th. I'm about to get there.

19 MR. KARACSONYI: Can we use the one that's in her file
20 then?

21 MR. LUSZECK: I think this was in her file and it wasn't Bates
22 labeled.

23 MR. KARACSONYI: No. All her stuff was Bates labeled.

24 MR. LUSZECK: I didn't go back.

25 MR. KARACSONYI: But you think this is the same one?

1 MR. LUSZECK: I'm --

2 MR. KARACSONYI: Ninety-nine --

3 MR. LUSZECK: Yeah. I'll ask you.

4 BY MR. LUSZECK:

5 Q In footnote 59 of your report, you reference a promissory
6 note dated October 9th, 2003, correct?

7 MR. KARACSONYI: And just for the record, I just want to
8 make sure it's the same one.

9 THE COURT: Okay. Answer that.

10 MR. KARACSONYI: That you believe this is ---

11 MR. LUSZECK: I believe it is.

12 MR. KARACSONYI: Okay. If we find something that looks
13 different or something, then, obviously, we can bring it up later.

14 MR. CARMAN: Fair enough.

15 MR. LUSZECK: Yeah, yeah.

16 MR. KARACSONYI: No objection to it, then, Your Honor.

17 THE COURT: Exhibit --

18 [Plaintiff's Exhibit 16 admitted into evidence]

19 MR. KARACSONYI: Just with the caveat that we just want to
20 compare it to whatever was produced in discovery because it's not Bates
21 stamped.

22 MR. LUSZECK: Yeah, and let me ask this one --

23 THE COURT: This one will be entered with the caveat that
24 it's confirmed that it's the same one they have. All right.

25 MR. KARACSONYI: And I guess just an overarching

1 clarifying question. When Anthem produced its records in response to
2 the subpoena duces tecum, it didn't Bates label the documents that it
3 produced, correct?

4 THE WITNESS: No, I don't have -- I've never done that. No.
5 I don't know how to do that.

6 MR. KARACSONYI: We agree with that. But Mike, when they
7 got them, they Bates them to us.

8 BY MR. LUSZECK:

9 Q Does what has just been admitted as Exhibit 16, does that
10 appear to be the same promissory note that's identified in footnote 59 of
11 your report?

12 A I don't recall all of the details of the promissory note, it's for
13 the same amount and the same date. I don't have any reason to dispute
14 it.

15 Q Okay. And it talks about the same collateral, if I'm not
16 mistaken, correct?

17 A Yes, it does.

18 MR. KARACSONYI: It does appear to be the same one that
19 was in her file. We're good with it.

20 MR. LUSZECK: Thanks. Okay.

21 BY MR. LUSZECK:

22 Q And you didn't -- you haven't testified or given any opinion
23 as to whether or not this grant bargains ale deed that was recorded on
24 January 5th, 2005 was filed or recorded by mistake, correct?

25 A I'm not testifying that anything was done by mistake. No.

1 Q You have no opinion one way or the other regarding any
2 type of position that the grant bargains ale deed recorded on January
3 5th, 2005 may have been field by mistake?

4 MR. KARACSONYI: Objection as to facts not in evidence.

5 THE COURT: Overruled. She can answer.

6 MR. KARACSONYI: Also speculation.

7 THE WITNESS: It was --

8 THE COURT: You can answer. Can you answer the
9 question?

10 THE WITNESS: We're referring to -- just let me make sure.
11 We're referring to LSN008, I believe you said 28 -- 38.

12 BY MR. LUSZECK:

13 Q And I'm not trying to be difficult. Earlier I had asked the
14 question whether or not you were aware that there was testimony from
15 the 2012 trial that the deed was supposed to be held as collateral for a
16 promissory note and not recorded.

17 A And I said, no.

18 Q And you said, no. So I just want to make it clear that you're
19 not taking a position at all, serving as an expert in this case, whether or
20 not that grant bargain sale deed recorded on January 5th, 2005 was
21 done in error.

22 A I have no opinion to that.

23 Q Okay. You also testified, I believe, that on or around June
24 25th, 2007, the 50 percent interest in the Tropicana Avenue property was
25 transferred from the LSN Trust to the ELN Trust for no financial

1 consideration; is that correct?

2 A Correct.

3 Q Okay. And then you indicate, I believe you also testified that
4 that same day that the Tropicana Avenue property was sold to Las Vegas
5 Center Limited for \$1.457 million; is that correct?

6 A Yes.

7 Q Okay. So let's just go to that deed really quick. So going
8 back to Exhibit six Ns. So 6 Ns and go to Bates label 8031.

9 A Okay.

10 Q All right. And this is a grant bargain sale deed, dated June
11 25th, 2007, correct?

12 A Say that date again, sir.

13 Q It was a grant bargain sale deed recorded June 25th, 2007.

14 A Yes.

15 Q Okay. And in the grant bargain sale deed it says that Lynita
16 Sue Nelson trustee of the LSN Nevada Trust, UAD 5/20/01, in
17 consideration of \$10 and other valuable consideration, the receipt of
18 which is hereby acknowledged, do hereby grant bargain sale deed and
19 convey to Eric L. Nelson Trust, under agreement dated May 30th, 2001,
20 Eric L. Nelson, Trustee, all that real property situated in County of Clark,
21 State of Nevada. And then Exhibit A attaches the legal description of the
22 property. Is that correct?

23 A Yes.

24 Q Okay. And mid-page on that, halfway down it says, "To
25 relinquish any interest the grantor may have acquired through deed

1 recorded January 5th, 2005 in Book 20050105, Document 0004265." Do
2 you see that?

3 A I do.

4 Q Okay. And do you know what deed that's referencing? Will
5 you turn back to LSN008028?

6 A I'm there.

7 Q Okay. And does that deed on LSN008028 appear to be the
8 document that's referenced in LSN008031?

9 A I see the same date, the January 5th, 2005. I don't see any
10 reference tying that book number and document number to this page,
11 but --

12 Q Okay. If you look at the top of the --

13 A Oh, I see.

14 Q -- 8028. Do you see that?

15 A Yes.

16 Q Okay. And that appears to be the document?

17 A Yes. I would agree with that.

18 Q Okay. All right. And then if you wouldn't mind turning to
19 Bates number LSN008034.

20 A Uh-huh.

21 Q Okay. And this appears to be the declaration of value form
22 that was attached to the deed that was recorded on June 25th, 2007,
23 correct?

24 A I see that.

25 Q Okay. And 4A -- halfway down it says, at number 4 of

1 exemption claim. Do you see that?

2 A Yes, I see that.

3 Q Okay. And it says: "Transfer tax exemption per NRS 375.090
4 section 3." Did I read that correctly?

5 A Yes.

6 Q Okay. Do you know what NRS 375.090 section 3 states?

7 A I do not know.

8 Q Okay. Do you know whether or not that section allows the
9 transfer of title recognizing the true status of ownership of the real
10 property?

11 A I do not know without researching that code, what that says
12 in this in here.

13 Q If I represent to you that that's what NRS 375.090, Section 3
14 states --

15 A I don't --

16 Q -- would you agree with me?

17 A Could you say again what you said it states?

18 Q Yes. So let me read to you what it states. "A transfer of title
19 recognizing the true and status of ownership of the real property
20 including, without limitation, a transfer by an instrument in writing
21 pursuant to the terms of a land sale installment contract previously
22 recorded and upon which the tax is imposed by this chapter have been
23 paid."

24 A Okay.

25 Q Okay? And then, if you go under 4A, it says 4B, it says:

1 Explain reason for exemption. Transfer from wife's trust
2 back to husband's trust to relinquish any interest grantor may have
3 acquired through 20050105-0004265, which was recorded.

4 Do you see that?

5 A I do.

6 Q Okay. And once again the 20050105-that was the deed in the
7 Bates numbers ending 8028, correct?

8 A Yes.

9 Q Which was a grant bargain sale deed from Eric L. Nelson to
10 Eric -- ELN Trust essentially to the LSN Trust, correct?

11 A Correct.

12 Q Okay. And based upon that, as you look at the declaration of
13 value page, it doesn't appear that any transfer tax was paid, correct?

14 A That's correct. It looks like --

15 Q Okay. And you didn't note any type of transfer tax being
16 paid in your report for this transaction, correct?

17 A That's correct

18 Q Isn't it true that the reason why the 50 percent interest in
19 Tropicana from the LSN Trust to the ELN Trust occurred because the ELN
20 Trust had repaid the \$700,000 promissory note that was previously
21 admitted as Exhibit 16?

22 A Isn't it true that it was repaid? I'm not aware of it being
23 repaid.

24 Q Yes. Well, isn't it true that the LSN Trust returned its 50
25 percent interest in the Tropicana property to the ELN Trust because the

1 \$700,000 promissory note was repaid?

2 A I'm not aware of that.

3 Q You're not aware of it. So it could have been repaid, it could
4 have not been repaid, you don't know one way or the other.

5 A I did not observe a repayment.

6 MR. KARACSONYI: Objection. Mischaracterizes.

7 THE COURT: Overruled. She said she doesn't know, right?

8 THE WITNESS: Yep.

9 BY MR. LUSZECK:

10 Q All right. I believe you also paid -- or also --

11 MR. LUSZECK: Strike that.

12 BY MR. LUSZECK:

13 Q I believe you also testified that the same day, essentially, the
14 Tropicana Avenue property was sold for \$1,457,000 we observed a
15 deposit into the Nelson & Associates Bank of America account ending in
16 2798 in the amount of \$996,789.73.

17 A That is correct.

18 Q Is that -- okay. So was it your understanding that the sales --
19 that the sales price for Tropicana was for \$1, 457,000?

20 A That is my understanding, as stated in my report.

21 Q Okay. And at the time that it was sold, how much of an
22 interest did the ELN Trust have in the Tropicana property?

23 A Fifty percent.

24 Q Okay. And the other 50 percent was held by who?

25 A I don't specifically recall.

1 Q Okay. Will you turn to Bates number LSN008935?

2 A In N?

3 Q Yes, please.

4 A I'm there.

5 Q Okay. The other 50 percent holder of this property was who?

6 A Paul Edward Nelson.

7 Q Okay. So if the property sold for \$1,457,000, how much
8 would the ELN Trust be entitled to? And how much would Paul Nelson
9 be entitled to?

10 A Assuming the agreement is 50/50, they would receive 50
11 percent of the proceeds.

12 Q Okay. And 50 percent of \$1,457,000 is what?

13 A Approximately \$700,000.

14 Q All right. And that would kind of be best case scenario, right?
15 Assuming there was no like real estate, broker commissions or taxes or
16 anything else that's due?

17 A Yes, my \$700,000 is 50 percent of the gross referenced pre
18 any other deductions.

19 Q Okay.

20 A That's correct.

21 Q Okay. And there was no -- I guess there was no other pre
22 other deductions that were identified in your report, correct?

23 A We didn't outline them.

24 Q And you didn't provide any testimony regarding those?

25 A I did not.

1 Q So if you go to your Exhibit 2798 -- or sorry, Exhibit 10, which
2 is 2798.

3 A I'm sorry?

4 Q Exhibit 10, which is the, I guess, some type of analysis that
5 you --

6 MR. KARACSONYI: You had too many numbers. You said --

7 THE WITNESS: Yeah.

8 MR. KARACSONYI: -- 2798, which is not --

9 BY MR. LUSZECK:

10 Q I'm sorry. If you go to Exhibit 10 of your report.

11 A I'm there.

12 MR. KARACSONYI: Which is pages 27 --

13 MR. LUSZECK: Yeah.

14 BY MR. LUSZECK:

15 Q In Exhibit 10 of your report, Bates numbered LSN0010303, on
16 reference 377, you indicate that there was a deposit in this account on
17 July 2nd, 2007, correct?

18 A Yes.

19 Q And -- okay. So there was a deposit made on July 2nd, 2007
20 and the Tropicana land sold on what date?

21 A June 25th, 2007.

22 Q Okay. So a week later, after the sale of the Tropicana land,
23 you notice a deposit into the account ending in 2798 in the amount of
24 \$966,780.73, correct?

25 A Yes.

1 Q Okay. And under the AF category you say deposit Tropicana
2 land, correct?

3 A Correct.

4 Q Okay. And once again, the deposit, Tropicana land that was
5 a notation that Anthem Forensics would have added, correct?

6 A Correct.

7 Q The bank -- in other words, the bank statement didn't say this
8 deposit was based upon the sale of Tropicana land, correct?

9 A Correct.

10 Q Okay. And you also -- well, would you also agree that the
11 deposit for the \$966,780.73 is in excess of what the ELN Trust interest in
12 the sales proceeds should have been?

13 A I don't know what they should have been. If he was only
14 entitled to 50 percent, then it's in excess of a 50 percent pro rata of \$1.4.

15 Q Okay. So in other words, then, you just -- you're assuming,
16 then, that this deposit on July 2nd, 2007 was a direct result of the sale of
17 the Tropicana land on June 25th, 2007, correct?

18 A Based upon my review of the information in the file, I believe
19 they relate. Yes.

20 Q Okay. Even though the bank statements don't specifically
21 identify that this \$996,780.73 was a result of the Tropicana's land sale?

22 A That is correct.

23 Q Okay.

24 MR. LUSZECK: Your Honor, it's -- I don't know what we're
25 doing --

1 THE COURT: You guys want to take a lunch break?

2 MR. LUSZECK: If I had a little bit of time, just to kind of go
3 through the rest of my stuff I would maybe be able to go through
4 quicker.

5 THE WITNESS: I'm worrying that you --

6 THE COURT: You guys want to take a lunch break now? And
7 give you a chance to review on that, or what do you want to do?

8 MR. KARACSONYI: It's probably good. From my perspective
9 it's good time for me to take a break.

10 THE COURT: You want to take a lunch break? You hungry?

11 THE WITNESS: Sure.

12 THE COURT: Okay. We'll take a lunch break. It's about
13 maybe about an hour.

14 [Recess taken from 12:34 p.m. to 2:01 p.m.]

15 THE COURT: This is a time set in Nelson v. Nelson, case
16 number D-09-411537. We're here to do our afternoon session. Again,
17 we'll start with our appearances with our counsel.

18 MS. KARACSONYI: Natalie Karacsonyi, 10579.

19 THE COURT: Thank you.

20 MR. KARACSONYI: Josef Karacsonyi, 10634.

21 MR. LUSZECK: Jeff Luszeck, 9619.

22 MS. HAUSER: Michelle Hauser, 7738.

23 MR. CARMAN: Michael Carman, bar number 7639.

24 THE COURT: We're going to pick up where we left off with
25 the cross-examination with Mr. Luszeck. You may pick up where you left

1 off, sir.

2 MR. LUSZECK: Thank you.

3 CROSS-EXAMINATION CONTINUED

4 BY MR. LUSZECK:

5 Q Let's start off with Brian Head. You testified yesterday, I
6 believe, that on or around October 22nd, 2001, the Brian Head cabin was
7 transferred to the LSN Trust. Do you recall that testimony?

8 A Yes. I'd have to refer to the report for the exact date. But --

9 Q That's fine. If you need to, please do.

10 A I'm there.

11 Q Okay. All right. So to begin with, when you say Brian Head
12 cabin, what are you referring to?

13 A The real property located at 1685 East 3100 in Brian Head,
14 Utah.

15 Q Okay. Define real property. So I understand that's an
16 address. But are we talking about one large piece of property? Are we
17 talking about multiple parcels? What exactly are you referring to?

18 A There is a footnote there that says that this property was
19 comprised of various parcels. So --

20 Q Okay. How many parcels?

21 A I can't recall as I sit here. I'd have to look at additional docs.

22 MR. KARACSONYI: You know, I just noticed when you talk
23 it's picking up -- because it's coming -- this microphone's closest, the
24 videos are always showing me but never you.

25 MR. LUSZECK: Oh, that's fine.

1 MR. KARACSONYI: Is that okay? But if you guys move that
2 one over there, it will pick you up actually when you're talking for the
3 video.

4 MR. LUSZECK: I don't feel like I have to be on the video.

5 MR. KARACSONYI: Okay. No, I'm just letting you know. I
6 mean --

7 MR. LUSZECK: Unless you want to see me as opposed to
8 Mr. Karacsonyi.

9 MR. KARACSONYI: -- it's just odd that it just shows me just
10 sitting there.

11 MR. CARMAN: What he's saying is the world is being
12 deprived --

13 MR. KARACSONYI: See. There it is.

14 MR. CARMAN: -- of your beauty.

15 MR. KARACSONYI: I think it would be easier to follow if
16 somebody's watching if we switch it. But that's okay. It doesn't matter
17 to me. I just noticed though.

18 THE COURT: Yeah. I'm not sure why that is.

19 MR. KARACSONYI: Well, because this really goes --

20 THE COURT: All right. Why don't you move that one slightly
21 so we can see the good looking Mr. Luszeck.

22 MR. LUSZECK: Can everybody hear me? I mean, I'm --

23 THE COURT: Yeah. We can hear you fine.

24 MR. LUSZECK: Yeah. I'd like to leave it there. I don't like
25 being on the big screen really, so.

1 MR. KARACSONYI: Here. Just speak into the mic.

2 MR. LUSZECK: Oh, it's still --

3 MR. KARACSONYI: We'll see how it does.

4 MR. LUSZECK: All right.

5 THE COURT: Way to go, Joe. All right. I think you asked
6 about the Brian Head cabin various parcels.

7 MR. LUSZECK: Yeah.

8 BY MR. LUSZECK:

9 Q So you're telling me as you sit here today, you don't know
10 how many parcels of property encompassed Brian Head cabin in --

11 A No. I don't have that committed to memory.

12 Q Okay. Can you guess?

13 A No.

14 Q Okay. Do you know if it was more than two parcels?

15 A I don't have an indication outside of what's in my report,
16 which just says various parcels. I don't know how many that includes.

17 Q Okay.

18 A I don't recall.

19 Q Okay. And when it comes to the section of the report with
20 respect to Brian Head, did you draft this portion of the report?

21 A I may have. I may not. I reviewed it and I signed off on it.

22 So --

23 Q Okay. All right. And please correct me if I'm wrong. So
24 it's -- is it your testimony that in 2001, the Brian Head cabin was
25 comprised of a number -- or multiple parcels of property?

1 A Based upon the footnotes here, yes.

2 Q Okay. And when you're referring to Brian Head cabin, I
3 presume you're referring to the fact that you believe there was a cabin
4 on that property?

5 A Yes.

6 Q Okay. Do you know whether or not that cabin existed on
7 October 22nd, 2001?

8 A I do not know.

9 Q Okay. Do you know who funded the construction of the
10 property?

11 A I do not. No.

12 Q Do you know if it was Lynita's Separate Property Trust?

13 A I do not know. That's not --

14 Q Eric's Separate Property Trust?

15 A I do not know.

16 Q The LSN Trust?

17 A No.

18 Q ELN Trust?

19 MR. KARACSONYI: I'm just going to object a to the
20 timeframe. Are we asking within the --

21 MR. LUSZECK: One was October 22nd, 2001.

22 THE COURT: October 22nd, 2001, I think is the date she said.

23 MR. LUSZECK: And another issue, Your Honor, is I agree the
24 scope of the tracing is between 2001 and 2013, but they've repeatedly
25 gone before the tracing in this case to show context. And you've given

1 them leeway. And if you recall yesterday when Ms. Allen was on the
2 stand and they were doing this, I said, Your Honor, I'm objecting, that's
3 outside the scope of the tracing. But if you're going to allow her to
4 testify regarding that, I'm going to need some leeway. And you said
5 okay.

6 THE COURT: Absolutely. Yeah.

7 MR. KARACSONYI: But that's not why I'm objecting now.
8 Just that he's asking about who built a cabin. And he didn't define any
9 timeframe.

10 MR. LUSZECK: Well, I asked her if the cabin was built on
11 October 22nd, 2001.

12 THE COURT: October 22nd, 2001.

13 MR. LUSZECK: And she said she didn't know.

14 THE COURT: And she said she didn't know if the cabin was
15 on the property at that time, I believe was the --

16 MR. KARACSONYI: Okay. Maybe I misunderstood. Sorry.

17 BY MR. LUSZECK:

18 Q So assuming -- let's assume for a minute that the Brian Head
19 cabin -- the actual physical cabin was in existence on October 22nd,
20 2001, do you know what parcel of property it was actually on?

21 A As I sit here, no.

22 Q Okay. Isn't that important information that you should know
23 when you're rendering expert witness testimony regarding an asset?

24 A I would refer to the footnote. To have that committed to
25 memory, there's quite a bit of information, especially parcel numbers. I

1 would just refer to the footnote.

2 Q Well, it doesn't seem like you know any information
3 regarding this. You can't even give me an approximation about how
4 many parcels of property existed on October 22nd, 2001, wouldn't you
5 agree?

6 A I wouldn't agree to you I don't know any information about
7 Brian Head. I've outlined the information I'm aware of. Regarding the
8 number of parcels, I cannot speak to the number of parcels.

9 Q All right. So what portion of the Brian Head cabin property
10 was transferred to the LSN Trust on October 22nd, 2001?

11 A It says a 50 percent interest in the Brian Head cabin. Oh, you
12 said 2001?

13 Q Yes.

14 A I apologize.

15 Q 2001.

16 A It's referring to that real property located at 1685 East 3100.

17 Q Okay. Why don't you --

18 MR. LUSZECK: Was exhibit six Rs admitted yesterday,
19 Madam Clerk?

20 THE CLERK: Six Rs.

21 MR. KARACSONYI: Yeah. We have it as in.

22 MR. LUSZECK: I thought it was. But then there's --

23 THE CLERK: Yes.

24 MR. LUSZECK: Okay. All right.

25 /////

1 BY MR. LUSZECK:

2 Q So if you could turn to six Rs, please.

3 A Okay.

4 Q Okay. And before we get there, on page 26 of your report,
5 you have a number of footnotes to a chain of title timeline, correct?

6 A Correct.

7 Q Okay. This chain of title timeline, is this something that you
8 would have prepared?

9 A No.

10 Q Okay. Who would have prepared that?

11 A I'm not sure. It was in the discovery file.

12 Q Okay. Okay. Who gave you a discovery file?

13 A Information came from counsel throughout the course of our
14 engagement. And I believe I referenced earlier, there were certain CDs
15 that were placed into the file from the previous engagement. Those, I
16 don't recall specifically where they came from.

17 Q Okay. Since you relied upon the chain of title timeline, I
18 presume you believe that it was accurate?

19 A I don't believe I have information -- I'm not disputing it.
20 That's correct.

21 Q Okay.

22 A I considered it.

23 Q Yeah, because if you believed it was inaccurate, you wouldn't
24 have relied on it in three separate footnotes in your report, would you?

25 A That's fair.

1 Q Okay. All right. So let's go to the chain of property timeline.
2 So starting with the basis -- let's see. Let's go to parcel 4 on the chain of
3 property timeline. On there, if you go to the second line there, there's a
4 grant bargain sale deed, document number 00440114. Do you see that?

5 A I do.

6 Q And it appears that parcel 4 at least, was transferred from the
7 Nelson Trust dated 7/13/93 to the LSN Nevada Trust dated 5/30/2001; is
8 that correct?

9 A Yes.

10 Q Okay. Let's move on to parcel 6, which is on the next page.
11 And if you look at parcel 6, it seems like same thing. On 10/22/2001,
12 there was a transfer of this parcel from -- it looks like Lynita Separate
13 Property Trust to the LSN Trust, correct?

14 A Parcel 6, that is correct.

15 Q Okay. Now, if we go to parcel 7, same thing, right? October
16 22nd, 2001. It appears that it was from the Lynita Separate Property
17 Trust to the LSN Trust, correct?

18 A Correct.

19 Q Okay. And I would -- going back to your report for a minute.
20 So you don't -- with respect to any of these -- you start with the basis
21 that on October 22nd, 2001, the Brian Head cabin was transferred to the
22 LSN Trust. But with respect to parcels 4, 6, and 7, you never indicate
23 how Ms. Nelson's Separate Property Trust obtained its interest in those
24 parcels, correct?

25 A That is correct.

1 Q Okay. Now, let's move on to parcel 8. If you go to parcel 8,
2 and if you go to the third one down, recorded date 10/22/2001, it says
3 that this -- the transfer of this parcel was from Eric's Separate Property
4 Trust to the LSN Nevada Trust, correct?

5 A That is correct.

6 Q Okay. And would you agree that you did not put this piece of
7 information in your expert report?

8 A I would agree with that.

9 Q Okay. Isn't that something -- isn't that a piece of information
10 that the Court should probably be made aware of when you're indicating
11 that on October 22nd, 2001, the Brian Head cabin was transferred to the
12 LSN Trust?

13 A To the extent that that parcel relates to the address I've
14 located, it could be additional information. Yes.

15 Q Yeah. Which you don't know, correct?

16 A I can't --

17 Q Okay.

18 A -- state as I sit here.

19 Q All right. So let's go down to -- it looks like there's parcels 1
20 through 10 and then maybe Roman Numerals parcels I and II. Are you
21 with me? It's right after parcel 10.

22 A Yeah. I see I and then --

23 Q Okay.

24 A -- II is on the opposite. Yes.

25 Q So let's go there. So we've got October 22nd, 2001. Once

1 again, it looks like we have parcel number I was transferred from Eric's
2 Separate Property Trust to the LSN Trust, correct?

3 A I see that.

4 Q Okay. And once again, the fact that this parcel went to the
5 LSN Trust from Eric's Separate Property Trust was not identified or
6 stated in your report, correct?

7 A Correct. The same answer. The extent to which that parcel
8 relates to that address, that is not stated exclusively.

9 Q Which once again, you don't know?

10 A Correct.

11 Q Okay. And then if you go to parcel, it looks like II.

12 A II. This one's --

13 Q Yeah. Yeah. It's kind of weird. I apologize for that. That
14 also shows that on October 22nd, 2001, parcel II went from the Eric L.
15 Nelson -- or Eric Separate Property Trust to the LSN Trust, correct?

16 A Yes.

17 Q And once again, that fact was not highlighted in your report,
18 correct?

19 A Correct. Same answer.

20 Q Okay. So it seems like on October 22nd, 2001, there was six
21 parcels of property that were transferred to the LSN Trust, correct?
22 Parcel 4, parcel 6, parcel 7, parcel 8, and then kind of parcel I and II,
23 correct?

24 A Correct.

25 Q And you'd agree that three of those came from Eric's

1 Separate Property Trust to the LSN Trust, correct?

2 A Correct.

3 Q Okay. So I think you also testified yesterday that the LSN
4 Trust owned 100 percent of the Brian Head cabin on May 22nd, 2007,
5 correct?

6 A Yes. I believe that was my testimony.

7 Q Okay. And what did the Brian Head cabin consist of on May
8 22nd, 2007?

9 A Same answer. I've noted this real property and various
10 parcels. But as I sit here, I can't identify specifically which parcels.

11 Q Do you know if there was actually a cabin on the property on
12 May 22nd, 2007?

13 A I don't recall.

14 Q Okay. And I believe you just said and you don't -- you're
15 unaware of how many parcels of property would have comprised the
16 Brian Head cabin on May 22nd, 2007?

17 A Correct. That was my testimony.

18 Q Okay. And on May 22nd, 2007, I guess prior to the transfer,
19 isn't it true that the LSN Trust was not the sole owner of the Brian Head
20 property or the Brian Head cabin?

21 A Can you repeat your question?

22 Q Yeah. I think you testified that on or about May 22nd, 2007,
23 the LSN Trust transferred a 50 percent interest in the Brian Head cabin to
24 ELN Trust. Is that accurate?

25 A Correct.

1 Q Okay. And I guess by saying that, I kind of assumed that you
2 were taking the position that the LSN Trust owned 100 percent of Brian
3 Head cabin on or before May 22nd, 2007?

4 A Correct.

5 Q Okay. So it's your understanding -- before the transfer on
6 May 22nd, it's your testimony that the LSN Trust owned 100 percent of
7 the Brian Head cabin?

8 A I would defer to this specific language in the report that's
9 again, that address at that real property in regards to the various parcels.
10 And I would say yes, that was my understanding.

11 Q Okay. All right. So let's turn to parcel 6. All right. So parcel
12 6, on May 22nd, 2007, it identifies that the grantors of the property, at
13 least as of that date, were Paul A. and Nola Harbor Trust dated March
14 31st, 2000, Paul A. Harbor and Nola Harbor, Trustees, the LSN Nevada
15 Trust dated 5/30/2001 (Lynita S. Nelson, Trustee), and then Nelson Trust
16 dated July 13th, 1993 (Lynita S. Nelson, Trustee)? Do you see that?

17 A I do.

18 Q Did I read that correctly?

19 A Yes.

20 Q Okay. Doesn't this seem to conclude that Lynita was not in
21 fact the sole owner of at least parcel 6 on May 22nd, 2007?

22 A It would. But it's not consistent from the --

23 Q That wasn't my question.

24 A Fair.

25 Q Okay.

1 A It does not.

2 Q Okay. So you concede that at least with respect to this
3 warranty deed that was recorded on May 22nd, 2007, it names four
4 different grantors, correct?

5 A Correct.

6 Q And the grantees that are named are the LSN Nevada Trust
7 and the ELN Trust, correct?

8 A Correct.

9 Q And you omitted this fact from your testimony yesterday,
10 correct?

11 A I did not reference that. That's correct.

12 Q Right. And you didn't reference this fact in your report
13 either, did you?

14 A I did not. No.

15 Q Okay. All right. Let's move to parcel 9. Looking at parcel 9,
16 if you look at the recorded date, there appears to be a warranty deed on
17 May 22nd, 2007. And once again, the grantors appear to be the same
18 grantors as parcel 6, correct?

19 A Correct.

20 Q Okay. So you have Paul A. and Nola Harbor Trust, Paul A.
21 Harbor and Nola Harbor, Trustees, the LSN Trust, and then Lynita's
22 Separate Property Trust, correct?

23 A Correct.

24 Q Okay. And once again, by this it appears that on that date,
25 the owners of the property are those four entities and/or individuals,

1 correct?

2 A Correct.

3 Q Okay. And once again, parcel 9 was transferred 50 percent to
4 the LSN Trust and 50 percent to the ELN Trust, correct?

5 A That's correct.

6 Q Okay. All right. Let's turn to parcel 10. And does the same
7 thing ring true for parcel 10?

8 A Yes.

9 Q Okay. So once again we've got a recorded date of 5/22/2007.
10 We have the same four grantors, correct?

11 A Correct.

12 Q Okay. And what was conveyed was a 50 percent interest to
13 the LSN Trust and a 50 percent interest to the ELN Trust, correct?

14 A Correct.

15 Q Okay. And if we go to parcel I.

16 A Roman Numeral I? Yes.

17 Q Yeah. Sorry. Yeah. Roman Numeral I. Thank you. Same
18 thing, correct?

19 A Correct.

20 Q Okay. And then let's turn to II.

21 A Okay.

22 Q Same thing, correct?

23 A Correct.

24 Q Okay. So despite the fact that you said in your report that --
25 and testified that on May 22nd, 2007, the LSN Trust transferred a 50

1 percent interest in the Brian Head cabin to the ELN Trust for no financial
2 consideration, that's inaccurate, correct?

3 A My only caveat would be what I indicated previously. To the
4 extent that it relates to that address that I'm footing, I'm not aware.

5 Q Okay. Well, let's look. Can you look at the chain of title and
6 see if there was any other parcels of property that were transferred from
7 the LSN Trust to the ELN Trust on May 22nd, 2007?

8 A There are no references on this chain of title to transfers on
9 May 22nd, '07.

10 Q Okay. And once again, this chain of title timeline is what
11 Anthem Forensics relied upon in preparing this section of its report,
12 correct?

13 A In part, yes. Footnote 72 also makes a reference to a deed.

14 Q Okay. That's fair enough. Okay. So in total, there was five
15 transfers of property on May 22nd, 2007, parcel 6, parcel 9, parcel 10,
16 parcel I, and parcel II, correct?

17 A Correct.

18 Q And all of those came from those four entities -- or four
19 individuals that we noted -- read through earlier, Paul A. Nola Harbor
20 Trust, Paul A. Harbor and Nola Harbor, the LSN Trust, and Lynita's
21 Separate Property Trust, correct?

22 A Correct.

23 Q Okay. And out of that, 50 percent for each of those five
24 parcels of property went to -- 50 percent went to the LSN Trust, correct?

25 A You said five?

1 Q Yeah. I thought there was parcel 6, parcel 9, parcel 10, parcel
2 I, and parcel II -- Roman Numeral I and II.

3 A Correct.

4 Q Okay. And out of all five of those, as a result of those
5 transfers, 50 percent went to the LSN Trust, correct?

6 A Correct.

7 Q And 50 percent went to the ELN Trust, correct?

8 A That is correct --

9 Q Okay.

10 A -- per this document.

11 Q And then with respect to these transfers, you indicated here
12 that there wasn't any consideration made for this transfer, correct?

13 A Correct.

14 Q Okay. Let's turn to LSN-008093. And this --

15 A I'm there.

16 Q Okay.

17 MR. KARACSONYI: Is that in her report?

18 MR. LUSZECK: No, no. It's in --

19 THE WITNESS: It's still in Rs.

20 MR. LUSZECK: Yeah. RRRRRR. Six Rs. Okay.

21 BY MR. LUSZECK:

22 Q And this appears to be a warranty deed from -- well, let's see.
23 This is a warranty deed that was recorded on 5/22/2007, correct?

24 A Correct.

25 Q Okay. And if you look at the document, at the top right hand

1 corner it gives the numbers 553165. Do you see that?

2 A Correct. I do.

3 Q Okay.

4 A Sorry. I said correct.

5 Q And then if you -- oh, I apologize. And if you'd go to parcel 6
6 on the chain of -- the timeline chain, it appears that that warranty deed
7 has the same number, 00553165. Do you see that?

8 A Yes.

9 Q Okay. So is it your understanding that this is a warranty
10 deed for at least parcel 6?

11 A That would appear reasonable.

12 Q Okay. All right. So just with respect to the consideration
13 issue, if you go down -- well, I guess I'll read all this for the record. So it
14 says, "Paul A. Harbor and Nola A. Harbor, Trustees of the Paul A. and
15 Nola A. Harbor Trust dated March 31st, 2000, and Paul A. Harbor, also
16 known as Paul Harbor, an individual, Nola A. Harbor, also known as Nola
17 Harbor, an individual, and Lynita Sue Nelson as Trustee, LSN Nevada
18 Trust dated May 30th, 2001, and Lynita S. Nelson, Trustee of Nelson
19 Trust dated July 13th, 1993, grantor of" -- and then there's a couple
20 blanks -- "hereby convey and warrant to Lynita S. Nelson, investment
21 trustee of the LSN Nevada Trust dated May 30th, 2001, as to an
22 undivided one-half interest and Eric L. Nelson, investment trustee of the
23 Eric L. Nelson Nevada Trust dated May 30th, 2001 as to an undivided
24 interest grantee of" -- then there's a blank -- "for the sum of 10 dollars
25 and other good and valuable considerations, the following described

1 tracks of land in Iron County, State of Utah." Did I read that correctly?

2 A Yes.

3 Q And you'll concede here that even though your report says
4 you didn't identify any financial consideration, that the warranty deed
5 itself indicates that this was made for 10 dollars and other good and
6 valuable considerations, correct?

7 A This is what the warranty deed says. Same caveat. To the
8 extent that that parcel relates specifically to the address I've identified.

9 Q Okay. And then once again, as you sit here today, I mean,
10 you have no idea what parcels of property are associated with that
11 address which you specified earlier, correct?

12 A I can't recall as I sit here.

13 Q Okay. Do you have any reason to believe that the Brian Head
14 cabin as it stands today is not consisted of by parcel 6, parcel 9, parcel
15 10, and I and II?

16 A No.

17 Q Okay. Now, I just read the warranty deed for parcel 6, which
18 had language regarding good and valuable consideration. Would you
19 agree with that?

20 A Yes.

21 Q Okay. And I can definitely take the time to do this, but I will
22 give you the chance to see if we want to go through this. Would you
23 agree that all of those other parcels would contain the exact same
24 language --

25 A I'd have to --

1 Q -- with respect to good and valuable consideration?

2 A I can look through here.

3 Q Okay. Do we want to go through all those other ones?

4 A If I -- to answer the question, I would have to. Yes.

5 Q Okay. Okay.

6 THE COURT: Do you want to go through?

7 MR. LUSZECK: I know.

8 THE COURT: Do you want to give her --

9 MR. LUSZECK: I may come back to that. I may come back to
10 that. We'll hold off on that for now.

11 BY MR. LUSZECK:

12 Q Okay. After we've kind of gone through the chain of title
13 timeline and some of the accompanying deeds, would you agree that
14 your testimony regarding Brian Head is a little misleading?

15 A I would have to say that I'd have to review those in order to
16 confirm in comparison to what I wrote. It does appear that there are
17 some inconsistencies in the timeline compared to what is written.

18 Q Would you agree that your testimony's been inaccurate
19 regarding the Brian Head cabin?

20 A I would have to go back and look through my file to confirm
21 to say it's inaccurate. But I do believe there is questions arisen.

22 Q Okay. Well, yeah. And I mean, in fact, you omitted the fact
23 that three of the six parcels that were transferred to the LSN Trust on
24 October 22nd, 2001, came from Eric Separate Property Trust, right?

25 A That is not referenced in the report. That's correct.

1 Q And you also omitted the fact that the 50 percent interest that
2 the ELN Trust obtained on May 22nd, 2007, came from numerous
3 grantors, not just the LSN Trust, correct?

4 A That is not referenced. That's correct.

5 Q Okay. Okay. Let's switch gears a little bit and talk about
6 Flamingo Property. All right. So if I recall your testimony, you had
7 indicated that on or around November 15th, 2002, the LSN Trust
8 purchased 3.25 acres of land on Flamingo Road for \$546,000; is that
9 correct?

10 A Yes.

11 Q Okay. And I know -- I saw you looking down a little bit.

12 A Oh.

13 Q Okay. Which is fine. Were you looking at the report?

14 A The -- yes. Page --

15 Q Okay.

16 A -- LSN-0010214.

17 Q Okay. Now, which of the LSN Trust accounts was used to
18 pay the \$546,000 for the Flamingo Property?

19 A We don't have account statements for that time period. The
20 footnote referencing this is a deed.

21 Q Okay. It references a deed. Okay. All right. So as you sit
22 here today then, you have no idea to know -- you have no way of
23 knowing whether or not the LSN Trust actually paid \$546,000 for this
24 interest in Flamingo?

25 A Based upon the banking records, that's correct.

1 Q Correct. You haven't been able to line it up with any banking
2 records?

3 A That is correct.

4 Q Okay. And I think you just said -- so your reliance -- or your
5 opinion or your belief regarding this purchase for \$546,000 I believe you
6 said was just based upon a deed?

7 A That's the footnote here. So --

8 Q Okay.

9 A -- that's what I would refer to.

10 Q Okay. So it references 64 grant bargain sale deed November
11 13th, 2002. Will you open up your exhibit book to six Os. Is that in
12 volume -- that may be in volume 16. Okay. Yeah. Same one as the Rs
13 was.

14 A I'm there.

15 Q Okay. So can you find the deed which you are relying upon
16 to come to the conclusion that the LSN Trust paid \$546,000 for
17 Flamingo?

18 A I'm looking at LSN-007951.

19 Q Okay.

20 A The declaration of value that states 546,000.

21 Q Okay. Okay. So based upon this document alone, you
22 believe that the LSN Trust paid \$546,000 for this interest in Flamingo?

23 A I don't know if it's this document alone. There may have
24 been other information. But this is the one that is footed for that source.

25 Q Okay. And as you sit here today, you can't cite to any other

1 documentation or evidence that would support your opinion?

2 A I'd have to review the file. But I can't do it as I sit here.

3 Q Okay. But if you had seen anything else in your file, you
4 would have listed it in your report, correct?

5 A Not necessarily. If -- if it's another thing that just says -- it's
6 another document that says the same thing that we footed to what I
7 believe is the declaration of value, that may have been the preferred
8 document to cite. I wouldn't cite every document. Say there was a
9 reference in -- I'm using this as a hypothetical because I don't know.
10 Let's say there was a reference in a Burch report.

11 Q And I can stop you right there, I guess, because --

12 A Okay.

13 Q -- I guess the reality is as you testified previously, you
14 haven't seen any bank statements showing 546,000 being paid from LSN
15 Trust for this Flamingo Property in or around November 15, 2002?

16 A That is correct.

17 Q Okay. And I'm assuming that is based in part because
18 yesterday you testified that you didn't have all the LSN bank statements
19 as far back as 2002, right?

20 A That is correct.

21 Q Okay. Specifically, you didn't have statements from Bank of
22 America, correct?

23 A I'd have to refer.

24 Q Yeah. You can go ahead and do that.

25 A For what time period?

1 Q Oh, November 15th, 2002.

2 A For Bank of America, that is correct.

3 Q Okay. Or for Chase?

4 A That is correct.

5 Q Okay. And there was a number of other financial institutions
6 in there, too, correct?

7 A There are some statements in 2002 for the Silver State
8 schools, but there was credit cards presumably that would be not
9 related. But there was a couple other accounts.

10 Q Okay. All right.

11 A But they look like they may have been closed during that
12 time period just looking at this.

13 Q And once again, you're looking at the --

14 A Any non --

15 Q -- black and white --

16 A Yes.

17 Q -- as opposed to the color coded, correct?

18 A Yeah.

19 Q Okay.

20 A But it looks like based upon just the coloring, potentially
21 missing Bank of America. And that may be all for banking institutions.

22 Q Okay. So going back to your testimony, you also indicated
23 that on May 27th, 2004, the LSN Trust transferred it's 100 percent
24 interest in the Flamingo Property to Grada Financial Partnership for no
25 financial consideration, correct?

1 A That is correct.

2 Q Okay. And I guess to begin with, neither Eric nor the ELN
3 Trust have an interest in Grada Financial Partnership, do they?

4 A That is my understanding.

5 Q Okay. And then if we could go to the deed.

6 A Are we in O?

7 Q Yeah. Back to O, with the Bates number 7953.

8 A Correct.

9 Q Okay. And --

10 MR. KARACSONYI: This is six Os, right, for the record?

11 MR. LUSZECK: Yes. Six Os. Yeah.

12 THE WITNESS: I'm in the right spot.

13 BY MR. LUSZECK:

14 Q And this is a quit claim deed, correct?

15 A Correct.

16 Q From Lynita S. Nelson, Trustee of the LSN Trust, correct?

17 A Correct.

18 Q To Grada Financial Partnership, correct?

19 A Correct.

20 Q Okay. And the first line under the quit claim deed says, "For
21 the consideration of 10 dollars and other valuable consideration,"
22 correct?

23 A Correct.

24 Q Okay. So at least this quit claim deed indicates that some
25 type of consideration was given, correct?

1 A Correct.

2 Q In the form of 10 dollars and other valuable consideration?

3 A It does reference that. Yes.

4 Q Okay. And you have no way of knowing whether or not the
5 LSN Trust actually received any type of additional consideration in 2004,
6 right, financially?

7 A Based upon the banking records, no.

8 Q Okay. So when you say in your report, "On or about May
9 27th, 2004, the LSN Trust transferred its 100 percent interest in the
10 Flamingo Property to Grada Financial Partnership for no financial
11 consideration," that's not accurate; is it?

12 A That's referencing the deed and the 10 dollars. So I believe
13 that to be accurate.

14 Q Well, but you just testified though that you don't have the
15 LSN Trust banking records for 2004, correct?

16 A That is correct.

17 Q Okay. So the LSN Trust could have in fact received
18 additional financial consideration, correct?

19 A And it just not be reported? That's fair.

20 Q Okay. Well, what do you mean be not reported? Oh, you
21 mean not reported on the deed?

22 A Correct. As a sales price.

23 Q Okay. I understand. All right. Isn't it true that even though
24 the property -- well, take a step back. So on or before May 27th, 2004,
25 it's your testimony that the Flamingo Property was titled in the name of

1 the LSN Trust exclusively, correct?

2 A Dating back to November 15th, 2002?

3 Q Yes.

4 A Yes.

5 Q Okay. Isn't it true though that even though the property may
6 have been titled in the name of the LSN Trust on May 27th, 2004, it was
7 actually an asset of Grada Financial Partnership?

8 A I don't have that noted here.

9 Q Okay.

10 A I'm not aware.

11 Q Well, in fact, if you go to the declaration of value page for
12 that transfer -- okay. And this is -- I guess I would note this is the same
13 declaration of value page that you were just referring to, right?

14 A Can you give me the Bates?

15 Q Yeah. 7955. LSN-007955.

16 A Okay. I don't think that's the one we were discussing earlier.
17 But --

18 Q Oh, okay. Well, wasn't this the one that shows the -- this is
19 the declaration of value for the transfer of the Trust -- or sorry, transfer of
20 the Flamingo Property from the LSN Trust to Grada Financial Partnership
21 on or around May 27th, 2004, correct?

22 A That is correct.

23 Q Okay. And if you look at the declaration of value form,
24 there's a section 4 that says, "if exemption claimed." Do you see that?

25 A Yes.

1 Q Okay. And under section A, it says, "transfer tax exemption
2 per NRS 375.090, Section 3." And then under 4B it says, "explain reason
3 for exemption: see attached." Do you see that?

4 A Yes.

5 Q Okay. And then if you go to the attached, which is Bates
6 number LSN-007956. Are you with me?

7 A I see it. Yes.

8 Q Okay. It says, 4B, reason for exemption, "The property that
9 was recently exchanged for this property was held in the name of LSN
10 Nevada Trust in order to see construction funding and was to be deeded
11 back upon completion. Since then, a major part of the property was
12 condemned by the county and the remaining portion had to be
13 resurveyed. This property that is now being transferred to Grada
14 Financial Partnership had to change ownership through the escrow
15 process and also had to be resurveyed. Now that all of these changes
16 have taken effect, this transfer is now being done to reflect the correct
17 ownership of this property." Did I read that correctly?

18 A You did.

19 Q Okay. You didn't perform any type of analysis to determine
20 whether or not the facts identified in this reason for exemption are
21 accurate, correct?

22 A That's fair. Yeah.

23 Q Okay. And you didn't include this information in your report,
24 did you?

25 A It is not referenced. That's correct.

1 Q Okay. Isn't that an important fact that should be referenced
2 in an expert witness report in a case like this?

3 A I guess to the extent that we're indicating -- I'm going back to
4 the page.

5 Q Well, I guess let me take a step back. Well, you were
6 indicating in your report that the LSN Trust owned 100 percent interest in
7 Flamingo Property on or before May 27th, 2004, correct?

8 A Correct.

9 Q And that the LSN Trust transferred its interest to Grada
10 Financial Partnership for no consideration, correct?

11 A Correct.

12 Q When in fact, there was a document that said essentially that
13 the property was incorrectly titled in the name of the LSN Trust, correct?

14 A That is what that document says. Correct.

15 Q Yeah. And it was being transferred back to Grada Financial
16 Partnership to reflect the true ownership of the property, correct?

17 A Correct.

18 Q Okay. And once again, that -- you didn't testify to that
19 yesterday, correct, when we were talking about the Flamingo Property?

20 A I did not. No.

21 Q Okay. And that definitely was not in your report, was it?

22 A It was not.

23 Q Okay. And irrespective of -- well, you'll agree, as well, that it
24 doesn't appear that there was any transfer tax paid for the transfer of
25 property from the LSN Trust to Grada Financial Partnership, correct?

1 A That section is blank.

2 Q Okay. Does that lead you to conclude that there was no
3 transfer tax paid?

4 A I think that's reasonable.

5 Q All right. I believe you also testified that the Grada Group --
6 the property ultimately ended up being sold for \$4 million on December
7 2nd, 2005, correct?

8 A Correct.

9 Q Okay. And I think you testified it was perhaps the Grada
10 Group that sold it -- Grada Group, LLC, as opposed to Grada Financial
11 Partnership, correct?

12 A Correct.

13 Q Okay. And neither Eric nor the ELN Trust have an interest in
14 the Grada Group, LLC, correct?

15 A That is my understanding.

16 Q Okay. And you also testified that the LSN Trust received
17 \$565,000 in three payments that were deposited in the LSN Trust/Lindell
18 Office Bank of America account ending in 2730, correct?

19 A Correct.

20 Q Okay. And if you look at your report, you specifically state
21 that the LSN Trust -- sorry. Page 25 of your report, last paragraph, you
22 say, "The LSN Trust received \$565,000 in three payments that were
23 deposited into the LSN Trust/Lindell Office Bank of America account
24 ending in 2730," correct?

25 A Correct.

1 Q And I suppose in making that statement, you would have
2 looked at the LSN Trust/Lindell Office Bank of America account ending in
3 2730, correct?

4 A I believe so. Yes.

5 Q Okay. Exhibit 6. Proposed Exhibit 6.

6 A Where am I going?

7 Q Oh, volume 1, Exhibit 6.

8 A I'm there.

9 Q Okay. And this appears to be -- Exhibit 6 appears to be an
10 LSN Nevada Trust DBA Lindell Professional Plaza bank account at Bank
11 of America ending in account number 2730, correct?

12 A Correct.

13 Q And this is for the time period of December 1, 2005 through
14 December 31st, 2005, correct?

15 A That is correct.

16 Q Okay. And that's the account statement for the time period
17 when Flamingo was sold on December 2nd, 2005, correct?

18 A That is correct.

19 MR. LUSZECK: Okay. Your Honor, I'd move to admit this
20 bank statement.

21 THE COURT: Did you want the same objection just to verify
22 that it's the same document, the Bates?

23 MR. KARACSONYI: Yeah.

24 THE COURT: Mr. Carman? Any objection, Mr. Carman?

25 MR. CARMAN: No. No objection.

1 THE COURT: Okay. It will be admitted. It's Exhibit 6.

2 [Plaintiff's Exhibit 6 admitted into evidence]

3 BY MR. LUSZECK:

4 Q All right. So if you -- will you please point out to me where
5 on this bank statement it shows that the LSN Trust received \$565,000 in
6 three payments?

7 A That is not discreetly identified. There may be a component
8 of the 690,000 dollar deposit that was broken out, if there was a deposit
9 slip. But there is not three payments that comprise 565 in that bank
10 statement as of that date.

11 Q Okay. And if I'm reading your report correctly though, this
12 was the bank statement -- Exhibit 6 was the bank statement you were
13 relying upon, however, in drafting this report, correct?

14 A Yes.

15 Q Okay. And you'll concede that nowhere in here does it show
16 that there was three payments that equaled \$565,000?

17 A That is correct.

18 Q Okay. And in a footnote of your report -- and I think you
19 testified yesterday -- it says it bears noting that this amount, I think -- and
20 I think what you intended by that was the amount that the LSN Trust
21 received -- should approximate \$666,400, correct?

22 A Yeah. I believe it's in context to the 565 being less than one-
23 sixth of the 4 million.

24 Q Okay. And I guess in conjunction with that -- so is it your
25 position that you believe a 4 million dollar property sale is actually going

1 to net \$4 million to the seller?

2 A No. I believe it's reasonable there could be costs associated.

3 Q Okay. Okay. So even though you're citing that her interest
4 may have been \$666,400, you concede that the LSN Trust wouldn't
5 necessarily receive that because of costs associated with the sale?

6 A I do.

7 Q Okay. Thank you. And you also testified yesterday -- and I'm
8 only going to touch on this for a minute because there was a lot of
9 discussion regarding this \$350,000 check that was posted, I guess, from
10 the Bank of America account ending in 2730, right?

11 A Correct.

12 Q Okay. So your testimony -- are you taking the position that
13 this \$350,000 that was paid -- well, the \$350,000 check to Eric with the
14 notation, "management fee," was somehow related to the Flamingo
15 Property sale proceeds?

16 A In relation to the fact that it was paid after the funds came
17 into that account. That the management fee itself is related to Flamingo
18 Property, no.

19 Q Okay. So you concede the fact that that check that we spent
20 a long time looking at yesterday didn't mention the Flamingo Property,
21 correct?

22 A I would agree with that.

23 Q Okay. And the bank statement, which has been admitted as
24 Exhibit 6, it doesn't -- when it references the \$350,000 check, it doesn't
25 state that that was somehow with respect to the Flamingo Property?

1 A I would agree with that.

2 Q Okay. It's just -- okay. Strike that. Okay. And you also
3 testified regarding another check that was made to the ELN Trust with
4 the notation, "loan" on it, correct?

5 A Correct.

6 Q You remember that testimony? And I guess same question
7 with respect to that. Nowhere on that check did it indicate that it had
8 anything to do with the sale of the Flamingo Property, correct?

9 A That is correct.

10 Q Okay. In the bank statement, which has been marked as
11 Exhibit 6, there's no reference to that item?

12 A That is correct.

13 Q So with respect to that -- the \$250,000 check with the
14 notation, "loan," isn't it possible that this could have been a repayment
15 from the LSN Trust to the ELN Trust for a loan that had previously been
16 made?

17 MR. KARACSONYI: Objection. Calls for speculation. Lack of
18 foundation.

19 THE COURT: Overruled. She can answer as far as that. It's
20 speculation, but could it be?

21 THE WITNESS: Is it possible? Yes.

22 BY MR. LUSZECK:

23 Q All right. With respect to the Harbor Hills property, if I
24 understood your testimony from earlier, you conceded the fact that the
25 ELN Trust paid the entirety of the purchase price for Harbor Hills,

1 correct?

2 A That they were paid from an ELN Trust account, yes.

3 Q Correct. The entire \$680,000?

4 A I believe I referenced the 568,000, approximate that I
5 observed --

6 Q Okay.

7 A -- in the exhibit.

8 MR. KARACSONYI: I don't think we talked about admitting
9 seven Ns yesterday, the Harbor Hills deed. But I don't think we told the
10 court clerk that. We just did that one block.

11 MR. LUSZECK: Oh.

12 MR. KARACSONYI: That was just a correction I had.

13 MR. LUSZECK: I don't think I have a problem with that.

14 MR. KARACSONYI: Yeah. That was the first one we started
15 discussing before we went to the others. Did we admit seven Ns? Yeah.
16 I don't think we did.

17 MR. LUSZECK: I don't have a problem with seven Ns.

18 THE COURT: Any objections?

19 MR. KARACSONYI: No. We had offered that yesterday. I
20 think it was subject to some -- I think it was subject to some caveat that --
21 I don't think this one is before the tracing period. So I don't even think
22 we need to offer that caveat for that one.

23 MR. CARMAN: And I think the caveat was just to make sure
24 that all the deeds were in that exhibit.

25 MR. LUSZECK: I think I did that.

1 MR. KARACSONYI: If you guys see any, they can obviously
2 add deeds.

3 MR. LUSZECK: Yeah. I don't have a problem with that.

4 MR. KARACSONYI: But I do think we missed that yesterday.
5 BY MR. LUSZECK:

6 Q Do you have any reason to disbelieve that the remaining --
7 the remainder or the balance of the Harbor Hills property came from the
8 ELN Trust as opposed to the LSN Trust?

9 A Not as I sit here. I don't recall.

10 Q Okay. Well, you didn't identify in your report or testify, did
11 you, that any --

12 MR. LUSZECK: Strike that.

13 BY MR. LUSZECK:

14 Q You didn't --

15 MR. LUSZECK: Strike that again.

16 BY MR. LUSZECK:

17 Q You haven't cited any LSN Trust bank account for which any
18 monies were utilized to pay for the Harbor Hills property, correct?

19 A I haven't cited that. That's correct.

20 Q Okay. Isn't it true that in Anthem's file, there is a purchase
21 agreement for the Harbor Hills property that lists the buyer as Eric
22 Nelson or an assignee?

23 A I don't recall.

24 Q Okay. Isn't it true that Anthem's file contains a final
25 settlement statement for the Harbor Hills property?

1 A I don't recall.

2 Q Okay.

3 A There's a lot of documents.

4 Q Isn't it true that Anthem's file contains a check in the amount
5 of \$100,000 that the ELN Trust made as a deposit on the Harbor Hills
6 property?

7 A I don't recall.

8 Q Okay. And isn't it true that Anthem's file contains a wire
9 transfer confirmation from the ELN Trust in the amount of \$562,401.75
10 that was utilized as closing funds for the Harbor Hills property?

11 A In regards to the wire transfer confirmation, I don't recall.

12 Q Okay. Okay. Can you pull out Exhibit 4 -- proposed Exhibit
13 4? Should be in volume 1, I believe.

14 A Yeah. Same book. Yeah. I got it. I'm there.

15 Q Okay. And I will represent to you that these were documents
16 that were received from your file. And if you go to one of the last
17 documents, it says, addendum A, first addendum to contract, it lists Eric
18 Nelson as the buyer.

19 A Sorry. Oh, addendum A?

20 Q Yes. Do you see that? And you can see the property address
21 it lists is 2721 Harbor Hills, correct?

22 A I see that. Yes.

23 Q Okay. And you can also see it lists the buyer as Eric Nelson
24 or assignee?

25 A Yes.

1 Q Correct? And it lists the sales price to be \$680,000 , correct?

2 A Correct.

3 Q Okay. And if you turn a couple pages prior to that, it appears
4 to be a final settlement statement, correct?

5 A I see that.

6 Q Okay. And it lists the contract sales price as \$680,000?

7 MR. KARACSONYI: I'm just going to object. He hasn't
8 admitted these. He's having her testify to documents he hasn't admitted.

9 THE COURT: Okay.

10 MR. KARACSONYI: And I don't --

11 MR. LUSZECK: I'm seeing if she's looked at this and
12 recognizes them.

13 MR. KARACSONYI: Well, you're asking her --

14 THE COURT: To get a little foundation.

15 MR. KARACSONYI: -- you're reading her the document. You
16 haven't asked her to identify it or --

17 THE COURT: Well, he can move afterwards if he -- move to
18 have it admitted after he's done.

19 MR. LUSZECK: Okay.

20 BY MR. LUSZECK:

21 Q And it appears on the final settlement -- well, based upon the
22 final settlement statement, does it appear as there was a deposit or
23 earnest money made?

24 A Yes. Of 100,000.

25 Q Of \$100,000.

1 MR. KARACSONYI: Objection. He's asking her about the
2 contents of the document without authenticating it first.

3 MR. LUSZECK: Okay. Well --

4 THE COURT: Do you recognize the document or do you --

5 MR. KARACSONYI: May I have voir dire?

6 THE COURT: Sure.

7 VOIR DIRE

8 BY MR. KARACSONYI:

9 Q In your file, did you receive documents that were produced
10 by both Eric Nelson and Lynita Nelson?

11 A Yes.

12 Q Do you know who produced this document?

13 A No.

14 Q Do you know who prepared this document?

15 A No.

16 Q Do you know who prepared --

17 MR. LUSZECK: Objection to the form of the question.

18 MR. KARACSONYI: I'm just asking.

19 MR. LUSZECK: There's like seven different documents.

20 THE COURT: Yeah. You're talking about this document for
21 the final settlement agreement? The final settlement?

22 MR. KARACSONYI: Yeah. Well, is that the only one you're
23 going to ask about or are you going to --

24 MR. LUSZECK: Which one?

25 MR. KARACSONYI: -- ask about all of these because there's a

1 summary --

2 MR. LUSZECK: Well, if you have an objection to some of
3 them, I can work with them. But I think it's pretty clear what these are.

4 MR. KARACSONYI: I have objection to -- I have an objection
5 to handwriting. We don't know who prepared this.

6 MR. LUSZECK: Okay. But it was from her file. There's
7 literally --

8 MR. KARACSONYI: But you did the same -- Gerety --
9 everything in Gerety's file you objected to.

10 MS. KARACSONYI: Everything in his handwriting where he
11 couldn't identify he created it, you guys objected.

12 MR. LUSZECK: I'm fine stipulating to take handwriting off if
13 that's the issue.

14 MR. KARACSONYI: Well, no. You have to authenticate it
15 through her.

16 BY MR. KARACSONYI:

17 Q Do you -- did you prepare this? Do you know if this is a true
18 and correct copy of the document it purports to be?

19 MR. LUSZECK: Of what document? There's like seven
20 documents in here, counsel.

21 MR. KARACSONYI: The addendum.

22 THE WITNESS: The addendum, I did not prepare that.

23 THE COURT: Do you recall reviewing that document or
24 relying on the addendum or --

25 THE WITNESS: I can't recall. No.

1 CROSS-EXAMINATION CONTINUED

2 BY MR. LUSZECK:

3 Q Can you pull the final settlement statement up?

4 A I'm there.

5 Q Okay. Have you ever seen this document before?

6 A I can't specifically recall.

7 Q Okay. Before that, there is a check from Eric Nelson to
8 Fidelity Title in the amount of \$100,000.

9 A I see that.

10 Q Okay. And it has a date of October 11th, 2007 on it. Do you
11 see that?

12 A I do.

13 Q And remind me, when did the Flamingo -- when was the
14 Flamingo property -- or not the Flamingo property. I apologize.

15 A Harbor.

16 Q When was the Harbor Hills --

17 MR. KARACSONYI: I'm just going to object. He's asking her
18 again about the contents and writings that haven't been admitted.

19 MR. LUSZECK: No. I was asking her a different question. I
20 was asking her --

21 MR. KARACSONYI: You just asked her about the contents.

22 THE COURT: Overruled. I think he asked her about the sale
23 date that the Harbor Hills --

24 MR. KARACSONYI: But before that he was asking her about
25 the --

1 THE COURT: Okay. We went to --

2 MR. KARACSONYI: -- contents. He's not authenticating the
3 document.

4 MR. LUSZECK: Well, because you're not letting me get there.

5 THE COURT: Yeah. Go on. You can continue on. You said
6 about the date, October 7th, 2007?

7 BY MR. LUSZECK:

8 Q Remind me, when was Harbor Hills acquired?

9 A November 2007.

10 Q Okay. And this check that I had you reference to Fidelity
11 Title, 10/11/2007, in the amount of \$100,000, have you ever seen this
12 document before?

13 A I can't specifically recall.

14 Q Okay. Did you rely upon this document in forming your
15 report?

16 A I can't specifically recall.

17 Q Okay.

18 A It's not referenced in the report. So it may have been
19 reviewed at one point, but I don't specifically recall.

20 Q How are you not relying on these documents when you --
21 you draft a section in your report regarding Harbor Hills and you start
22 your whole section off with Harbor Hills -- well, bear with me. Turn to --

23 A I'm there.

24 Q Okay. Can you tell me what page it's on?

25 A 27.

1 Q 27. Okay. I mean, your first sentence in your Harbor Hills
2 section says, "On or about November 6th, 2007, the LSN Trust purchased
3 real property located at 2721 Harbor Hills Lane, Las Vegas, Nevada 89117
4 (Harbor Hills) for \$680,000." Did I read that correctly?

5 A Yes.

6 Q So -- and Mr. Carman dealt with this earlier about that comes
7 across as misleading. But you have all these documents that specifically
8 identify and confirm that this was purchased by the ELN Trust. However,
9 you didn't include that in your report, correct?

10 MR. KARACSONYI: Objection to the extent he's relying on
11 documents that haven't been admitted into evidence.

12 THE COURT: Overruled. The attached two lines he said -- as
13 far as the thing -- the report speaks for itself.

14 THE WITNESS: And the footnote to that is the Clark County
15 Assessor and a Bates stamped from Eric Nelson. So I think purchased --
16 when it was purchased, it was titled in the name of the LSN Trust.

17 BY MR. LUSZECK:

18 Q Oh, here it is. So you just said you referenced in footnote 73,
19 EN-000722, correct?

20 A And Clark County Assessor.

21 Q And Clark County Assessor. Okay.

22 MR. LUSZECK: Your Honor, may I approach?

23 THE COURT: Sure.

24 /////

25 BY MR. LUSZECK:

1 Q I've just handed you what's been marked as EN-000722,
2 correct?

3 A That is correct.

4 Q Okay. And does this appear to be the same document you
5 referenced in footnote 73?

6 A It appears so.

7 MR. LUSZECK: Okay. Move to admit this, Your Honor, as
8 ELN Trust 63.

9 MR. KARACSONYI: I have no objection other than it's just
10 not the full document. But I --

11 MR. LUSZECK: Well, that's all she cited.

12 MR. KARACSONYI: Well, I know. But it's supposed to have a
13 legal description. It says Exhibit 1 and Exhibit 2.

14 MR. LUSZECK: I don't dispute that. But if you look at
15 footnote 73, she references --

16 MR. KARACSONYI: As long as --

17 THE COURT: That she relied on --

18 MR. KARACSONYI: As long as it's okay if we can admit the
19 whole thing. The whole thing's admitted?

20 MR. LUSZECK: I just want to admit this document because in
21 footnote 73, she says EN-000722.

22 MR. KARACSONYI: I have no problem with this. I think the
23 whole one's in Exhibit --

24 THE COURT: Yeah. Provided we've got the whole thing.
25 We'll get the thing later if you need it. What number was that?

1 THE CLERK: It's going to be --

2 MR. KARACSONYI: And I wasn't objecting. I just wanted to
3 have the ability to bring in the whole document.

4 THE COURT: You'd like the whole thing. Absolutely.

5 THE CLERK: It's going to be 63. But I don't have it.

6 THE COURT: 63?

7 THE CLERK: Yeah.

8 THE COURT: You've got a copy of that?

9 MR. LUSZECK: May I approach? Here's -- what number is it
10 going to be?

11 THE CLERK: 63.

12 MR. LUSZECK: Thank you.

13 THE CLERK: Thank you.

14 THE COURT: Yeah. It's been admitted. Yeah.

15 [Plaintiff's Exhibit 63 admitted into evidence]

16 MR. LUSZECK: And Your Honor, at this point, too, I would
17 move to admit Exhibit 4. I mean, it's impeachment evidence. It shows
18 that all of this documentation was in the file of Anthem Forensics and it
19 wasn't utilized by them in drafting the report. And I think it goes to the
20 credibility of not only this witness, but the report.

21 MR. KARACSONYI: I object that you have to authenticate it.
22 It's hearsay. It's not authenticated.

23 THE COURT: I'm not sure what Exhibit 4 is. What is Exhibit
24 4? What is it?

25 MR. LUSZECK: Exhibit 4 is what we were going through

1 earlier, Your Honor. It is the addendum A to the contract for Harbor Hills.
2 It's the final settlement statement for Harbor Hills. It is the
3 downpayment check from the ELN Trust for Harbor Hills and the wire
4 transfer that shows -- the wire transfer amount is the same as the
5 amount that she cited in her report, Your Honor. So --

6 MR. KARACSONYI: It has a summary of supposedly who --
7 we don't know who prepared that.

8 MR. CARMAN: Can I ask a question?

9 MR. KARACSONYI: It was the same objections they made to
10 us trying to admit documents in Gerety's file.

11 MR. LUSZECK: I think it's a little different.

12 VOIR DIRE

13 BY MR. CARMAN:

14 Q Ms. Allen, can you turn to the first real page of that
15 document?

16 A I'm there.

17 THE COURT: Exhibit 4?

18 MR. CARMAN: Exhibit 4.

19 THE COURT: Exhibit 4?

20 MR. CARMAN: Yes. If you --

21 THE COURT: Do you have Exhibit 4 in front of you?

22 THE WITNESS: I do.

23 THE COURT: Okay. I just wanted to make sure.

24 /////

25 BY MR. CARMAN:

1 Q If you look at the beginning, there's a reference of a
2 conference between Rochelle and Nick. Do you know who Nick was in
3 relation to this case?

4 A I have a guess, potentially.

5 Q Well, let me say this. Mr. Bertsch testified the other day that
6 Nick at his office assisted him in gathering information and preparing
7 information in relation to this case. Do you have any recollection of
8 dealing with Mr. -- with Nick? I forget his last name.

9 A I don't have any recollection of dealing with Nick. No.

10 Q Okay. In your review of documents in this case, you have
11 numerous documents that relate to information that you received from
12 Mr. Bertsch, correct?

13 A I don't believe I received it from Bertsch. But it was
14 contained in a file called the Bertsch file.

15 Q Okay. Does this appear to be a document from the Burch file
16 in relation to the Harbor Hills property?

17 MR. KARACSONYI: That's not authenticating it.

18 THE COURT: Yeah.

19 MR. KARACSONYI: I mean, it calls for speculation.

20 THE COURT: First let's see if she even knows anything.

21 MR. KARACSONYI: It's hearsay.

22 MR. LUSZECK: I mean, isn't it -- aren't experts allowed to
23 rely upon hearsay, Your Honor?

24 MR. KARACSONYI: They can. But they can't admit this as
25 evidence for the truth.

1 MR. CARMAN: He's not trying to admit it. He's trying --

2 MS. KARACSONYI: He is trying to admit it.

3 MR. LUSZECK: I asked for it to be admitted.

4 THE COURT: Yeah. He did ask it to be admitted. But they
5 can rely on anything in their opinion. But as far as admission, it's a
6 different issue. But they can rely on anything.

7 MR. KARACSONYI: I don't dispute that the rule says that
8 they can rely on things that may otherwise be inadmissible.

9 THE COURT: Yeah.

10 MR. KARACSONYI: But it doesn't allow them to --

11 THE COURT: But they can't make an admission on that. And
12 I think again, Mr. Nelson testified to that stuff. If you need to get it in, if it
13 says a thing -- and if it's a deposit from him, can't he --

14 MR. LUSZECK: Probably, Your Honor. But I think it just goes
15 to once again where there's a statement made on page 27 of the report
16 that it was the LSN Trust that purchased this property for \$680,000. And
17 there was this file in the Anthem file that specifically shows that she had
18 the information confirming that it all came from the ELN Trust. So I think
19 it goes to the truth and voracity of Ms. Allen and the report.

20 MR. KARACSONYI: Actually, you know it's interesting --

21 THE COURT: And I'm not sure if it's in the Anthem or not.
22 The documents came from everywhere. I have no idea what's in it. If
23 she could say that it was in the Anthem file, then I'm fine. But I don't
24 know if it was.

25 MR. KARACSONYI: But the irony of this is the documents we

1 sought to admit from Gerety's report spoke to this same subject and said
2 would actually verify -- go to directly contradict the story that's being
3 told here. And you didn't admit those. So these are the same -- this is
4 directly contrary to the same things that were given to Mr. Gerety,
5 statements that we believe came from the ELN Trust.

6 MS. HAUSER: And Your Honor, the difference here is I think
7 we've got to all take a step back. Mr. Gerety testified as a fact witness.
8 Not as an expert.

9 THE COURT: At this time. Yeah.

10 MS. HAUSER: From Anthem, Jenny is testifying as an
11 expert. These are documents that were in her possession produced
12 pursuant to a subpoena that in theory she could have relied on. And the
13 weight of how you weight this evidence is not there for the truth of the
14 matter. These were documents in her file at her ability to review. These
15 are two different things. Mr. Gerety was a fact witness. Not an expert.

16 THE COURT: At this time, he was. He was an expert. When
17 he was a fact -- the question they have, I don't know if that's been
18 determined if that was in her file or not. I don't know. That's the issue.
19 If it was in her file, of course she could have --

20 MS. HAUSER: We can give the subpoenaed documents.

21 MR. LUSZECK: I'll make an offer of proof that it was, Your
22 Honor. It was in her file.

23 MR. KARACSONYI: I'm not disagreeing that --

24 MR. LUSZECK: I can pull it up on anybody's --

25 MR. KARACSONYI: I'm not arguing that it may have been

1 part of her file or it was part of her file. I'm sure it was.

2 MR. LUSZECK: I can login to a computer and show.

3 MR. KARACSONYI: I'm sure it was. I'm not disputing that.

4 But we had as part of -- and we even had a custodian of records from
5 Gerety who did a tracing for the same period, that had a document, that
6 had written handwriting, that had notes pertaining to this exact same
7 property. And I made an offer of proof, I believe, that said that it was a
8 gift to Lynita from Eric and that he took it back. And you did not allow
9 that document to come in for the same reasons.

10 THE COURT: Well, we're not going to admit it at this time.
11 We can get it in later if you need to get -- I don't remember what I did
12 with Gerety. I'm focused on Ms. Allen. I'll have to look at all those
13 issues with allowed exhibits, objections, and everything, and some rules
14 on it. But at this time, I won't admit it at this time. But again, there's
15 other ways to get that in if we need to later to come in there. But let's
16 move on --

17 MR. LUSZECK: Okay.

18 THE COURT: -- so we don't get tied up too much.

19 MR. CARMAN: Your Honor, it can be admitted for purposes
20 other than proving the truth of the matter asserted within the document.

21 THE COURT: And --

22 MR. CARMAN: We're not trying to prove the truth of the
23 matter asserted in the document.

24 THE COURT: Right. It's just what --

25 MR. CARMAN: We're trying to prove that the witness

1 disregarded it in rendering her report.

2 MR. KARACSONYI: But that assumes the truth of the matter
3 asserted in it because if you're saying she disregarded it, then you're
4 assuming that what it says is true. It is being offered. It's being offered
5 to say that these statements were true and that she disregarded them. I
6 mean, there's no way they can say that it's not being offered for the truth
7 of the matter asserted.

8 THE COURT: Well, I'm not going to let it in at this time. But
9 the fact -- I don't think it is being put in for the truth contained in it. I
10 think it is to say that she had the documents at that -- in her possession.
11 She did. That she did not rely on them. Not that they might be accurate.
12 They may not have been accurate. There's a lot of documents going
13 back and forth.

14 So I'm not so sure it's being offered for the truth contained.
15 They're just saying there's stuff there that she could have looked at that
16 she didn't consider. But I'm not going to allow it at this time. We can
17 revisit that later. Otherwise, we're going to get bogged down.

18 MR. KARACSONYI: Your Honor, my client would like a quick
19 break.

20 THE COURT: Is it a good time to break?

21 MR. LUSZECK: Sure.

22 THE COURT: All right. Why don't we take a --

23 [Recess taken from 3:10 p.m. to 3:26 p.m.]

24 THE COURT: Going back on the record in the matter of
25 Nelson v. Nelson, D-09-411537. We took a brief recess.

1 And Mr. Luszeck, you can kind of pick up where you left off,
2 sir.

3 MR. KARACSONYI: Did you want to -- before she has to
4 leave and run at 4:30 and we interrupt again, do you want to do the
5 calendar?

6 MR. LUSZECK: Oh, we can do that. I think -- I don't think I'm
7 going to be able to finish today.

8 MR. KARACSONYI: All right. Okay.

9 MR. LUSZECK: So if she even needs to go a little bit before,
10 that's fine. But yeah, let's raise this right now.

11 MR. KARACSONYI: We don't want to run into 4:30 and then
12 she has to leave and we can't do the scheduling when she comes back.
13 So we -- she is not available the 18th, which is our next trial date. She is
14 available on the 19th or 20th, but Ms. Hauser may not be available on the
15 19th.

16 MS. HAUSER: Yeah. I'm not --

17 MR. KARACSONYI: Or is not available on the 19th.

18 MS. HAUSER: Yeah. There's no way. I have a hearing, a
19 settlement conference.

20 MR. KARACSONYI: So it's up to them.

21 MS. HAUSER: And another hearing.

22 MR. KARACSONYI: I'm okay doing the 19th or the 20th with
23 her. I think we also have the 27th and 28th. I think we will -- even if she
24 came on the 20th, we would finish Ms. Nelson and her by the 27th, 28th,
25 and be done with our case. And then I don't know when you were

1 considering setting their case. That's something we probably should
2 discuss soon because the other judge -- we have a five-week trial stack in
3 our other case with Judge Hardy. I hate to interrupt now the testimony,
4 but I think that's something we do have to deal with.

5 THE COURT: When does that start? Is that --

6 MR. KARACSONYI: It's supposed to start May 23rd. And
7 that's on a five-week stack. But he indicated the last time that because
8 this wasn't overlapping with that, that he wasn't continuing that. But he
9 did say that we could always file a motion if something changed or
10 whatever. So if we know that we have other dates during that
11 timeframe, we're just going to have to coordinate that with another
12 department. So it's something that we probably do need to address and
13 talk about.

14 THE COURT: So you would like right now, the way I got it, to
15 keep the 20th, 27th, and 28th, for your case-in-chief?

16 MR. KARACSONYI: I'm okay if it's the 19th or 20th. If they
17 prefer it's --

18 THE COURT: And I think --

19 MR. KARACSONYI: -- the 20th, 27th, 28th, I'm fine with that.
20 Otherwise --

21 THE COURT: I think Ms. Hauser said you couldn't do the
22 19th. Is that right, Ms. Hauser?

23 MR. KARACSONYI: It's up to them.

24 MS. HAUSER: Yeah. It's up to the -- I'm fine with moving
25 forward if I'm not here. I just -- I have a settlement conference and a

1 hearing, and another hearing, and another hearing.

2 THE COURT: What's your guy's preference? It doesn't
3 matter to me. If we're not going to do it, then I'll find some other dates.
4 We'll have to look at my calendar and figure out some other dates that
5 we have. So you basically would like it to -- your trial starts May 23rd, if
6 it goes?

7 MR. KARACSONYI: If it goes.

8 THE COURT: If it goes.

9 MR. KARACSONYI: But if this case is still going, I think we
10 would all prefer not to break this case up that far. To finish this case
11 first. And maybe -- I'm sure if we abroach that with Judge Hardy that we
12 want to finish this case that's already in the middle of it, that he might be
13 able -- he might be -- then be willing to continue if he realizes this one
14 hasn't ended.

15 THE COURT: Okay. As far as -- you want to do the 20th,
16 27th, and 28th? Does that work for everybody for the --

17 MR. KARACSONYI: That works for us. We're fine 19, 20, 27,
18 28, or 20, 27, 28. Whatever is their preference.

19 THE COURT: Okay. And Ms. Hauser, would you like to just
20 do the 20th so she could be here? It's your guys --

21 MR. CARMAN: We certainly would prefer her here. She has
22 so much knowledge about the history of this case that I just don't have.

23 THE COURT: Okay. So let's do the 20th, 27th, 28th. We'll cut
24 the 19th. Then I won't need coverage on that. I'll keep my calendar --

25 THE CLERK: So the 18th and the 19th we're vacating?

1 THE COURT: Yeah.

2 THE CLERK: Okay.

3 THE COURT: And then you want to -- you would like me to
4 find some days in early May is what I'm getting; is that right? Because
5 April 20th -- what, there's 30 days in April?

6 MR. KARACSONYI: Well, I think we're -- I think that will be
7 sufficient to finish our case.

8 THE COURT: Okay. All right. Let me --

9 MR. KARACSONYI: Then the question becomes when do
10 they start their case and where are we setting that.

11 THE COURT: Okay. Let me --

12 MR. LUSZECK: And it's kind of hard to know until, you
13 know -- yeah. I am fine setting aside dates now with the understanding
14 that it depends large --

15 MR. KARACSONYI: And revisit it later at the end?

16 MR. LUSZECK: Yeah.

17 MR. KARACSONYI: Yeah. If we set aside dates now then we
18 can at least try to clear those with the other department, as well.

19 THE COURT: Okay. How many days do you think you need
20 to set aside for your guys' case if we go the full way?

21 MR. LUSZECK: I mean, it's hard, Your Honor, because once
22 again, we're -- you know, given the positions that we've made in this
23 case, it depends a lot upon what this Court is going to rule on the case-
24 in-chief.

25 THE COURT: Do you guys have your calendar? Do you

1 know what -- because I'll try to maybe open up --

2 MR. CARMAN: I think we should set --

3 THE COURT: Yeah.

4 MR. CARMAN: -- as many days as we set for --

5 MR. LUSZECK: Yeah. I would think so.

6 MR. CARMAN: -- six or seven days just to be safe.

7 MR. LUSZECK: I think that's fair.

8 THE COURT: Let me see if I can find a week. Maybe I can
9 take a week vacation and come and just do this. It doesn't count as a
10 vacation week. That's probably the easiest way to get coverage. I'll just
11 tell them I'm taking off the week and we'll just get another courtroom.

12 THE CLERK: If you want the whole week --

13 THE COURT: Is that fine? Would you guys be easier to do a
14 whole week or do you just want me to find some days? Do you guys
15 know your schedule? Because I can -- I'll just work around the schedule
16 on that.

17 MR. CARMAN: Yeah. It might be difficult to find a week. But
18 if we start finding blocks of days, we probably could.

19 MR. LUSZECK: Yeah. I'm fine with that.

20 THE CLERK: Right now our two lightest weeks in May are the
21 week of May 16th, then the week of May 23rd.

22 THE WITNESS: I'm sorry, what? What was the question?

23 MR. LUSZECK: Just not knowing how long this is going to
24 last --

25 THE CLERK: That's the week that they're starting the --

1 MR. LUSZECK: -- I was like, should we just let you go.
2 THE WITNESS: That's up to you guys.
3 MR. KARACSONYI: I don't want her to be here another day.
4 THE COURT: I think you're okay on the 20th?
5 THE WITNESS: I am.
6 THE COURT: Okay. Good. So we'll keep that for that. Let
7 me see what -- okay. All right. Why don't we start with -- we'll just go
8 through our weeks on that. How do you guys look the first week of May?
9 It would be the 2nd, 3rd, 4th, 5th, 6th. Any days in that week that work
10 for you guys? Any days that work? Why don't you give me the dates
11 that work.
12 MR. CARMAN: I have a trial on Thursday. And it's going to
13 require some preparation. That's my only concern.
14 THE COURT: What did he say?
15 THE CLERK: You've got a firm set trial on Friday the 6th.
16 THE COURT: All right. How about the second week then?
17 Let's see where we're at.
18 THE CLERK: You've got a firm set trial on Monday the 9th.
19 MS. HAUSER: Do you guys want to release Jenny so she can
20 go get her child instead of going --
21 THE COURT: Did you want her to testify?
22 MR. KARACSONYI: Well, we still have an hour left.
23 MS. HAUSER: I'm just --
24 MR. KARACSONYI: I just hate to lose a block.
25 THE COURT: I think we wanted to finish up. But is that --

1 MR. LUSZECK: We're not going to finish her today. Based
2 on where we're at, I'm not going to --

3 THE COURT: No?

4 MR. LUSZECK: -- be able to finish up with her today.

5 MS. HAUSER: That's why I was just suggesting because
6 she's sitting here like, I could be getting my child.

7 THE WITNESS: I'm here. Just let me know.

8 THE COURT: The week of the 16th works best. I won't --

9 THE CLERK: May 16th.

10 THE COURT: The others I've got firm settings. I can play
11 around with that if we need to on that. But it looks like near the end of
12 May works better. 16th and the 23rd makes it more --

13 MR. KARACSONYI: We're open the week of the 16th.

14 THE COURT: We can walk around those days. And we can
15 walk around your schedule. If we have to have it a whole week, we can
16 move some days in that. But if that works for you guys, the weeks of
17 May 16th and May 23rd, that's the easiest.

18 MS. HAUSER: I have two trials on the 16th.

19 THE COURT: Okay.

20 MS. HAUSER: Lucky me. I have nothing on the 18th.

21 THE COURT: How about the 17th?

22 MS. HAUSER: I have a calendar call and a status check. But
23 those are at all.

24 THE COURT: I can take breaks. If you guys have another call
25 or a calendar call, just let me know.

1 MS. HAUSER: Yeah. I mean, they're here.

2 THE COURT: We'll take a break so you can do that.

3 MR. KARACSONYI: I've got the 17th and 19th open that
4 week.

5 MS. HAUSER: I can do the 19th.

6 THE COURT: Okay.

7 MS. HAUSER: I can do --

8 THE COURT: How about May 17th and May 19th? Do those
9 work? And then we'll find a couple more days in the following week.
10 How about we do the 17th and 19th? Does that work for
11 everybody? 17th and 19th?

12 MR. KARACSONYI: Somebody doesn't have the 18th?

13 THE COURT: I think someone said the 18th I thought was --

14 MS. HAUSER: No. The 17th I have --

15 MR. CARMAN: Okay. I have conflicts on the 18th, but I'm
16 sure I can move them. They are calendar calls and case management
17 conferences.

18 MR. KARACSONYI: So 17, 18, 19?

19 THE COURT: Does the 17th, 18th, 19th work?

20 MR. LUSZECK: Looks good.

21 MR. CARMAN: And then the next week?

22 MR. LUSZECK: And this is subject to us -- obviously, we're
23 going to do a stip motion and try to get in front of Hardy.

24 MR. CARMAN: Yeah. We've got to. I mean, it's got to be
25 moved.

1 THE COURT: And how do you guys look the next week, the
2 23rd?

3 MR. LUSZECK: Well, we're open because we have that five-
4 week stat --

5 THE COURT: Okay.

6 MR. KARACSONYI: We're open that whole week.

7 MR. CARMAN: I can make myself available the 23rd, 24th,
8 25th, 26th. Yeah. I can move stuff around. That won't be a problem.

9 MR. KARACSONYI: So 17th through 19th, and the whole
10 following week?

11 THE COURT: Yeah. I think we'll probably do that. And I'll --

12 MR. KARACSONYI: Okay.

13 THE COURT: Because I can do just -- I'll take that -- I'll take
14 the week of the 23rd as a vacation week and get us in here just to cover.
15 Get a different courtroom and just do it this way.

16 THE CLERK: Okay. So we're going to do the whole week of
17 the 23rd?

18 THE COURT: Yeah, at this point.

19 THE CLERK: Okay.

20 THE COURT: And then we'll see where we're at.

21 THE CLERK: Okay. So the 23rd to the 27th?

22 THE COURT: Yeah. And then we'll get coverage on that.
23 And I'll just take a vacation and just do it here. They won't know the
24 difference. Why don't we set those tentatively. You guys look at that
25 and let me know if it changes, all right?

1 All right. So just one more time. I've got April 20th, 27th,
2 and 28th. And then we've got May 17, 18, 19. And then the following
3 week, May 23rd, we'll keep that whole week open for you guys.

4 MR. LUSZECK: And this obviously isn't -- you know, we're
5 clearing calendars now. However, this is with the understanding that
6 once they're done with their case-in-chief, we're going to --

7 THE COURT: Make your motion?

8 MR. LUSZECK: Yeah.

9 THE COURT: Yeah. I'm just doing that just so we have a
10 date set and that way I can get backup plans if I need my court coverage
11 on that.

12 MR. LUSZECK: Understood.

13 THE COURT: Yeah. I never take vacation. So I can take a
14 week off and just have a senior judge cover my regular calendar and do
15 this one. They won't -- they don't care. We don't get paid for the
16 vacation anyways, so.

17 MR. KARACSONYI: I was going to say, spending a week with
18 all of us is like vacation for you, isn't it? No comment on that one. I
19 think he might have growled.

20 THE COURT: My wife and I don't go on vacation anymore
21 because she says she's on vacation every day being married to me,
22 which I can understand. But she says, no, I get to sleep in my bed, get
23 coffee, get up when I want, do that. And when we go on vacation, I'm
24 the type that at 7:00 in the morning, I want to get up. At 8:00, I want to
25 hit this museum. At 12:00, that museum. My wife wants to get up at 10,

1 10:30, get three or four cups of coffee. So by 1:00, we're fighting
2 because I'm like, come on, the days gone, we've got to do something.
3 So I said, you know what, you go do what you do and I'll do what I do.
4 And we'll get along much better for 42 years. I've got things to do, right?
5 You've got to get to -- time's wasted.

6 Okay. So we've got that all setup? You've got that all
7 figured out?

8 THE CLERK: Yeah. I have it all.

9 THE COURT: All right. As long as she figures it out, I'm
10 okay. I think -- did we go back? Did we already?

11 Going back on the record in the Matter of Nelson v. Nelson,
12 D-09-411537. I think Mr. Luszeck is going to pick up where he left off
13 with the examination. Mr. Luszeck?

14 MR. CARMAN: It looked like we were still on the record,
15 actually. The thing was lit up the whole time. So your comedy will be in
16 there.

17 THE COURT: That's all right. That's all right. It will make a
18 good record for appeal.

19 MR. KARACSONYI: We'll note much sarcasm.

20 MR. CARMAN: We're going to fact check some of that with
21 your wife.

22 THE COURT: Exactly.

23 MR. CARMAN: Just joking.

24 MS. HAUSER: We'll be calling her as our first witness.

25 THE COURT: On the record -- Mr. Jimmerson put my wife's

1 name on the record in a TPO when I was TPO commissioner. Judge
2 Sullivan's Sicilian wife -- and he actually put it in his findings -- wouldn't
3 tolerate that. So she's already been in there. And I brought her the
4 transcript so she would know that she was infamous.

5 You can proceed at your pleasure, Mr. Luszeck.

6 MR. LUSZECK: All right. Thank you.

7 CROSS-EXAMINATION CONTINUED

8 BY MR. LUSZECK:

9 Q Ms. Allen, I just want to kind of wrap up Harbor Hills. So
10 with respect to the 680,000 dollar purchase price, you concede that at
11 least 562,000 of that was paid from an account titled in the ELN Trust,
12 correct?

13 A Yes.

14 Q Okay. And with respect to the remaining amounts, you have
15 not seen any documentation confirming that the LSN contributed any
16 monies to the purchase of that property?

17 A Not that I recall.

18 Q Okay. And is it safe to assume that if you would have seen
19 any documentation confirming that the LSN Trust had utilized any of its
20 financial accounts to help purchase the Harbor Hills property, you would
21 have noted that in your report?

22 A That's reasonable.

23 Q Okay. All right. Let's move on to Russell Road. I believe that
24 you testified that as of May 30th, 2001, the Russell Road property was
25 held by the Lynita Separate Property Trust; is that correct?

1 A Yes.

2 Q Okay. I just want to confirm, however, there was no analysis
3 in your -- you didn't provide any testimony as to how she obtained that
4 interest in Russell Road, correct?

5 A We make a reference in our report to the -- the purchase
6 price. And -- but I don't believe I've provided testimony. I don't think
7 that was discussed.

8 Q Okay. And with respect to the purchase price, you didn't see
9 any evidence that either the LSN Trust or Lynita's Separate Property
10 Trust actually paid anything for the interest in Russell Road, correct?

11 MR. KARACSONYI: Objection to the extent it goes outside
12 the scope of the tracing period.

13 THE COURT: Overruled. You just started at the tracing
14 period. You didn't see how it got there, who owned it at that time; is that
15 correct?

16 THE WITNESS: Correct.

17 MR. LUSZECK: Yeah. And I guess the issue that I have, Your
18 Honor, is I've advocated for everything in between the tracing period, as
19 you know. But you've let some leeway in. And I think there has been
20 some testimony that doesn't give the whole picture as to what actually
21 happened.

22 THE COURT: Yeah. I'll give you a little leeway. I'll tell you
23 what I do. I let the parties put their case on as they see. And then I weed
24 everything out at the end when I can see that. I'm a little relaxed on
25 getting stuff in there because I can ignore it. I can put probative value,

1 not probative value. When I've got a jury, it's a whole different thing on
2 that. So I give you a little leeway to establish that. And then I give you
3 guys a chance to connect the dots. Kind of connect all the dots of all the
4 testimony, pull it together. And then I can see what's relevant, not
5 relevant, what's probative, what's not probative. I'll make specific
6 findings.

7 So I'll give you a little leeway. But I think she did indicate she
8 really didn't do a lot of research on how they got the property. So you
9 can continue that line if you want.

10 BY MR. LUSZECK:

11 Q Okay. So with respect to the amount that Lynita's Separate
12 Property Trust purportedly paid to obtain Russell Road, you don't cite to
13 any documentation that supports Lynita's Separate Property Trust
14 actually paid money to acquire that interest, correct?

15 A That's fair.

16 MR. KARACSONYI: And again, objection, Your Honor.
17 Relevance. They're trying to impugn her credibility with things that
18 happened before even the tracing period that they say -- I mean, it's one
19 thing to establish who owns it. But to now -- he's doing a tracing of
20 purchase prices in 1999, when they've said all along that we're not --

21 THE COURT: How is that impugning her credibility?

22 MR. KARACSONYI: Well, no. I mean, I don't know what he's
23 trying to question --

24 THE COURT: I don't think it -- let's see where it goes.

25 MR. LUSZECK: Well, we are, Your Honor, because --

1 THE COURT: Well, that's a whole line of testimony --

2 MR. LUSZECK: -- and here's --

3 THE COURT: -- with expert witnesses what you're trying to
4 do is undermine their report. That's what you do.

5 MR. LUSZECK: And here's why. I think there's been
6 testimony and the report says, too, that the Lynita Separate Property
7 Trust paid X amount of money to purchase this property. And I think the
8 documentation shows to the contrary. And if that's her opinion, if that's
9 what she's testifying to, I think I have the ability to at least show that
10 that's not the case.

11 MR. KARACSONYI: And again, she testified that everything
12 that was prior to that was just to show who held the property up until the
13 starting date, which she assumed was the separate property.

14 THE COURT: May 30, 2001.

15 MR. KARACSONYI: That's the assumption they said we have
16 to make, that the Supreme Court said. So or him to start questioning her
17 about who paid for it in 1999, is completely contrary to the position
18 they've taken for months in this case.

19 MR. LUSZECK: Well, that's not what was put in the report.

20 THE COURT: You can --

21 MR. LUSZECK: And that's the issue.

22 THE COURT: Overruled. You can go as far as the report. She
23 relied on things like that.

24 MR. KARACSONYI: Well, she didn't -- but she didn't trace
25 before the report because she wasn't even allowed to.

1 THE COURT: And she can testify to that. So noted.

2 BY MR. LUSZECK:

3 Q All right. So with respect to your -- let's look at your report.
4 With respect to Russell Road property, is that on page 20 of your report?

5 A Yes.

6 Q Okay. All right. So -- and the first paragraph says, "On or
7 about November 23rd, 1999, the Lynita SPT purchased 5220 East Russell
8 Road, Las Vegas, Nevada (Russell Road property). The Lynita SPT paid
9 \$855,945 to purchase this property." Did I read that correctly?

10 A You did.

11 Q Okay. And what's your belief that she paid \$855,945? What
12 are you relying upon to make that conclusion?

13 MR. KARACSONYI: I'm just going to object to the relevance.
14 I know you've already ruled. I just want to make that note.

15 THE COURT: Again, I'll note the objection on that.

16 A I don't specifically recall. There's not a footnote there. To
17 the extent it's not on the grant bargain sale deed, I can't recall as I sit
18 here.

19 BY MR. LUSZECK:

20 Q Okay. So let's go to the grant bargain sale deed. So turn to
21 page -- or sorry, Exhibit -- well, before we get there, you concede that
22 you haven't identified any bank documents showing that the Lynita SPT
23 in fact paid \$855,945 to purchase Russell Road, correct?

24 A That --

25 MR. KARACSONYI: Objection. Relevance.

1 THE COURT: Overruled.

2 THE WITNESS: That's correct. It was outside the scope.

3 THE COURT: That was in your thing -- about the 855,945,
4 that's referenced in your report?

5 THE WITNESS: Correct. That's outside.

6 BY MR. LUSZECK:

7 Q And if we can go to six Ps, please.

8 A I'm sorry?

9 Q Six Ps. P as in Paul.

10 A Okay. I'm at six Ps.

11 Q Okay. And is this grant bargain -- this grant bargain sale
12 deed on page LSN-007914. Do you see that?

13 A 7914?

14 Q Yeah.

15 A Grant bargain sale deed.

16 Q And is that correct? Do you see that?

17 A Yes.

18 Q Okay. And is this the same document that you're referring to
19 in footnote 55, the grant bargain sale deed recorded November 23rd,
20 1999?

21 A I believe so. Yes.

22 Q Okay. And it indicates that the Nelson Trust, UAD July 13th,
23 1993, acquired an interest in APN number 161-28-401-007. Do you see
24 that?

25 A Yes.

1 Q Okay. And then if you go to Bates number LSN-007916, that
2 appears to be the State of Nevada declaration of value form, correct?

3 A Yes.

4 Q And who does it list as the buyer on the State of Nevada
5 declaration of value page?

6 A Clarence Nelson.

7 Q Okay.

8 A Clarence C. Nelson, I presume.

9 Q And above the buyer's signature, it indicates the purchase of
10 the property as \$875,000, correct?

11 A That is correct.

12 Q Okay. So in fact, the grant bargain sale deed -- well, so in
13 fact, the State of Nevada declaration of value page lists Clarence Nelson
14 as opposed to the Lynita Separate Property Trust as the buyer, correct?

15 A It appears that way. Yes.

16 Q Okay. And this is somewhat akin to -- you recall the Harbor
17 Hills deeds and declaration of value that we looked at a while ago,
18 correct?

19 A Yes.

20 Q Okay. How the grant bargain sale deed actually listed I
21 believe the LSN Trust as the purchaser, correct?

22 A Correct.

23 Q But the declaration of value page actually indicated that the
24 buyer was Mr. Nelson, correct?

25 A I would have to refer to the document.

1 Q Oh, okay.

2 A I believe that's in this binder. What exhibit?

3 Q That is a good question. Bear with me. I believe it is Exhibit
4 seven Ns, if I'm not mistaken.

5 A Oh, it's in this one?

6 Q Yeah.

7 MR. CARMAN: Yeah, it's seven Ns.

8 BY MR. LUSZECK:

9 Q Seven Ns, DEF 011005.

10 A Okay. I'm not in the right book. Hold on. I think this is six
11 Ns. Or six letters is 17, right? No. So it's seven Ns?

12 Q Yeah. I believe --

13 A So that's 18?

14 Q -- it was seven Ns.

15 A No?

16 Q It may be six Ns, actually. I thought -- dang it. No. I think it's
17 seven Ns.

18 MR. CARMAN: It is seven Ns.

19 MR. LUSZECK: Yeah.

20 THE WITNESS: Which is what volume? Which is what
21 volume? I don't think I have that.

22 THE COURT: I think it would be the smaller -- it should be
23 the smaller --

24 MR. KARACSONYI: Yeah. It's the little one.

25 THE WITNESS: Okay.

1 THE COURT: It should be the little notebook because 18 ends
2 at -- yeah. The little one should pick up in the little binder.

3 THE WITNESS: Okay. I have -- what was the Bates, DEF
4 what?

5 BY MR. LUSZECK:

6 Q I just told you.

7 A Well, I don't remember.

8 Q I'm just kidding. Yeah. Seven Ns, Bates number 11005.

9 A Okay.

10 Q All right. Do you see that? And do you see how the
11 declaration of value page shows Eric Nelson as the buyer, correct, even
12 though the grant bargain sale deed showed the grantee as the LSN
13 Trust?

14 A That is correct. This lists Eric Nelson individually.

15 Q Okay. Okay. And similar now when we talk to Russell Road,
16 the document that we looked at, it showed Lynita's Separate Property
17 Trust as the purchaser. But when you look at the declaration of value
18 page, it actually lists Clarence as the buyer, correct?

19 A Correct.

20 Q With an \$875,000 purchase price?

21 A Correct.

22 Q Okay. So in May -- well, when Lynita's separate property
23 trust acquired the interest in the Russell Road property, do you know
24 how big that parcel of property was?

25 A Not as I sit here. No.

1 Q Okay. And I guess take a look at, you know, the grant
2 bargain sale deed. There's nothing in there indicating any type of
3 acreage or anything like that?

4 A And we're in N?

5 Q Yeah. Or no, sorry. Going back to six Ps.

6 A On LSN-7914, I presume is what you're referring to?

7 Q Yeah. Anywhere on there if it indicates the acreage amount
8 of APN 16128401007.

9 A Not acreage. Just the APN number and a description of the
10 property.

11 MR. LUSZECK: Okay. Was this admitted yesterday?

12 MR. KARACSONYI: Yeah.

13 MR. LUSZECK: Six Bs. It was? Okay. Sorry. Okay.

14 MR. KARACSONYI: I think all the Bs are admitted.

15 MR. LUSZECK: Okay.

16 BY MR. LUSZECK:

17 Q Okay. And as you sit here today, you can't cite to any
18 document which actually indicates that Lynita's Separate Property Trust
19 paid any amount for the purchase of Russell Road, correct?

20 MR. KARACSONYI: Objection. Relevance. Outside the
21 tracing period. Outside the scope of her report even, or what this Court
22 is on remand.

23 THE COURT: Objection so noted. Overruled. She can
24 testify.

25 THE WITNESS: As I sit here now --

1 THE COURT: Did you hear the question they asked?

2 THE WITNESS: Yeah. I did.

3 THE COURT: Okay.

4 BY MR. LUSZECK:

5 Q Okay. And the answer was no?

6 A The answer was no.

7 Q Okay. I believe you also testified pursuant to the May 31st,
8 2001 operating agreement of CJENL, LLC, the LSN Trust held a 50
9 percent interest in CGENL [sic], LLC, along with the Lynita Separate
10 Property Trust; is that correct?

11 A No.

12 Q Okay.

13 A Perhaps it -- can you repeat your question?

14 Q Yeah. Let's turn to page 20 of your report.

15 A I'm there.

16 Q Okay. Third paragraph under the Russell Road property.

17 A Yes.

18 Q Pursuant to the May 31st, 2001 operating agreement of CG --
19 CJ -- I apologize -- ENL, LLC, the "LSN Trust held a 50 percent interest in
20 CJENL, LLC, along with the Nelson Nevada Trust (whose beneficiaries
21 are Cal and Jeanette Nelson, Eric's brother and sister-in-law)"?

22 A That is correct.

23 Q Did I read that correctly? Okay.

24 A You had Lynita SPT previously.

25 Q Yeah. I apologize. When you reference the Nelson Nevada

1 Trust, do you understand that to be Lynita's Separate Property Trust?

2 A No.

3 Q Okay.

4 A I'm sorry. I'm sorry. The Lynita -- can you repeat your
5 question?

6 Q Yeah. Well, you referenced Nelson Nevada Trust in there, in
7 that third paragraph in the Russell Road property section. What is that?

8 A I believe that to not be related to the Lynita SPT.

9 Q Oh, okay. Okay. All right. Nelson Nevada Trust is -- I
10 apologize -- whose beneficiaries are Cal and Jeanette Nelson -- okay --
11 Eric's brother and sister-in-law. Okay. Understood. Okay. You're not
12 taking the position that Mr. Nelson is a member of CJENL, LLC, are you?

13 A No. I'm not.

14 Q Okay. And you're not taking --

15 MR. KARACSONYI: You're meaning Eric Nelson, right?

16 MR. LUSZECK: Pardon?

17 MR. KARACSONYI: You said Mr. Nelson.

18 MR. LUSZECK: Oh, Mr. Eric Nelson.

19 MR. KARACSONYI: We've been talking about other --

20 MR. LUSZECK: Mr. Eric Nelson. Thanks.

21 THE WITNESS: That's fair. No. I am not.

22 BY MR. LUSZECK:

23 Q Okay. And you're not taking the position that Eric's Separate
24 Property Trust was a member of CJENL, LLC, are you?

25 A No.

1 Q Okay. And you're not taking the position that the ELN Trust
2 was or is a member of CJENL, LLC, are you?

3 A No.

4 Q Okay. If you turn your -- turn to Exhibit six Ls, which I think
5 may be in the same binder.

6 A Okay.

7 Q And I guess let's start with this. You testified that on or
8 around June 14th, 2001, the Russell Road property was transferred from
9 the LSN Trust to CJENL, LLC, for no financial consideration. What
10 evidence do you have that that transfer was for no financial
11 consideration?

12 A I don't have a footnote on there. So as I sit here, I can't
13 recall.

14 Q Okay. And isn't it true that you previously testified, I believe
15 repeatedly, that you don't have the LSN Trust's account statements from
16 the year 2001?

17 A That is correct.

18 Q Okay. And if we go back to six Ps real quick.

19 A Yes. P? Okay.

20 Q And if we pull up the deed from June 14th, 2001.

21 A Okay.

22 Q And that is LSN-007917. Do you see that? It's a grant
23 bargain sale deed.

24 A I see that.

25 Q Okay. And in here, is this the transfer document that you're

1 talking about in the fourth paragraph of your report?

2 A I believe so. Yes.

3 Q Okay. And in this grant and bargain sale deed, it says that,
4 "Lynita Sue Nelson, trustee of the Nelson Trust dated July 13th, 1993, for
5 good and other valuable consideration does hereby grant bargain, sell,
6 and convey to CJENL, LLC, all of her right, title, and interest in that real
7 property situated in the County of Clark, State of Nevada, bounded and
8 described as follows." Did I read that portion correctly?

9 A You did.

10 Q Okay. So this document at least indicates that the transfer
11 was for good and other valuable consideration, correct?

12 A It does reference that. Yes.

13 Q Okay. And this document was relied upon by you in your
14 report, correct?

15 A Yes.

16 Q Okay.

17 A In addition to what follows.

18 Q I don't know that that was responsive. Okay. And this grant
19 bargain sale deed -- again, going back to that. Will you agree that the
20 APN that's being transferred is 168-28-401-007?

21 A I would.

22 Q Okay. And in fact, that's the same APN as when the property
23 was acquired by Lynita Separate Property Trust on or around September
24 25th, 1999, correct?

25 A You said November 23rd, 1999? I think --

1 Q Yes.

2 A -- you said 25th.

3 Q Yes. Yeah.

4 A Okay. Yes.

5 Q Okay.

6 A Same APN.

7 Q All right. So you go on to say in your report -- you talk

8 about -- and I think you testified regarding a flooring contract that Lynita

9 signed for Cal's Blue Water Marine, correct?

10 A Correct.

11 Q And that happened in or around 2004?

12 A Correct.

13 Q Okay. And have you ever seen a copy of this flooring

14 contract -- the guarantee on the flooring contract?

15 A I don't believe so.

16 Q Okay. And you conceded in your testimony that Lynita

17 withdrew her guarantee on this flooring contract, correct?

18 A Correct.

19 Q Okay. And you're not opining at all as to whether or not Mr.

20 Eric Nelson was involved in this flooring contract, are you?

21 A I am not.

22 Q Okay. And you're not opining as to whether or not Mr. Eric

23 Nelson was involved in Ms. Nelson withdrawing her guarantee on the

24 flooring contract, are you?

25 A I am not.

1 Q Or the ELN Trust participating in that decision?

2 A I am not. I'm making an opinion.

3 Q Okay. And ultimately, as a result of Ms. Nelson withdrawing
4 her guarantee on the flooring contract, she relinquished her 50 percent
5 interest in CJENL, LLC, correct?

6 MR. KARACSONYI: Objection. Mischaracterizes.

7 THE COURT: Overruled. She can explain it if she -- if it's
8 accurate or not.

9 THE WITNESS: That is my understanding.

10 BY MR. LUSZECK:

11 Q Okay. And I believe that you testified that the LSN Trust
12 relinquishing its interest in CJENL was done for no financial
13 consideration?

14 A Correct.

15 Q Is that correct?

16 A Uh-huh.

17 Q Okay. Now, once again -- so this happened in 2004, correct?

18 A January 1st, 2005.

19 Q Oh, 2005? Okay. And this occurred once again at a time
20 period where you previously testified you don't have all of the financial
21 records for the LSN Trust, correct?

22 A That's fair. Yes.

23 Q Okay. You had more than you did in 2001, but you still don't
24 have all of them in 2005?

25 A That's fair. Yes.

1 Q Okay. So if you'll go to Exhibit six Ls.

2 A Okay.

3 MR. LUSZECK: Which I believe, Madam Clerk, has been
4 admitted already as an exhibit?

5 THE CLERK: Yes, it has.

6 MR. LUSZECK: Thank you.

7 BY MR. LUSZECK:

8 Q Have you seen this document before, Ms. Allen?

9 A I believe so. Yes.

10 Q Okay. And in fact, this is an assignment and assumption of
11 membership interest from LSN Nevada Trust, UAD 5/30/01, to Nelson
12 Nevada Trust, UAD 5/31/01, correct?

13 A Correct.

14 Q And it defines as the assignor, Lynita S. Nelson, trustee of
15 the LSN Nevada Trust dated May 30th, 2001, correct?

16 A Correct.

17 Q Okay. And the assignee is as Clarence C. Nelson and
18 Jeanette Nelson, trustees of the Nevada -- Nelson Nevada Trust dated
19 May 31st, 2001, correct?

20 A Correct.

21 Q And if you go three paragraphs down, it says, "Whereas
22 assignor desires to assign for valuable consideration 100 percent of his
23 rights, titles, duties, obligations, and interests in and to LLC to assignee."
24 Did I read that correct?

25 A Correct.

1 Q And then the next paragraph says, "Now, therefore, in view
2 of the foregoing facts, assignor assigns, transfers, and conveys the
3 interest to assignee, and assignee accepts all rights, titles, duties,
4 obligations, and interests in and to the interest," correct?

5 A Correct.

6 Q Okay. So this document actually contemplates that this
7 assignment was being made for valuable consideration, correct?

8 A It references valuable consideration. Yes.

9 Q Okay. And in exchange for that valuable consideration, the
10 assignee, which once again is Clarence C. Nelson and Jeanette Nelson,
11 trustees of the Nelson Nevada Trust, accepted all rights, titles, duties,
12 and obligations, and interest in and to the interest, correct?

13 A Correct.

14 Q Okay. So in short, any obligations stemming from the LSN
15 Trust's membership interest in CJENL was being taken upon by the
16 Nelson Nevada Trust?

17 A Per this assignment, it was being taken on by CJENL, LLC.

18 Q Well --

19 A Well, I guess the assignee --

20 Q -- it's the assignee, correct?

21 A -- did transfer -- sure. As -- as now owners of that entity.
22 Yes.

23 Q Yeah. Okay. All right. You additionally testified that at some
24 point in time I think in 2010, CGENL [sic] sold a 50 percent interest in the
25 Russell Road property to Eric Nelson Auctioneering, correct?

1 A Correct.

2 Q Okay. And would you agree that there was a five-year gap
3 essentially, between the LSN Trust withdrawing -- or the LSN Trust
4 assigning its interest to CG -- or CJENL, LLC --

5 A Yes.

6 Q -- and the time that Eric Nelson Auctioneering obtained a 50
7 percent interest?

8 A Yes.

9 Q Okay. Let's go back to Exhibit six Ps.

10 A Six Ps?

11 Q Yes.

12 A Okay.

13 Q Okay. And let's go to Bates number LSN-007931.

14 A Okay.

15 Q Okay. And this is a grant bargain sale deed wherein CJENL,
16 LLC, conveyed an interest -- an undivided 50 percent interest to Eric
17 Nelson Auctioneering, correct?

18 A Yes.

19 Q And it was recorded February 3rd, 2010, correct?

20 A Correct.

21 Q And in fact, this was the document that you relied upon
22 in -- one of the documents you relied upon in preparing your report,
23 correct?

24 A Correct.

25 Q Okay. And you'll note that the APN that was being conveyed

1 by CG -- CJENL, LLC, and this grant bargain and sale deed was APN 161-
2 28-401-015, correct?

3 A That is correct.

4 Q And will you agree with me that this is a different APN than
5 what was ultimately acquired by the -- by Lynita's Separate Property
6 Trust in 1999?

7 A Yes. The last three digits are different.

8 Q Okay. And does that indicate that it was a different parcel,
9 perhaps?

10 A It could. It could also be a reassignment of numbers.
11 Sometimes if they're combined -- I'm not sure. But they are different.

12 Q Okay. And will you also agree that the APN on the grant
13 bargain sale deed recorded on February 3rd, 2010, is different than the
14 grant bargain sale deed that Lynita's Separate Property Trust executed
15 on June 7th, 2001? And that's on Bates number --

16 A Yes. I'm looking at that page.

17 Q -- LSN -- okay.

18 A Yes.

19 Q Same? Okay.

20 A Same last three digits -- or same answer. The last three
21 digits are different.

22 Q All right. Now, I didn't hear any testimony from you
23 yesterday, or I guess in this matter, advising the Court that the APNs that
24 were acquired initially by Lynita's Separate Property Trust and the APN
25 that was acquired by Eric Nelson Auctioneering were different, correct?

1 A Correct.

2 Q Okay. And that certainly doesn't appear to show up in your
3 report anywhere, does it?

4 A That is correct.

5 Q Okay. Isn't something like that important to an expert such
6 as yourself, to identify in a report?

7 A It could be if they are -- if they're different APNs and not
8 related. I would say that's pertinent.

9 Q Okay. Why didn't you include that in your report then?

10 A I'm not sure as I sit here.

11 Q Okay. Did you prepare that portion of the report?

12 A I would have been involved. And again, I signed off on it. So
13 it's -- regardless, it's on me.

14 Q Yeah. But as you sit here today, you can't testify whether or
15 not you were the one that prepared this section of your report?

16 A I don't recall specifically. I was the primary drafter of the
17 report.

18 Q Okay. Can you open up -- it may be in volume 1, but it's
19 Exhibit 27. Yes. Exhibit 27.

20 A Okay. I'm there.

21 Q Okay. And this appears to be an assessor parcel number tree
22 search for parcel chain history from the Clark County Assessor's website,
23 correct?

24 A That's what it appears to be.

25 Q Okay. And if you look at the top of the -- oh, I guess the

1 middle of the top portion of the page, it says, "selected parcel 161-28-
2 401-015", correct?

3 A That's what it says.

4 Q Okay. And as you testified to earlier, 161-28-401-015 was in
5 fact the parcel that was sold to Eric Auctioneering from CJENL, LLC, on
6 February 3rd, 2010, correct?

7 A Correct.

8 Q Okay. Now, if you go about three quarters down on the page
9 it says, "two parent parcels." Do you see that?

10 A Correct.

11 Q Okay. And one of the parcels that it lists is 161 --

12 MR. KARACSONYI: I'm going to object that this is hearsay
13 and has not been -- he's asking her about documents that have not been
14 authenticated.

15 MR. LUSZECK: Okay. Well, let's --

16 THE COURT: Overruled. Did you rely on these? Are you
17 familiar with these documents? In your report, did you consider them or
18 do you know them?

19 THE WITNESS: I have not. No. Not that I can recall.

20 THE COURT: Okay.

21 MR. LUSZECK: Well, Your Honor, I'd move to admit this
22 document. This came from the Clark County Assessor's website. This
23 Court can take judicial notice of this as a matter of fact.

24 THE COURT: If it's part of the official record, I'll -- do you
25 challenge that it should be from the --

1 MR. KARACSONYI: It says, "This record is for assessment
2 use only. No liability assumed as to the accuracy of the data delineated
3 hereon." And quite frankly, it's not certified. And it conflicts with what's
4 actually in the deeds.

5 MR. LUSZECK: Well, Your Honor, it doesn't have to be a
6 certified copy. All judicial notices require is that you would be able to
7 go --

8 THE COURT: If it's an official record on that. But of course,
9 the official record says it doesn't guarantee the accuracy.

10 MR. KARACSONYI: And it's based on a "please enter a
11 parcel number." I mean, whoever enters the parcel number searches --
12 we don't know what the -- oh, I guess selected parcel.

13 MR. LUSZECK: Yeah.

14 THE COURT: Yeah.

15 MR. LUSZECK: Your Honor, all you have to do --

16 THE COURT: We'll note the --

17 MR. LUSZECK: -- is Google this and --

18 THE COURT: We'll note the objection. We'll admit it as an
19 official record.

20 MR. LUSZECK: All right.

21 THE COURT: But we do note that it says that the accuracy is
22 not guaranteed or any liability on that. But if it's part of the official --

23 MR. KARACSONYI: And I don't -- was this ever produced in
24 discovery?

25 MR. LUSZECK: It is a matter of public record. It's online.

1 MR. KARACSONYI: You can't use every public record in
2 court without producing it prior to in court. I mean, they complained
3 about this --

4 MR. LUSZECK: This is a matter of the record.

5 MR. KARACSONYI: -- is trial by ambush. These are the
6 things that they complained about, showing up in court with new
7 documents. You can't just say, oh, well, it's a public record, you could
8 have gone and found it anywhere and you had no right to know before
9 trial that they were going to use it.

10 MS. KARACSONYI: Your Honor, when we brought those --
11 the deeds -- the Wyoming deeds, they demanded certified copies, which
12 we had --

13 MR. LUSZECK: That's not true.

14 MS. KARACSONYI: -- and we ordered. You know, they were
15 trying to compare them page by page.

16 MR. KARACSONYI: They demanded to know when they
17 were produced.

18 THE COURT: I'm not going to admit it at this time. Let me
19 see. There's been so many things going back and forth. I don't know.
20 It's getting late. Let's move on. And we can get those in later if we need
21 to get on that. But I think the points are being made. So you can --

22 MR. LUSZECK: Okay.

23 THE COURT: -- you can address that.

24 MR. KARACSONYI: But will he concede that these were
25 never produced?

1 THE COURT: I don't know if he -- I think he said it's a public
2 record. So --

3 MR. KARACSONYI: Or point us to the Bates numbers.

4 MR. LUSZECK: I don't recall --

5 THE COURT: He said it's a public record.

6 MR. LUSZECK: -- my office producing them. But it's from
7 the Clark County Assessor's website.

8 MR. KARACSONYI: So every property document ever I can
9 go pull today and bring?

10 MR. LUSZECK: Well, if that's what you --

11 THE COURT: No, no, no. I said I wasn't going to admit it.

12 MR. LUSZECK: That is absolutely not true.

13 THE COURT: I didn't admit it. So --

14 MR. LUSZECK: I have not done that.

15 THE COURT: -- it wasn't admitted this time.

16 MR. KARACSONYI: Everything we've used was Bates
17 stamped prior to today.

18 MR. LUSZECK: Okay.

19 BY MR. LUSZECK:

20 Q All right. If you go three quarters of the way down it says,
21 "two parent parcels". Do you see that correct?

22 A I do.

23 Q Okay. And one of the parcels is 161-28-401-007. Do you see
24 that?

25 A I do.

1 Q And it lists the owner as CJENL, LLC?

2 A Yes.

3 Q And it indicates that that parcel of property is approximately
4 3.64 acres, correct?

5 A It does.

6 Q Okay. And then if you go to the parcel beneath that it says,
7 161-28-401-014, correct?

8 A Yes.

9 Q And the acreage listed on that is 6.25, correct?

10 A That is correct.

11 Q Okay. And if you add up 3.64 acres with 6.25 acres, you get
12 9.89 acres, correct?

13 A Correct.

14 Q Okay. And that is the acreage that's identified in parcel 161-
15 28-401-015, correct?

16 A Correct.

17 Q Okay. And once again, I just want to confirm that in your
18 report there was no type of analysis as to whether or not there was a
19 different acreage between parcel number 161-28-401-007 and 161-28-
20 401-015, correct?

21 A That is correct.

22 Q And based upon review of this, it appears that 161-28-401-
23 015 is almost three times the acreage as 161-28-401-007, correct?

24 A That's a good approximate. Yes.

25 Q Okay. And that was the only interest that the LSN Trust had

1 in, correct?

2 A That's correct.

3 Q Correct. There's nothing in these documentation -- in these
4 documents that show that Ms. Nelson ever had an interest -- and when I
5 say Ms. Nelson, I mean the LSN Trust -- ever had an interest in 161-28-
6 401-015, correct?

7 A That's fair. Yes.

8 Q Okay. Or in 161-28-401-014?

9 A Not that I can recall or that I've noted in my report.

10 MR. LUSZECK: Okay. Your Honor, this is probably a pretty
11 good place --

12 THE COURT: Break?

13 MR. LUSZECK: -- for me to stop today.

14 THE COURT: Are you okay with that?

15 THE WITNESS: Sure.

16 THE COURT: As far as -- you're coming back on the 19th,
17 right, our next date?

18 THE WITNESS: I can't say no.

19 THE CLERK: No. The 20th.

20 THE COURT: I mean April 20th.

21 THE CLERK: April 20th.

22 THE COURT: April 20th. We're in recess until April 20th. If
23 you want to store your stuff here, we can put it down there, we can put it
24 back here. Whatever you guys want to do so you don't have to charter
25 back and forth. Whatever you guys want to do. You can take it all. You

1 can leave it. We will pile it in different places back there so you don't
2 have to lug it back and forth, unless that's your desire. Whatever you
3 guys want to do.

4 MR. LUSZECK: And Your Honor, I guess we just want to put
5 on the record -- and I'm sure they won't --

6 THE COURT: We're still on.

7 MR. LUSZECK: -- that there just won't be communication
8 between Ms. Allen and Ms. Nelson or Ms. Nelson's counsel regarding
9 this as she's still on the stand.


10 THE COURT: Yeah. We don't want to taint any testimony.
11 Are you okay with that?

12 THE WITNESS: Yup. I understand.

13 THE COURT: I appreciate it. You've been through this
14 before, I'm sure. I appreciate your patience and stuff.

15 [Proceedings concluded at 4:17 p.m.]
16
17
18
19
20

21 ATTEST: I do hereby certify that I have truly and correctly transcribed the
22 audio-visual recording of the proceeding in the above entitled case to the
best of my ability.

23 

24 Maukele Transcribers, LLC
25 Jessica B. Cahill, Transcriber, CER/CET-708

FILED

NOV 01 2023

Adam L. Sullivan
CLERK OF COURT

COPY

TRANS

EIGHTH JUDICIAL DISTRICT COURT

FAMILY DIVISION

CLARK COUNTY, NEVADA

ERIC L. NELSON,
Plaintiff,

vs.

LYNITA NELSON,
Defendant.

CASE#: D-09-411537-D
DEPARTMENT O
SUPREME COURT NO. 87234

SEALED

BEFORE THE HONORABLE FRANK P. SULLIVAN
FAMILY COURT JUDGE
WEDNESDAY, APRIL 27, 2022

SEALED TRANSCRIPT RE: TRIAL

APPEARANCES

For the Plaintiff

JEFFREY P. LUSZECK, ESQ.
MICHAEL P. CARMAN, ESQ.
MICHELLE A. HAUSER, ESQ.

For the Defendant

JOSEF M. KARACSONYI, ESQ.
NATALIEW KARACSONYI, ESQ.

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

INDEX

WITNESSES FOR THE DEFENDANT

JENNIFER ALLEN

Continued Cross-Examination by Mr. Luszeck 7

Redirect Examination by Mr. Karacsonyi 77

Voir by Ms. Hauser 790

Continued Redirect Examination by Mr. Karacsonyi 82

Recross Examination by Mr. Luszeck 164

Recross Examination by Mr. Carman 171

Further Redirect Examination by Mr. Karacsonyi 174

Further Recross Examination by Mr. Carman179

Further Redirect Examination by Mr. Karacsonyi 180

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

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

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

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

Las Vegas, Nevada, Wednesday, April 27, 2022

[Case called at 9:39 a.m.]

THE COURT: Matter of Nelson v Nelson. This is our case D-09-411537. We have Ms. Lynita Nelson. Welcome. And Mr. Eric Nelson. It's good to see both of you again.

We're going to start our appearance for the record. We'll start with counsel and go down the list.

MS. KARACSONYI: Natalie Karacsonyi, bar number 10579.

THE COURT: Thank you.

MR. KARACSONYI: Josef Karacsonyi, 106344.

THE COURT: Thank you.

MR. LUSZECK: Jeff Luszeck, bar number 9619.

MS. HAUSER: Michelle Hauser, bar number 7738.

MR. CARMAN: Michael Carman, bar number 7639.

THE COURT: I think we're going to get Ms. Allen sworn in by now. She's basically been here almost as often as I have recently. So --

JENNIFER ALLEN, DEFENDANT'S WITNESS, SWORN

THE CLERK: Please state your name and spell it for the record.

THE WITNESS: Jennifer Allen, J-E-N-N-I-F-E-R. And Allen is A-L-L-E-N.

MR. KARACSONYI: Your Honor, real briefly.

THE COURT: Sure.

1 MR. KARACSONYI: After -- the day after the last hearing we
2 had set some new trial dates, and I had emailed saying that I had missed
3 on my calendar a personal commitment that interfered with our May
4 18th to 20th dates. And I was advised by your department to bring it up
5 at the start of today.

6 THE COURT: So the May 18th through 20th doesn't work for
7 you? Is that --

8 MR. KARACSONYI: Yeah. But the following week that we
9 have scheduled, May 23rd to 27 is still fine with my calendar.

10 MR. CARMAN: And, Your Honor, I just wanted to warn Your
11 Honor, I have an 11:30 hearing in front of Department Z. I've already
12 notified the department. They're going to let me know, hopefully, if
13 they're running behind or let your marshal know if they're running
14 behind. But I may need to just a break at 11:30 for that hearing.

15 THE COURT: Just let us know you need to --

16 MR. CARMAN: Okay.

17 THE COURT: -- take a break. We'll just take a break. Get
18 done. And then we'll -- when we finish up today or tomorrow, we'll
19 figure out those dates on that.

20 MR. CARMAN: It's the one time I'm hoping her calendar will
21 be a half an hour behind, so we can just naturally take our lunch break.

22 THE COURT: Okay. Yeah. But you know how that always
23 works out.

24 MS. HAUSER: And, Your Honor, probably everybody is
25 going to be upset that I'm going to indicate this, but we do have the jury

1 trial scheduled for the last week. And we've requested a continuance,
2 but I don't know --

3 THE COURT: It's the last week of May.

4 MS. HAUSER: Yeah, at the same time as this trial. I mean I
5 think we're all hopeful that it'll get continued. But I think we all
6 acknowledge it's kind of out of our hands too.

7 MR. KARACSONYI: We brought that up at the last hearing.
8 We've expedited a stipulated motion to move it. And we're working on
9 it.

10 MS. HAUSER: I just wanted to make sure --

11 MR. KARACSONYI: We advised the Court of that previously.

12 MS. HAUSER: Yeah.

13 THE COURT: Let me know whatever you guys need to do on
14 that. I'll make it available. I've been having to move things around. I
15 have no senior judge for today or tomorrow. So I had to move today's
16 calendar and heard it with Monday with a double calendar. And then
17 tomorrow, I don't know what we did with tomorrow. Just accommodate
18 you guys on that. So we'll make it happen. We'll get it done.

19 MR. KARACSONYI: Thank you, Your Honor.

20 MR. LUSZECK: Yeah. It is a practical matter. I don't have a
21 problem with the 18th through the 20th. And then I think by the end of
22 tomorrow we should probably have a pretty good idea as to where we're
23 going next and, you know, how much time we need and things of that
24 nature. So --

25 THE COURT: Yeah. We'll work on that.

1 I think we left off at the cross-exam. I believe -- I think, Mr.
2 Carman, I believe you're asking questions or was it Mr. Luszeck?

3 MR. CARMAN: Mr. Luszeck is.

4 THE COURT: Yeah. Mr. Luszeck. We started Mr. Carman.
5 He completed. Mr. Luszeck had started. I think we left off talking about
6 Exhibit six Ls I think it was, or seven Ls. 1, 2, 3, 4 -- six Ls. I think we're
7 talking about the Cow's Blue Marine Harbor, I believe, or something we
8 left off.

9 MR. LUSZECK: Yeah.

10 THE COURT: You probably know [indiscernible] than I am.

11 MR. LUSZECK: Thank you.

12 CROSS-EXAMINATION CONTINUED

13 BY MR. LUSZECK:

14 Q Before we get to Russell Road, Ms. Allen, what, if anything,
15 have you done, I guess, regarding this matter, if anything, since you last
16 testified?

17 A I've reviewed my report and file primarily yesterday in
18 preparation for today again.

19 Q Okay. So other than reviewing your report and your file
20 yesterday, you haven't done anything else to prepare for today's
21 deposition?

22 A Trial?

23 Q Oh, I'm sorry. Trial. You're right.

24 A No, I don't believe so. I mean the -- we had spring break.
25 Then it was supposed to be last week. And it got moved. I think I was

1 told it moved on Monday. So nothing last week. And so, yes, primarily
2 yesterday.

3 Q Okay. And when you say -- obviously, when you refer to
4 your report, I understand what you're talking about. When you say you
5 reviewed your file, what specifically did you review?

6 A The documents contained that I've received throughout this
7 analysis. So general ledgers, other documents that were part of my file.

8 Q Okay. You'll concede that your file is tens of thousands of
9 pages, correct?

10 A Yes.

11 Q Okay. So how did you determine which documents in your
12 file to review?

13 A I primarily read the report and then looked at the various
14 transactions that were discussed in the report, looked at our tracing, our
15 transaction registers, and then for specific transactions, looked at the
16 general ledgers for the LSN Trust and ELN Trust would primarily be the
17 documents I reviewed yesterday.

18 Q Okay. So the documents primarily you reviewed yesterday
19 were the general ledgers from ELN Trust and the LSN Trust; is that
20 correct?

21 A That's fair, yes.

22 Q Okay. What years particularly did you focus in on yesterday?

23 A There were general ledgers for the ELN and LSN that we had.
24 I believe the LSN is less periods, but primarily 2001 through 2008, at
25 least for the LSN. And then perhaps through 2011 for the ELN.

1 Q Okay. And the reason for you reviewing those was just for
2 your testimony here today?

3 A Yes.

4 Q Okay. Did your review of those general ledgers have
5 anything to do -- was your --

6 MR. LUSZECK: Strike that.

7 BY MR. LUSZECK:

8 Q Was your review of the general ledgers based, in part, about
9 -- based upon questions that you were asked a couple weeks ago when
10 you were previously testifying in this matter?

11 A In part. So some of the questions were refreshing my
12 recollection of things that I reviewed at the time I issued my report.

13 Q Have you had any type of communications with anybody
14 regarding this matter since you last testified?

15 A Outside of logistics, you know, clearing my schedule,
16 informing my office of that, what days I'm continuing to go, and then
17 confirming with Mr. Karacsonyi that last week was off, nor the
18 communication.

19 Q Okay. So, no -- with respect, you haven't had any
20 conversations with Ms. Nelson since you testified last?

21 A Just saying hello to her this morning.

22 Q Okay. And other than logistical conversations or
23 communications you may have had with Mr. Karacsonyi's office, nothing
24 of substance?

25 A That is correct.

1 Q Okay. And any communications other than logistics, any
2 communications with any other third party regarding your testimony
3 here today?

4 A No.

5 Q And when you said yesterday you spent time reviewing your
6 file and your report, approximate how many -- how long did you spend
7 reviewing those?

8 A Perhaps 3 to 4 hours.

9 Q All right. You're not a real estate broker, are you?

10 A I am not.

11 Q Last, when we ended a couple weeks ago, we were talking
12 about Russell Road. I guess before we get to Russell Road though, I
13 believe you testified that, in preparing your report, you reviewed Larry
14 Bertsch's reports, correct?

15 A I've reviewed them at some point during my engagement,
16 yes.

17 Q Okay. Do you find Mr. Bertsch's reports to be credible?

18 A I don't believe I rendered an opinion in any regard.

19 Q Did you rely upon Mr. Bertsch's report compiling your
20 report?

21 A Portions of, I believe, are referenced in our report, extract
22 from the Bertsch report.

23 Q Okay. And I presume if there were any portions of Mr.
24 Bertsch's report that you did not agree with, you would have indicated
25 that in your report to the extent that it affected your opinion regarding

1 any of the transactions at issue?

2 A I think confirming the Bertsch report was outside the scope.
3 So I didn't make a notation one way or the other.

4 Q Okay. Well, let me ask it this way. If Mr. Bertsch rendered an
5 opinion regarding some of the properties identified in your report, would
6 you review Mr. Bertsch's report, I guess, to get a general understanding
7 of that piece of property?

8 A I don't know how to -- I generally reviewed his reports. I
9 didn't make an opinion regarding his reports.

10 Q I understand that. But let's say in one of Mr. Bertsch's
11 reports he analyzed some facts with respect to Russell Road. Would you
12 review his analysis with respect to Russell Road?

13 A I did generally review the reports. I don't know if I broke
14 down the analysis that he did to confirm it.

15 Q But it was outside the scope of your retention to determine
16 whether or not his analysis was correct?

17 A That is correct.

18 Q Okay. Let's turn to -- actually, if you can go to seven Cs.

19 A That's 17, right?

20 Q Yeah. And I don't know what volume that says. So I --

21 A I think it's here.

22 Q Okay.

23 A Hold on.

24 Q And this is a notice of filing asset schedule and notes to asset
25 schedule?

1 A No.

2 Q No, it's not?

3 A You said how many -- I'm in six. Hold on.

4 Q Okay.

5 A Okay. I'm there now.

6 Q Okay. If you'll go to -- well, let's start here. This is a notice of
7 filing asset schedule and notice to asset schedule that was filed on July
8 6, 2001. Are we both on the same thing? Does that look right?

9 A Yes.

10 Q Okay. And this is an asset schedule that was prepared by Mr.
11 Bertsch's office it appears like. And it also includes some notes at the
12 end. And if you go to the notes -- unfortunately, these are Bates labeled.
13 But if you go to note 3, which is on page 4 of 15 --

14 A I see that.

15 Q Okay. And it says note 3 dash Russell Road property. It
16 says --

17 A I'm sorry. Hold on.

18 Q Okay.

19 A You're talking about the description not the schedule.

20 Q Correct.

21 A I'm there. Okay.

22 Q So you're there, note 3 Russell Road property and it says
23 history?

24 A Yes.

25 Q 'Property consisting of 3.3 acres at 5220 East Russell Road

1 was purchased on November 11, 1999, for \$855,945 by the Lynita Nelson
2 Trust.' Do you see that?

3 A Yes.

4 Q Okay. Did I read that correctly?

5 A Yes.

6 Q Okay.

7 A Not the full sentence but, yes.

8 Q So here, Mr. Bertsch is indicating that the property that was
9 acquired by the Lynita Nelson Trust on Russell Road was 3.3 acres,
10 correct?

11 A Correct.

12 Q Okay. And once again, during your testimony in this matter,
13 when you referred to Russell Road property, you never made it a point to
14 define what Russell Road property consisted of, correct?

15 A Outside of the address. I didn't list the acreage. That's
16 correct.

17 Q Correct, yeah. Okay. But you'll concede here at least Mr.
18 Bertsch has opined that the property that was obtained by the Lynita
19 Nelson Trust on November 11, 1999, was 3.3 acres, correct?

20 A That's what it says, yes.

21 Q Okay. And you haven't done any type of an independent
22 analysis to determine otherwise, correct?

23 A That is correct.

24 Q Okay. Let's switch over to six Ps.

25 A I'm sorry?

1 Q Six Ps.

2 A P.

3 Q Exhibit six Ps as in Paul. Yes. And if you go to Bates number

4 --

5 A Sorry. I'm not there yet.

6 Q Oh, I apologize.

7 A This binder is being difficult. Okay.

8 Q Okay. If you go to the second page in six Ps, it's Bates
9 numbered LSN007914.

10 A I see that.

11 Q Okay. And at the top left -- or sorry -- top right, it gives the
12 APN number of 161-28-401-007. Do you see that?

13 A Yes.

14 Q Okay. And then if you go midway down, it gives the legal
15 description of that APN. Do you see that?

16 A Yes.

17 Q And it says the west half of the southwest quarter -- of the
18 southeast quarter of the southwest quarter of section 28, township 21
19 South, range 62 East, Mount Diablo Meridian. Accepting therefrom, that
20 portion is conveyed to the state of Nevada by that certain grant deed
21 recorded May 21, 1984, in book number 1924, as document number
22 1883518 of official records. Did I read that correctly?

23 A Yes, without the parentheticals. Yes.

24 Q Yes, without the parentheticals. Thank you. And it's your
25 understanding that this is the legal description for the parcel of property

1 that was obtained by the Nelson Trust on or around September 25, 1999,
2 correct?

3 A That is the legal description referenced here with that APN
4 number. Correct.

5 Q Okay. And if you go to Bates number LSN007917.

6 A Okay.

7 Q And this is a grant bargain sale deed from the Nelson Trust
8 to CJENL LLC for APN number 161-28-401-007, dated June 7, 2001,
9 correct?

10 A That is correct.

11 Q Okay. And I want you just to look at the legal descriptions for
12 the grant bargain sale deed on LSN007917 and compare that with the
13 legal description of -- on the grant bargain sale deed, LSN007914. And
14 can you just confirm to me whether or not those legal descriptions are
15 the same?

16 A They are the same.

17 Q Okay. Thank you. Now if you'll turn to LSN007931. This is
18 the grant bargain sale deed from CJENL LLC to Eric Nelson
19 Auctioneering, dated February 2 -- or sorry. It was recorded February 3,
20 2010, correct?

21 A That is correct.

22 Q Okay. And this is for APN 161-28-401-015, correct?

23 A That is correct.

24 Q Okay. And I'm sure you'll concede that this APN is a different
25 APN than the APNs on Bates number ending in 7914 and 7917, correct?

1 A That's correct.

2 Q Okay. Now I want you to turn to page 7933. And this
3 appears to be the legal description for APN 161-28-401-015, correct?

4 A That is correct.

5 Q Okay. Now I want you to compare the legal description from
6 7933 to the legal description on 7917. And specifically, I want you to
7 look at parcel 1 on 7933. It contains a legal description. I want you to
8 compare that with the legal description on 7917.

9 A Parcel -- the description for parcel 1 matches the description
10 on 7917.

11 Q Okay. Wonderful. Thank you. And you'll concede on 7917, it
12 doesn't list a parcel 3, correct, or parcel 2?

13 A That is correct.

14 Q Okay. And on 7933, there is a parcel 2, correct?

15 A Yes.

16 Q So the interest -- or sorry. The grant bargain sale deed from
17 CJENL LLC to Eric Nelson Auctioneering, on February 3, 2010, not only
18 included a parcel 1, but it also included a parcel 2, correct?

19 A Correct.

20 Q And then if you go under parcel 2 on 7933, I don't know,
21 maybe that's all the same parcel. But there is -- after -- under parcel 2,
22 there's a -- kind of a legal description of that, correct?

23 A Yes.

24 Q That starts with the south half and the ends with the
25 southwest quarter, correct?

1 A The first paragraph, yes.

2 Q Yeah, the paragraph under parcel 2. Then it says and, and
3 then it appears that it's describing potentially another parcel or another
4 piece of property?

5 A That is what it appears, yes.

6 Q Okay. And then under that, it also appears that it's
7 describing other -- either parcel or another piece of property, correct?

8 A Correct. There's a subsequent conjunction.

9 Q Yes. And you -- and once again, parcel 2 that's on 7933 is not
10 contained on -- as a parcel on LSN7917?

11 A That's correct.

12 Q Okay. And that -- 7917 is what the Nelson Trust, dated July
13 13, '93 -- the Nelson Trust conveyed to CGENL LLC on June 7, 2001,
14 correct?

15 A Can you repeat your question?

16 Q Yes. I just wanted to confirm that the parcel 2 that was
17 obtained by Eric Nelson Auctioneering --

18 MR. CARMAN: Sorry, Your Honor.

19 BY MR. LUSZECK:

20 Q -- on February 3, 2010 --

21 A '10.

22 Q Yes. That there wasn't a parcel 2 that was conveyed by the
23 Nelson Trust to CJENL years prior.

24 A Can you clarify Nelson Trust? Because I believe there's
25 multiple. There's a Nelson Trust that relates to --

1 Q Lynita's separate property trust.

2 A Okay.

3 Q Okay. I think the proper name of it is Nelson Trust. But
4 when I refer to that, I really am referring to Lynita's separate property
5 trust.

6 A I just know there's a Nelson Nevada Trust that's with his
7 brother.

8 Q Oh, okay.

9 A So I just want to clarify.

10 Q Well, let me just clarify. So if you go to LSN007917.

11 A Yes, okay.

12 Q It says Lynita Sue Nelson, trustee of the Nelson Trust, dated
13 July 13, 1993.

14 A Yes.

15 Q Is it your understanding that that trust is Lynita's separate
16 property trust?

17 A Yes, but I refer to it as Lynita SPT. Yes.

18 Q Okay. Lynita SPT. Great. And the only interest that Lynita's
19 SPT had with respect to APN 161-28-401-007 was one parcel of property,
20 correct?

21 A Correct.

22 Q Okay. And the interest that CJENL LLC conveyed to Eric
23 Nelson Auctioneering, on February 3, 2010, included multiple parcels of
24 property, correct?

25 A Correct.

1 Q Okay. Including parcel 1, which was the parcel of property
2 that Lynita's SPT conveyed to CJENL LLC years prior, correct?

3 A That's correct.

4 Q And an additional parcel of property, correct?

5 A Correct.

6 Q Okay. And if you turn to Bates number 7943. Actually, we'll
7 go to 794 -- well, actually, no. We'll turn 7943. Are you there?

8 A I'm getting there. Sorry.

9 Q Okay.

10 A Go ahead.

11 Q It indicates -- this document indicates that it's for parcel
12 number 161-28-401-015, correct?

13 A Correct.

14 Q Okay. And this was the same parcel of property that Eric
15 Nelson Auctioneering obtained CJENL LLC, correct?

16 A It's the same APN. Yes.

17 Q Okay. And then if you go down to the bottom of the page, it
18 says estimated lot size and appraisal information. Do you see that?

19 A Yes.

20 Q Okay. And it says estimated size 9.9 acres, correct?

21 A Correct.

22 Q Okay. So tying this kind of topic up, we started today with
23 Bertsch's report, which indicated that Lynita's SPT obtained a 3.3 acre
24 parcel of property, what has been kind of referred to as Russell Road,
25 correct?

1 A Correct.

2 Q And we're ending here with this document that indicates that
3 the estimated size of the interest in Russell Road that was obtained by
4 the ELN Trust was approximately 9.9 acres, correct?

5 A Fifty percent with --

6 Q I'm sorry.

7 A -- Eric Nelson Auction.

8 Q Eric Nelson Auctioneering.

9 A Correct.

10 Q Okay. Was approximately 9.9 acres, correct?

11 A Yes.

12 Q Okay. And you'll agree with me that 9.9 acres is substantially
13 greater than 3.3?

14 A It's about three times substantial, subjective.

15 Q That was my next question. Thank you.

16 A Okay.

17 Q All right. All right. Wyoming Horse Racing Inc., I believe that
18 you previously testified and made a point that the ELN Trust transferred
19 approximately 200 acres -- or 200 acres to the LSN Trust in or around
20 November 2004, correct?

21 A Correct.

22 Q And you didn't do any type of value analysis as to what the
23 value of the 200 acres were, correct?

24 A I would not determine value, but I don't believe I'd seen
25 indications of value at that time.

1 Q Okay. And then I believe you also testified that in or around
2 August 2006, the LSN Trust conveyed 11.2 acres to Wyoming Downs
3 LLC, correct?

4 A Incorrect. I believe it's to Wyoming Racing. I have to refer to
5 my report specifically.

6 Q Okay. Yeah. Why don't you go ahead and turn to your
7 report?

8 A Can you -- it's L or J, K.

9 Q Oh. That is a good question. Six Gs.

10 A Oh. I think I got lucky. Okay. I'm there.

11 Q And it's page 28. And you are right. Okay. So you testified
12 that, in August 2006, the LSN Trust conveyed 11.502 acres to Wyoming
13 Racing LLC.

14 A That is correct.

15 Q Okay. And Wyoming Racing LLC was owned by the ELN
16 Trust, correct?

17 A I don't believe that to be correct, no.

18 Q Okay. Who do you believe Wyoming Racing LLC was owned
19 by?

20 A My best recollection is a third party related to the sale of
21 this -- in regards to this transaction. That's my recollection.

22 Q Oh, okay. Okay. Irrespective though -- I guess to be clear,
23 the -- although the ELN Trust transferred approximately 200 acres to the
24 LSN Trust in or around November 2004, which included 11.502 acres --
25 strike that. Okay. So starting from the beginning. So in November 2004,

1 the ELN Trust transfers 200 acres of property to the LSN Trust, correct?

2 A That is my understanding, yes.

3 Q Okay. And you have no idea what the value of those 200
4 acres were, correct?

5 A That is correct.

6 Q Okay.

7 A Was my testimony.

8 Q You didn't see any evidence though that the LSN Trust
9 actually paid any type of compensation to the ELN Trust for those 200
10 acres?

11 A I did not, no.

12 Q Okay. And then two years later, the LSN Trust conveyed
13 11.502 acres to this new -- to the entity entitled Wyoming Racing LLC,
14 correct?

15 A Correct.

16 Q Okay. And that 11.502 acres came from the 200 acres that
17 the ELN Trust had given to the LSN Trust two years prior, correct?

18 A That is my understanding, my best recollection.

19 Q Okay. And I guess notwithstanding that, despite the fact that
20 this 11.502 acres came from the 200 acres that was transferred from the
21 ELN Trust to the LSN Trust for no financial consideration, you believed
22 that that was an important fact that needed to be pointed out to the
23 Court?

24 A I didn't state that by itself. I mean it's contained with the
25 other transaction that you've been describing, from the ELN to the LSN.

1 I think both of those are pertinent.

2 Q Wouldn't you agree though it seemed like your testimony,
3 your report focused more on the fact that the LSN Trust conveyed 11.502
4 acres to Wyoming Racing LLC as opposed to the ELN Trust conveying
5 200 acres to the LSN Trust two years prior?

6 A I would disagree with that. The final sentence there for this
7 section includes both of those.

8 Q Okay. All right. A couple weeks ago, you also testified
9 regarding High Country Inn. Do you recall that?

10 A I recall discussing High Country Inn.

11 Q Okay. And I believe you testified that Lynita's SPT purchased
12 High Country Inn for a currently unknown amount.

13 A I don't know if we testified to that or -- but that is what's
14 contained in my report.

15 Q Okay. Isn't it true that you have no evidence though that
16 Lynita's SPT paid any financial consideration for High Country Inn?

17 A I believe if I would have seen documentation that showed the
18 price and the amount, I would have indicated. So I think it's reasonable
19 to say I don't -- out of all of those documents, didn't see a document that
20 indicated such. That -- your question is correct.

21 Q Okay. You haven't cited -- there's -- you have no evidence
22 that Lynita's SPT actually paid any financial consideration for High
23 Country Inn?

24 A I think that's fair, yes.

25 Q Okay. I believe you also testified that there was certain

1 payments that were received by the LSN NV Trust DBA Professional
2 Plaza Wells Fargo account, on or about January 30, 2002; is that correct?

3 A That is correct.

4 Q Okay. And I believe you also testified that those payments
5 that were received were based upon the LSN Trust general ledger; is that
6 correct?

7 A That is correct.

8 Q Okay. And did you -- the general ledgers that you reviewed,
9 was that one -- yesterday, was that one of them that you reviewed?

10 A The LSN Trust for that time period, yes --

11 Q Okay.

12 A -- that was.

13 Q Okay. And was the reason why you reviewed that just based
14 upon the fact that you figured you'd be asked questions about High
15 Country Inn today?

16 A No. I don't even think I specifically reviewed these payments
17 that are already outlined in the report.

18 Q Okay.

19 A I just reviewed the LSN Trust general ledger for that time
20 period.

21 Q Okay. You're not taking the position that the LSN Trust
22 general ledgers are accurate, are you?

23 A I don't -- I didn't -- I don't have an opinion. I don't have the
24 documents to confirm during that time period that they are accurate or
25 not accurate. So I have no opinion. That was outside my scope.

1 Q Okay. And in fact, one of the reasons why you can't confirm
2 whether the LSN Trust general ledgers are accurate is because you don't
3 have account statements for a lot of those years, correct?

4 A That is correct.

5 Q Okay. I believe you also testified that, on January 18, 2007,
6 the LSN Trust transferred the High Country Inn to the ELN Trust for no
7 consideration; is that correct?

8 A Again, I don't remember if that was in the testimony. It was
9 in my report. So it's reasonable that we talked about it.

10 Q Okay. And is that, in fact, your position?

11 A Yes.

12 Q Okay. So it's your position that the LSN Trust transferred the
13 High Country Inn to the ELN Trust for no financial consideration?

14 A Yes.

15 Q Okay. If you'll go to Exhibit six Js.

16 A Okay. That one is here. So --

17 Q Okay. And go to Bates number ending in 16993.

18 A 16993. Okay. I'm there.

19 Q Okay. And this is a warranty deed from the LSN Trust to the
20 ELN Trust, dated January 18, 2007, correct?

21 A That is correct.

22 Q Okay. And this is warranty deed for the High Country Inn,
23 correct?

24 A That is correct.

25 Q Okay. And the first paragraph says Lynita S. Nelson, as

1 trustee of the LSN Trust, under agreement dated May 30, 2001, grantor
2 of Clark County, state of Nevada, for and in consideration of \$10 and
3 other good and valuable consideration, in hand paid receipt whereof is
4 hereby acknowledged, convey and warrant to Eric L. Nelson, as trustee
5 of the Eric L. Nelson Nevada Trust, under agreement dated May 30, 2001,
6 grantee. And then it goes down to give the legal description. Did I read
7 those first two paragraphs right?

8 A Yes.

9 Q Okay. So the deed, in fact, does state that there was good
10 and valuable consideration made for this transferred property, correct?

11 A Correct, but it does not quantify.

12 Q Correct. All right. I also believe that you testified that, on
13 January 19, 2007, that the High Country Inn sold for 1 point -- or
14 \$1,247,000, correct?

15 A No. I think the number you said was a little off there.

16 Q Okay. How is it off?

17 A Correct me if I'm wrong. I heard 1,247,000.

18 Q Oh, I -- sorry. I thought I said 240. I apologize if I said --

19 A Yeah.

20 Q -- 200 --

21 A That's what I was saying.

22 Q Okay. So \$1,240,000.

23 A Correct.

24 Q Okay. And I believe you testified that it's your position that
25 that 1.24 million was deposited into the account ending in 2978, correct?

1 A That is correct. It was part of a larger deposit, but yes, that is
2 the correct account number.

3 Q Okay. And how do you know that that was actually
4 deposited into -- or sorry -- that that deposit into the account ending in
5 2978 was actually the proceeds from High Country Inn? Oh, sorry. 2798.
6 I think I've been 297.

7 MS. HAUSER: Sorry.

8 MR. LUSZECK: Okay.

9 THE WITNESS: Is there a correction to your question?

10 BY MR. LUSZECK:

11 Q Oh, yeah. How do you know that money was deposited into
12 the account ending in 2798?

13 A Based upon my review of either the banking records, the
14 general ledgers, or other documents contained in our file.

15 Q Okay. Well, if you look at your report on page 23.

16 A I'm there.

17 Q Well, I guess how do you know it even sold for 1.24 million?

18 A There's a Bates stamp reference here. We could look at that
19 document.

20 Q Okay. And the Bates stamp number document you're
21 referring to is LSN0062455?

22 A Yes.

23 Q Is that correct?

24 A Yes.

25 Q Okay.

1 MR. LUSZECK: I don't know what exhibit is next in line for
2 the ELN Trust, Madam Clerk. Can you let me know?

3 THE CLERK: 64.

4 MR. LUSZECK: 64. Okay. Your Honor, may I approach?

5 THE COURT: Sure.

6 THE WITNESS: Thank you.

7 MR. LUSZECK: Sorry. I don't think I made enough copies,
8 Your Honor. I apologize.

9 THE COURT: Okay.

10 BY MR. LUSZECK:

11 Q Okay. I've just been -- I just handed to you what's been
12 marked as Proposed Exhibit 64. And if you look at the bottom righthand
13 column or the bottom righthand of the document, it says LSN006245,
14 correct?

15 A Correct.

16 Q Okay. And this appears to have the same Bates number as
17 indicated in footnote 50, correct?

18 A It does.

19 Q Okay. Is this the document that you relied upon?

20 A It --

21 MR. KARACSONYI: I have a different 64?

22 MR. LUSZECK: You do?

23 MR. KARACSONYI: Yeah.

24 THE WITNESS: I was going to say it's not -- it can wait.

25 /////

1 BY MR. LUSZECK:

2 Q Okay. Well, you'll agree the document that I've just handed
3 you is entitled installment sales schedule of receipts, correct?

4 A Correct.

5 Q And it has a Bates number LSN006245, correct?

6 A Correct.

7 Q Okay. And nowhere in this document does it indicate the
8 High Country Inn sold for 1.24 million, correct?

9 A I would agree with that.

10 Q Okay. All right.

11 MR. LUSZECK: Your Honor, I move to admit Exhibit --
12 Proposed Exhibit 64.

13 THE COURT: Any objections?

14 MR. KARACSONYI: Yeah. The only objection is that we have
15 a different LSN6245 that corresponds --

16 MS. HAUSER: Well, that's got to be --

17 MR. KARACSONYI: It's stamped LSN6245 and corresponds --
18 I mean I'll make an offer of proof. Corresponds with what the witness
19 wrote in her report. So I'm not sure --

20 MR. LUSZECK: And they can definitely deal with that in
21 redirect, Your Honor. But I think for purposes of cross, I think that's an
22 inappropriate objection.

23 THE COURT: The Defendant -- do you recognize this
24 document?

25 THE WITNESS: Not --

1 MR. KARACSONYI: We want to make sure that it's the
2 right --

3 THE WITNESS: Not specifically, no.

4 MR. KARACSONYI: -- R6245.

5 BY MR. LUSZECK:

6 Q Well, do you -- as you sit here today, do you have any
7 independent recollection as to what Bates Number LSN006425 is?

8 A No, I don't have them committed to memory.

9 MR. KARACSONYI: Well, she hasn't authenticated that this is
10 it. I mean is this the document that she relied on?

11 THE WITNESS: No. This is --

12 MR. LUSZECK: No. She's just saying. She doesn't know
13 what she read. She's unable to verify what she did.

14 MS. HAUSER: And this is all subject to redirect, Your Honor.
15 I mean --

16 THE COURT: Why don't we just admit Exhibit 64? We're not
17 going to say it's LSN6245, because there seems to be a discrepancy.
18 When they do redirect, they can check up 62445 and clarify it. But we
19 know that Proposed Exhibit 64 will be admitted. We know the concerns
20 raised on that. That is not the LSN6245 by Plaintiff's, things on that.
21 We'll figure that out on redirect, see what's going on and see if we can --

22 MR. KARACSONYI: I just want to make sure, Your Honor. I
23 mean this was presented to us as LSN006245. To the extent there may
24 be two independent documents with the same Bates stamp number, it
25 still was represented to be that Bates stamp number.