

IN THE SUPREME COURT OF THE STATE OF NEVADA

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

Appellants,

v.

ALBERT THOMAS, *et al.*,

Respondents.

Case No. 87243

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Clerk of Supreme Court

**APPENDIX TO REPLY IN SUPPORT OF APPELLANTS'  
EMERGENCY MOTION UNDER NRAP 27(e) TO STAY  
ORDERS AND FOR ADMINISTRATIVE STAY**

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AM-GSR Holdings, LLC*

**INDEX TO APPENDIX**

<b>Exhibit #</b>	<b>Description</b>	<b>Date</b>	<b>Bates No.</b>
F	Transcript of Proceedings – Order to Show Cause	06/08/23	APPX0168-179

DATED this 16th day of October 2023.

PISANELLI BICE PLLC

By: /s/ Jordan T. Smith

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## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I am an employee of Pisanelli Bice PLLC, and that on this 16th day of October 2023, I caused to be served through the Court's CM/ECF website true and correct copies of the above and foregoing **APPENDIX TO REPLY IN SUPPORT OF APPELLANTS' EMERGENCY MOTION UNDER NRAP 27(e) TO STAY ORDERS AND FOR ADMINISTRATIVE STAY** to all parties registered for service, as follows:

/s/ Shannon Dinkel  
An employee of Pisanelli Bice PLLC

# **EXHIBIT F**

1 4185

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4 IN THE SECOND JUDICIAL DISTRICT COURT  
5 STATE OF NEVADA, COUNTY OF WASHOE  
6 THE HONORABLE ELIZABETH GONZALEZ, OUTSIDE JUDGE

7 ALBERT THOMAS, et al.

8 Plaintiffs, Case CV12-02222  
9 vs.

10 MEI-GSR HOLDINGS, et al.,

11 Defendants.

12 \_\_\_\_\_/

13 Pages 1 to 292, inclusive.

14 TRANSCRIPT OF PROCEEDINGS  
15 ORDER TO SHOW CAUSE  
16 Thursday, June 8, 2023

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1 A P P E A R A N C E S:

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## 1 I N D E X

## 2 Examination of Witness Brady:

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## 7 E X H I B I T S

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1 THE COURT: Okay. So, you thought that you  
2 could use it for any purpose, regardless of the  
3 order appointing the receiver and what it says?

4 THE WITNESS: I thought? No. Everything  
5 that I do I go through legal counsel.

6 THE COURT: Okay. Thank you. That's all  
7 right. We're not on video, so that didn't do it,  
8 but I understand what you just said.

9 BY MR. McELHINNEY:

10 Q. Mr. Brady, the court asked you, So you just  
11 think you can use that reserve account for anything  
12 you want. What do you use the reserve account for?

13 A. We don't use it for anything. We use it to  
14 pay bills. The majority of the reserves that were  
15 taken out were for the Summit remodel.

16 Q. So, the Summit remodel, that includes some  
17 of the floors of the plaintiff-owned units, correct?

18 A. The majority of the floors, yes.

19 Q. So, the renovation you're doing is actually  
20 to the plaintiffs' units and some Non-plaintiff and  
21 defendant units as well, correct?

22 A. Correct.

23 Q. That was instructed in the independent  
24 third-party reserve study, correct?



1 A. Correct.

2 Q. Is that independent, third-party reserve  
3 study sent to the union others?

4 A. Yes.

5 Q. Did you ever get an objection from anybody  
6 about the special assessments that were laid out in  
7 that special -- in that independent, third-party  
8 reserve report?

9 A. Not from the unit owners themselves. From  
10 Plaintiffs, I think they filed an order, and we  
11 actually had one or two unit owners pay the special  
12 assessment, which we had to -- the order that  
13 reversed the special assessment, we had to pay back  
14 within 20 days, I believe, and we did that.

15 Q. We'll talk about those special assessments  
16 and unwinding them in a moment.

17 So, I just want to understand better. The  
18 money you pull out of the reserves, that isn't  
19 distributed to ownership in any fashion, is it?

20 A. No. It's to directly pay the bills,  
21 invoices.

22 Q. So, these are actual invoices that are  
23 being used for the renovation of the Summit Tower  
24 including the plaintiffs' units?

1           A. Correct. So, for example, the furniture,  
2 fixtures, and equipment for Floors 17 through 22,  
3 which is strictly all the condo units, it is roughly  
4 \$15 million for all of the F, F and E.

5           We had to put a 50 percent deposit down on  
6 that, which came to about 7.2 million straight  
7 invoice that we had to wire to the company. And we  
8 used the reserves for that since it was strictly for  
9 the condo units.

10          **Q. Are these repairs as described in the F, F**  
11 **and E in the Seventh Amended CC&Rs?**

12          A. Absolutely.

13          **Q. Is this a markup? When you pull the money**  
14 **out of the reserves, do you make an administrative**  
15 **markup for the benefit of GSR?**

16          A. No. We have invoices -- actual invoices  
17 that we use that we actually paid and then get  
18 refunded. And based on if it's an F, F, E or SFU or  
19 hotel common elements, we will only take a certain  
20 percentage and based on the floors too. So, it's  
21 only strictly to the condo units themselves, F, F  
22 and E, the shared facility and the hotel.

23                 And it's either -- since we're doing this  
24 remodel, which is over \$24 million just for the

1 Summit rooms alone, that doesn't include the  
2 corridors or anything like that. We are using  
3 actual invoices for that. We use actual invoices  
4 for everything.

5 Q. Okay. Do you have any idea -- I don't want  
6 you to wild-guess -- buy how much money has MEI-GSR  
7 spent on the GSR since they acquired ownership?

8 THE COURT: The entire property?

9 MR. McELHINNEY: Correct.

10 THE WITNESS: Over -- since 2012 we have  
11 spent over \$500 million.

12 BY MR. McELHINNEY:

13 Q. And --

14 A. -- in capital improvements. That's not  
15 wear and tear or replacements or anything like that.

16 Q. Okay. And that includes improvements to  
17 the pool?

18 A. To the pool, yes.

19 Q. The pool that the unit owners get to use.

20 A. Correct.

21 Q. In regards to which the plaintiffs get half  
22 of that DRF that is related to their right to use  
23 the pool, correct?

24 A. Correct.

1           **Q.   How about the lobby area?**

2           A.   Totally remodeled the lobby area.   Totally  
3 remodeled the porte cochere.   The entrance, we  
4 remodeled all the way down.   We are currently  
5 remodeling the elevators.   That alone is \$2.4  
6 million to renovate just one part of the elevators.

7           We have three different banks.   It's called  
8 a modernization of elevators.   They're old.   The  
9 property is from 1975 so it's -- there's a lot of  
10 upkeep for this property.

11           **Q.   Is this part of keeping up with the AAA**  
12 **four-diamond rating?**

13           A.   Yes.

14           **Q.   Are these shared unit facilities easements?**

15           A.   Yes.   The porte cochere, the front lobby,  
16 the easements in and out, the elevators, any -- the  
17 walkways to the pool, walkways to the fitness center  
18 and then the back of house too to the warehouse, to  
19 the laundry.

20           **Q.   Okay.   I'm going to pull us back to the**  
21 **issue that I had been addressing a moment ago, which**  
22 **was receivers being ordered to order and oversee**  
23 **reserve studies.   He has an exclusive right to do**  
24 **that.**

1 A. Yes.

2 Q. Has the receiver carried out that function?

3 A. No.

4 Q. And what did you do -- did you ask him  
5 whether or not he would perform that function?

6 A. Just to be clear, he's to oversee the  
7 reserve study. It's an independent party that has  
8 to do the reserve study. They have to be licensed.  
9 It's a requirement.

10 And in the CC&Rs it says "independent" so  
11 he's only overseeing the reserve studies just like,  
12 you know, we are -- we would still have to help out  
13 because they would ask for certain stuff.

14 He's not calculating the reserves. It's  
15 not up to him. It's to the independent party. So  
16 just to clarify that, but, no, he has not.

17 Q. That's a good point to follow up on to make  
18 sure I understand it.

19 So, the independent reserve study sets out  
20 the capital expenditures anticipated for 30 years  
21 out, correct?

22 A. Yes.

23 Q. And then he makes a recommendation as to  
24 the balance that should be in those reserve

1 accounts.

2 A. Yes. By year.

3 Q. You don't decide that. The independent  
4 third party does.

5 A. Correct. And it gets updated every year.

6 Q. There were meetings with Mrs. Betterley and  
7 Stefanie Sharp and the receiver.

8 Were you present for those meetings?

9 A. I was not.

10 Q. Okay. But to date has the receiver carried  
11 out that duty to order and oversee a new reserve  
12 study?

13 A. No.

14 Q. What did you do when he refused to do it?

15 A. Per the CC&Rs I have to get out a budget,  
16 so we -- after I talked with Legal and we determined  
17 that we should move ahead with our reserve study,  
18 because per the CC&Rs I have to get something out.

19 Also, for our books that I get audited  
20 every year, I need to have my books straight, so in  
21 order for that to happen the reserve study had to be  
22 done.

23 Q. So, the reserve study is mandated under the  
24 Seventh Amended CC&Rs, correct?

1 A. Correct.

2 Q. And it's a matter of business necessity, it  
3 has to be done.

4 A. Yes.

5 Q. I may have asked you this. When you meet  
6 with Betterley, do you tell her what category of  
7 expenses are to be included in her reserve study?

8 MR. MILLER: Asked and answered?

9 THE COURT: Sustained.

10 THE WITNESS: No.

11 BY MR. McELHINNEY:

12 Q. There was a September 21 withdrawal of  
13 \$3,562,441.28. Is that correct?

14 A. Yes. What date?

15 Q. September 2021. Does that sound right?

16 A. Yes.

17 Q. Okay. And what was that for?

18 A. That was for -- the majority of that,  
19 again, was for the Summit remodel.

20 Q. Okay. So, that, again, are the units owned  
21 by the plaintiffs, defendants and non-plaintiffs,  
22 correct?

23 A. Correct. And for the corridors.

24 Q. Do you have any estimate of how many

1 STATE OF NEVADA )

2 ) ss.

3 COUNTY OF WASHOE )

4

5 I, TINA M. DALPINO, a Certified Court Reporter  
6 in and for the states of Nevada and California, do  
7 hereby certify:

8 That I was personally present for the purpose  
9 of acting as Certified Court Reporter in the matter  
10 entitled herein;

11 That said transcript which appears hereinbefore  
12 was taken in verbatim stenotype notes by me and  
13 thereafter transcribed into typewriting as herein  
14 appears to the best of my knowledge, skill, and  
15 ability and is a true record thereof.

16

17 DATED: At Reno, Nevada, this 30th day of June 2023.

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19 \_\_\_/S/ Tina M. DalPino

20 Tina M. DalPino, CCR #641

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